

University of Cincinnati

Office of Management and Budget
Circular A-133 Reports for the
Year Ended June 30, 2011



Dave Yost • Auditor of State

Board of Trustees
University of Cincinnati
51 Goodman Drive, Suite 530
Cincinnati, Ohio 45221

We have reviewed the *Independent Auditors' Report* of the University of Cincinnati, Hamilton County, prepared by Deloitte & Touche 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 University of Cincinnati is responsible for compliance with these laws and regulations.

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Dave Yost
Auditor of State

December 29, 2011

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UNIVERSITY OF CINCINNATI

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
the University of Cincinnati:

We have audited the accompanying statements of net assets of the University of Cincinnati (the "University"), a component unit of the State of Ohio, as of June 30, 2011 and 2010 and the related statements of revenues, expenses and changes in net assets and of cash flows for the years then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of the University of Cincinnati Foundation or the UC Physicians, Inc., discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the University of Cincinnati Foundation and the University of Cincinnati Physicians, Inc. is based solely on the reports of such other auditors.

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

In our opinion, based on our audits and the reports of the other auditors, such financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2011 and 2010, and the results of its operations and its cash flows (where applicable) for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, the financial statements include investments valued at \$299 million (15% of net assets) and \$266 million (16% of net assets) as of June 30, 2011 and 2010, respectively, whose fair values have been estimated by management in the absence of readily determinable fair values.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the University. The accompanying schedule of expenditures of federal awards is presented for the purpose 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*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Management's Discussion and Analysis on pages 3-14 is not a required part of the basic financial statements but is supplementary information required by Governmental Accounting Standards Board. The supplementary information is the responsibility of the University's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Deloitte & Touche LLP

October 13, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The following discussion and analysis provides an overview of the financial position and activities of the University of Cincinnati (the "University") for the year ended June 30, 2011, with comparative information for the years ended June 30, 2010 and 2009. Comments relate to the University and University Heights Community Urban Redevelopment Corporation (UHCURC). Due to changes in the structure of UHCURC's Board of Trustees, this legally separate not-for-profit organization is being reported as a blended component unit beginning in 2011 (see Note 17 for further information). Comments do not pertain to the University's two (2) discretely presented component units; the University of Cincinnati Foundation and UC Physicians, Inc. (UCP). Their financial results are presented in a columnar format with further information found in the notes to the financial statements. This overview has been prepared by management and should be read in conjunction with the financial statements and the notes that follow this section.

The University was founded in 1819 and was city owned until becoming a state university on July 1, 1977. The University is composed of 14 colleges including the Graduate School. The colleges include the two (2) branch campuses: UC Clermont and UC Blue Ash (formerly known as Raymond Walters). The University has been designated by the Ohio Board of Regents as one of only two comprehensive graduate public universities in the state. Enrollment for autumn quarter 2010 totaled 41,357 students, an increase of 1,690 students from 39,667 students in autumn quarter 2009. The University employs approximately 2,700 full-time faculty and 3,100 part-time faculty. In total, including student employees, there are more than 16,000 people employed by the University, making it one of the largest employers in the Cincinnati region with an economic impact of more than \$3 billion.

The University and its Board of Trustees are declared by statute to be a public body performing essential governmental functions serving public purposes and an instrumentality of the State of Ohio. The University's powers are vested in and are exercised by its Board of Trustees, consisting of nine members appointed by the Governor of Ohio for overlapping terms of nine years. The Board also includes two non-voting student trustees.

FINANCIAL HIGHLIGHTS

Total University net assets (equity) increased by \$249 million, to \$1.93 billion at June 30, 2011, primarily due to endowment investment gains, an increase in the University's equity interest in UC Health, and increases in revenues coupled with cost containment. Unrestricted net assets increased by \$60 million from a deficit of \$6 million to a positive \$54 million. Restricted net assets increased by \$189 million to \$1.51 billion.

Cash, cash equivalents, and investments (current and noncurrent), excluding endowment investments and other long-term investments, were \$427 million, \$292 million, and \$240 million in 2011, 2010, and 2009, respectively; reflecting an increase of \$135 million in 2011 and an increase of \$52 million in 2010; evidence of a continued positive trend in liquidity. Of those funds, cash available for operations increased from \$240 million in 2010 to \$298 million in 2011, an increase of \$58 million.

The University maintained its long-term bond rating of A1 (Positive Outlook up from Stable in 2010) with Moody's and A+ (Stable Outlook) with Standard & Poor's.

Demand for a University of Cincinnati education remains strong as evidenced by enrollment growth of 1,690 students to 41,357 in autumn 2010; an increase of 4%. Of the first-year students enrolled in autumn 2009, 85% returned to the University in autumn 2010. The six-year graduation rate was 58% in 2011. The University's student centered approach resulted in student tuition and fees (net of scholarship allowances and bad debt expense) increasing by \$36 million to \$340 million during fiscal year 2011.

Operating revenues continue to increase. In 2011, 2010, and 2009, operating revenues totaled \$710 million, \$665 million, and \$616 million, respectively; reflecting an increase of \$45 million in 2011 and an increase of \$49 million in 2010.

Operating expenses were contained to a proportionately smaller increase than the increase of 4% in student enrollment. Operating expenses increased from \$969 million in 2010 to \$999 million in 2011, an increase of \$30 million; a 3% increase.

Nonoperating revenues (expenses) continue to increase also. In 2011, 2010, and 2009, nonoperating revenues (expenses) totaled \$510 million, \$332 million and deficit of \$2 million, respectively; reflecting an increase of \$178 million in 2011 and an increase of \$334 million in 2010.

USING THE FINANCIAL STATEMENTS

The University's financial report includes three financial statements and related notes:

- The Statement of Net Assets
- The Statement of Revenues, Expenses and Changes in Net Assets
- The Statements of Cash Flows

These financial statements are prepared in accordance with accounting and financial reporting standards issued by the Governmental Accounting Standards Board. These standards apply to external financial reporting by state and local governments, including public universities. The standards require that financial statements focus on the University as a whole, with resources classified for accounting and reporting purposes into four net asset categories.

This discussion and analysis does not include a specific narrative on the Statements of Cash Flows. Major sources and uses of cash by the institution for the fiscal year are addressed elsewhere in the Management's Discussion and Analysis including investments, capital assets, debt, revenues, and expenses.

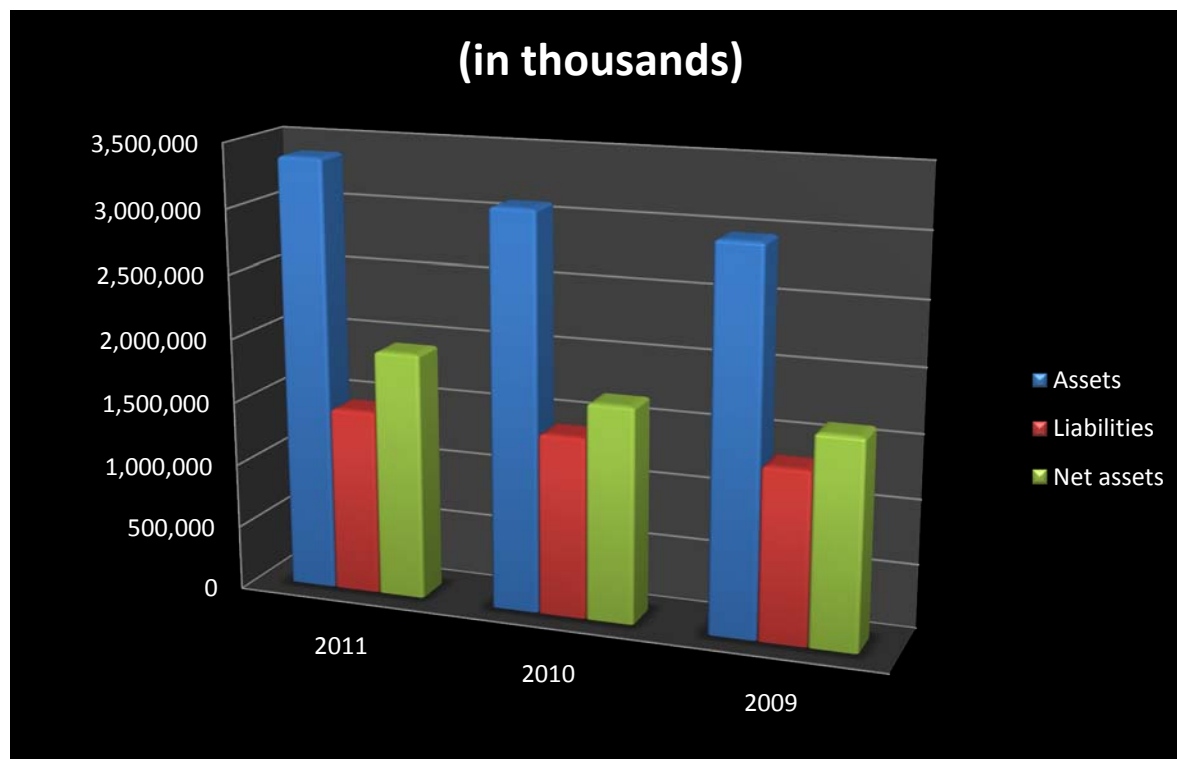
STATEMENT OF NET ASSETS

The **Statement of Net Assets** reflect 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 noncurrent. Investment assets are carried at fair value. Capital assets are separated into two lines on the statement: those assets that are depreciated and those that are not depreciated. Items that are depreciated include buildings, equipment, infrastructure, land improvements, and library books. Items that are not depreciated include land, construction in progress, and art & rare book collections. There is no requirement to fund the accumulated depreciation. Instead, capital assets are largely funded by state capital appropriations, issuance of debt, and by major gifts. A summary of the University's assets, liabilities, and net assets at June 30, 2011, 2010, and 2009 follows.

SUMMARY STATEMENT OF NET ASSETS

(in thousands)	2011	2010	2009
Current assets	\$ 337,351	\$ 255,744	\$ 259,900
Noncurrent assets			
Endowment investments	973,393	867,123	815,226
Investments and other assets & long-term investments	581,481	445,551	413,164
Capital assets, net of depreciation	1,444,367	1,383,620	1,424,792
Other	43,969	143,710	51,284
Total assets	3,380,561	3,095,748	2,964,366
Current liabilities	318,721	324,664	308,254
Noncurrent liabilities	1,126,309	1,084,063	1,031,741
Deferred inflow of resources	2,062	2,771	0
Total liabilities and deferred inflow of resources	1,447,092	1,411,498	1,339,995
Net assets	\$ 1,933,469	\$ 1,684,250	\$ 1,624,371

The following graph illustrates the University's total assets, liabilities, and net assets:



CURRENT ASSETS

Current assets consist primarily of cash and cash equivalents, short-term investments, and receivables. Current assets increased by \$82 million in 2011 and decreased by \$4 million in 2010. The increase in current assets during 2011 was a result of improved operations. The decrease in current assets during 2010 was mainly a result of a reduction in accounts and pledges receivable.

NONCURRENT ASSETS

Investments

Investments at June 30, 2011, totaled \$160 million, an increase of \$51 million from June 30, 2010. The increase in investments is a combination of improved operations that has contributed to increased operating cash plus bond proceeds issued for construction that have not yet been spent. Funds are invested in the University's temporary investment pool. Investments during 2010 increased from \$61 million to \$109 million, an increase of \$48 million which was a result of improved operations.

Bond Proceeds Receivable

At June 30, 2011, the University did not have any bonds traded/sold that had not yet settled. At June 30, 2010, the University did although have \$96 million in bonds traded/sold that had not yet settled and, accordingly, the University reported the bond proceeds receivable and long-term debt on the Statement of Net Assets for 2010. Those bonds were settled in July 2010 and are funding construction projects, mainly the Medical Sciences Building project, Phases 2 and 3.

Endowment Investments

According to the [2010 National Association of College and University Business Officers \(NACUBO\) - Commonfund Study of Endowment Results](#) published in January 2011, the value of the University's endowment at June 30, 2010, ranked number seventy-one out of eight hundred and sixty-five participating institutions (top 9%) in the United States and Canada. This is the largest and longest running annual study of higher education endowments.

In 2011, endowment investments increased \$106 million (12%) from \$867 million to \$973 million. The increase reflects the strength of global equity markets over the last twelve months. During 2010, endowment investments increased \$52 million (6.4%) from \$815 million to \$867 million, also a reflection of the strength in global equity markets.

While endowment investments on the Statement of Net Assets total \$973 million at June 30, 2011, endowment investments also include a \$17 million loan to UHCURC. The loan receivable was eliminated from the University's Statement of Net Assets when UHCURC's financial results were blended with the University's. Endowment investments including the loan to UHCURC total \$990 million.

Fund A, the University's principal investment pool, has continued to increase in value. In 2011, 2010, and 2009, Fund A totaled \$734 million, \$645 million, and \$608 million, respectively; reflecting an increase of \$89 million (14%) in 2011 and an increase of \$37 million (6%) in 2010. These increases are net of the 5% endowment spending distribution and funding raising fee allocation. Excluding Neighborhood Development Corporation loans of \$61 million, Fund A consists of approximately 46% public equities, 32% public fixed income, and 22% other investments, including private equity, real estate, and hedge funds. The balance of the endowment is invested through separately managed and other trustee accounts.

The University manages the endowment to support current operations in a way that generates a predictable stream of support while maintaining the purchasing power of endowment funds adjusted for inflation. The spending policy provides for annual distributions of 5% of the three-year quarterly moving-average market value of assets in the investment pool.

Other Assets and Long-term Investments

Other assets and long-term investments primarily represent the University's equity interest in UC Health (formerly known as The Health Alliance of Greater Cincinnati), valued at \$421 million and \$336 million at June 30, 2011 and 2010, respectively. The University and UC Health entered into an operating and affiliation agreement in 2006, under which UC Health provides support to the University's Academic Health Center. Such support totaled \$9 million for both 2011 and 2010 providing a return on asset of 2.1% and 2.7%, respectively. For further discussion of UC Health, please refer to Note 11, Investment in UC Health.

Capital Assets, Net of Depreciation

Since the approval of the University Campus Master Plan (the "Master Plan") in 1991, more than \$1.8 billion in capital projects have been completed. Signature, national, and local architects were selected for the design of major capital projects and the work has been the subject of much press coverage and many awards. In-house University staff typically develop the programs for major projects and design the projects costing less than \$1 million. Numerous new academic and auxiliary facilities have been built in addition to renovation and rehabilitation of many existing facilities. The University's Master Plan transformed the Uptown Campus into a cohesive community that enhances the student experience by providing improved teaching, research, and quality of student life facilities which has attracted new students and supported enrollment growth. The dramatically improved campus has been recognized by Forbes as one of the world's most beautiful campuses. Capital dollars are aligned with University and State of Ohio priorities to advance academic priorities; Science, Technology, Engineering, Mathematics, and Medicine (STEMM) initiatives; renovations of existing academic space; highest and best use of existing space; and sustainability of energy and operations.

Development and renewal of capital assets are critical factors in continuing the quality of the University's instruction, research, and service missions. Capital asset additions are funded through state capital appropriations, gifts, debt, federal grants, and University funds. Capital additions totaled \$167 million in 2011, \$57 million in 2010, and \$54 million in 2009 and depreciation expense amounted to \$100 million, \$97 million, and \$93 million in 2011, 2010 and 2009, respectively. Capital additions primarily comprise capital projects that were either completed during the fiscal year or are in either the construction or design phase at June 30 of each fiscal year.

Significant major capital projects in design or construction at June 30, 2011

- Medical Sciences Building Rehabilitation, Phases 2-4 – \$204 million
- Morgens Residence Hall Renovation – \$28 million
- DAAP Façade Improvement - \$20 million
- Rieveschl 500 Level Teaching Lab Renovation Phase 3 & 4 – \$15 million

LIABILITIES**Debt**

Total debt representing bonds, notes, capital leases, and certificates of participation was \$1.186 billion at June 30, 2011; an increase of \$32 million from \$1.154 billion at June 30, 2010.

During 2011, the University refunded debt on five occasions to fully retire the University's variable rate debt, to roll-over non-permanent debt, and to refund fixed rate maturities to reduce future debt service. Total net economic gains to be realized from the refundings are \$5.8 million over 17 years (see Note 6 – "Refundings" section).

The University entered into an interest rate swap which became effective May 1, 2009, and is currently associated with Series 2011B Bond Anticipation Notes (BANS). The intent of this derivative instrument is to protect the University against the potential of rising interest rates. The University reevaluated the municipal market and the fair value of the swap in the spring of 2011, and decided to issue new BANS to replace the maturing BANS associated with the swap. This same evaluation process is anticipated to take place in fiscal year 2012 to determine the optimal refinancing method for the Series 2011B BANS and the outstanding swap. The fair value of the swap at June 30, 2011, of a negative \$2.1 million, is reflected as a deferred inflow of resources in the noncurrent liability section of the Statement of Net Assets.

The rating on University bonds by Standard & Poor's (S&P) was maintained at A+; the rating on the University's certificates of participation (COPS) was maintained at A; and the note rating of SP-1+ was also maintained during 2010 and 2011. S&P's outlook for the University remained at stable during 2010 and 2011. Moody's rating for bonds was maintained at A1; the rating for the COPS was maintained at A3; and the MIG1 rating for notes was maintained during 2010 and 2011. Moody's outlook for the University was stable during 2010, but was changed to positive during 2011. Series 2011D BANS issued subsequent to June 30, 2011, maintained the same ratings and outlooks as those received during 2011.

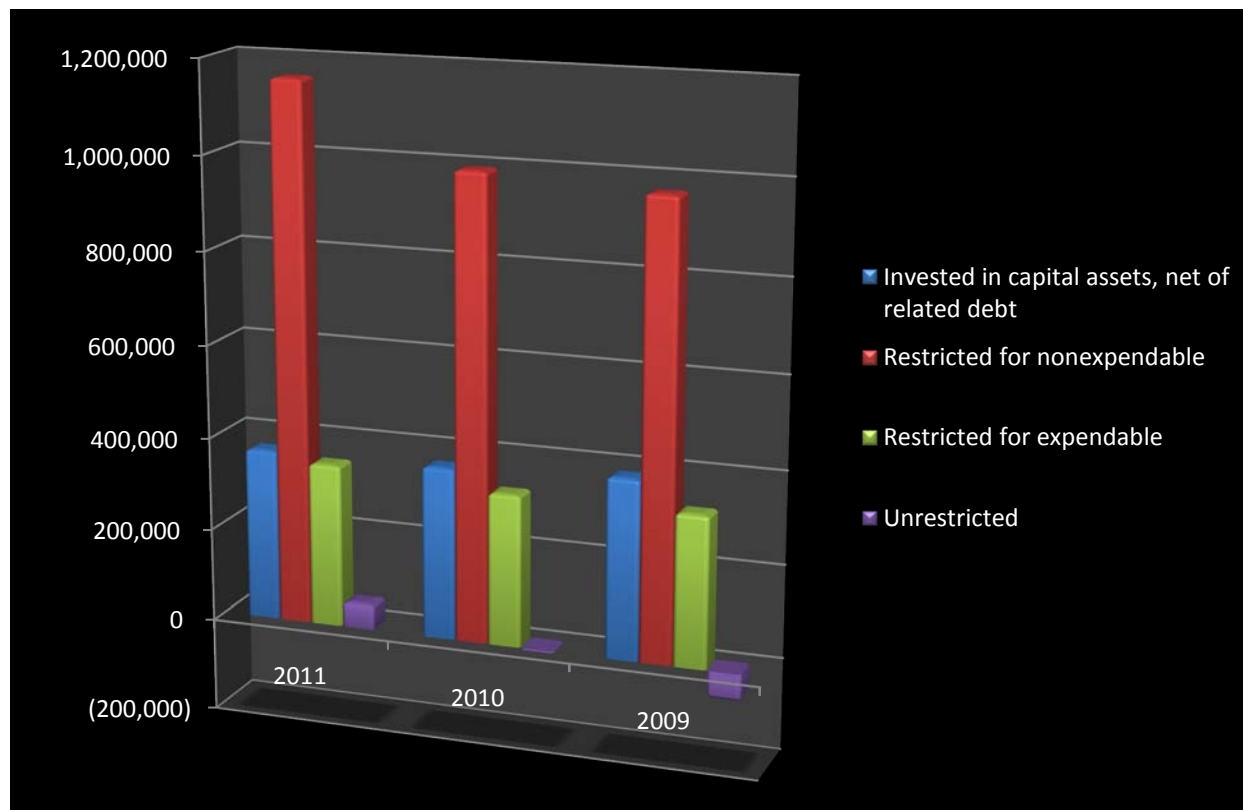
The University continues to invest in its expansion of research and educational facilities beyond the level provided by state capital appropriations through the issuance of additional debt. The extensive investment in these facilities is necessary to attract high quality students, faculty, and research funding in an increasingly competitive environment. The University's debt financing activity in the future will focus on Academic Health Center projects, renovations of existing facilities and building systems, and the overall management of the debt portfolio.

NET ASSETS

The four net asset categories represent the residual interest in the University's assets after liabilities are deducted. The University's net assets at June 30, 2011, 2010, and 2009 are summarized below.

	(in thousands)	2011	2010	2009
Invested in capital assets, net of related debt		\$ 368,996	\$ 369,666	\$ 387,422
Restricted				
Nonexpendable		1,159,623	994,069	971,430
Expendable		350,918	327,069	326,346
Unrestricted		53,932	(6,554)	(60,827)
Total net assets		\$ 1,933,469	\$ 1,684,250	\$ 1,624,371

Components of the University's Net Assets



Capital assets, net of depreciation and related debt, represent both the University's non-depreciable and depreciable assets. Non-depreciable assets include land, construction in progress, and art & rare book collections. Depreciable assets include buildings, equipment, land improvements, and infrastructure. The amount included as invested in capital assets is also net of outstanding principal balances of debt attributable to the acquisition, construction, and improvement of those assets. During fiscal years 2011 and 2010, net assets invested in capital assets, net of related debt decreased by \$1 million and \$18 million, respectively. The decrease is a result of depreciation expense of \$100 million in 2011 and \$97 million in 2010 offset by additions of \$167 million in 2011 and \$57 million in 2010 and further offset by related debt.

Restricted nonexpendable net assets include, as a primary component, the University's permanently invested endowment funds. It also includes the University's investment in UC Health. The \$166 million increase in restricted nonexpendable net assets in 2011 and the \$23 million increase in 2010 reflect the changes in the fair value of investments.

Restricted expendable net assets are subject to externally imposed provisions governing their use. This category of net assets includes mainly restricted quasi-endowment funds, unspent expendable endowment funds (available through the endowment spending policy), and gifts. Quasi-endowment funds totaled \$248 million in 2011 and \$221 million in 2010. Unspent expendable endowment funds totaled \$61 million in 2011 and \$60 million in 2010.

Unrestricted net assets have improved significantly over the past several years. During 2011, unrestricted net assets increased by \$60 million to a positive \$54 million. During 2010, unrestricted net assets increased by \$54 million to a deficit of \$6 million. These improvements in unrestricted net assets are a result of the implementation of targeted financial strategies, greater accountability, and an integrated budget planning process.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

The **Statement of Revenues, Expenses and Changes in Net Assets** presents the University's results of activities for the year. Presented below is a summarized statement of the University's revenues, expenses, and changes in net assets for the years ended June 30, 2011, 2010, and 2009.

SUMMARY STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

	(in thousands)	2011	2010	2009
Operating revenues		\$710,093	\$664,783	\$615,657
Operating expenses		998,519	968,688	944,168
Operating loss		(288,426)	(303,905)	(328,511)
Nonoperating revenues (expenses)				
State appropriations		212,066	211,291	211,836
Federal and state grants (nonexchange)		48,728	41,089	30,064
Gifts		41,372	42,172	46,809
Investment income and increase (decrease) in fair value of investments		248,134	85,052	(241,350)
Other net nonoperating expenses		(47,036)	(47,729)	(49,589)
Net nonoperating revenues (expenses)		507,895	331,875	(2,230)
Income (loss) before other revenues, expenses, gains, or losses		219,469	27,970	(330,741)
Capital appropriations, gifts, and grants		19,415	21,343	9,264
Additions to permanent endowments		21,823	10,566	20,333
Total other revenues		41,238	31,909	29,597
Increase (decrease) in net assets		260,707	59,879	(301,144)
Net assets, beginning of year		1,684,250	1,624,371	1,925,515
Change in University organizations – beginning of year		(11,488)		
Net assets, end of year		\$1,933,469	\$1,684,250	\$1,624,371

Under GASB standards, revenues and expenses are categorized as either operating or nonoperating. Significant recurring sources of the University's revenues, including state appropriations, federal and state grants (nonexchange), and gifts are considered nonoperating as defined by GASB. Consequently, the operating loss of \$290 million does not account for these important revenue sources. Adding these three revenue sources, which total \$302 million for the fiscal year, offsets the operating loss. This provides a more accurate view of the University's operating results.

REVENUES

One of the University's greatest strengths is the diverse stream of revenues that supplements its student tuition and fees including voluntary private support from individuals, foundations, and corporations along with government and other sponsored programs; state appropriations; and investment income. The University has aggressively sought, and will continue to seek, funding from all possible sources consistent with its mission to supplement student tuition and will prudently manage the financial resources realized from these efforts to fund its operating activities.

SUMMARY OF REVENUES

	(in thousands)	2011	2010	2009
Operating revenues				
Student tuition and fees, net		\$340,150	\$304,482	\$279,822
Federal, state, & local grants and contracts		182,689	174,767	154,782
Nongovernmental grants and contracts		20,984	20,456	19,792
Sales & services of educational departments		62,943	64,878	64,326
Auxiliary enterprises, net		95,095	91,460	90,776
Other		8,232	8,740	6,159
Total operating revenues		710,093	664,783	615,657
Nonoperating revenues				
State appropriations		212,066	211,291	211,836
Federal and state grants (nonexchange)		48,728	41,089	30,064
Gifts (exclusive of endowment additions)		41,372	42,172	46,809
Investment income		52,242	80,341	88,280
Increase (decrease) in fair value of investments		195,892	4,711	(329,630)
Other		4,631	-	-
Other revenues				
Capital appropriations, grants, and gifts		19,415	21,343	9,264
Additions to permanent endowments		21,823	10,566	20,333
Total nonoperating and other revenues		596,169	411,513	76,956
Total revenues		\$1,306,262	\$1,076,296	\$692,613

Operating Revenues

Student tuition and fees are the primary source of revenue for the University. In 2011 and 2010 respectively, tuition and fee revenue increased by \$36 million and \$25 million. Undergraduate tuition and fees increased by 7% in 2011 which included a 3.5% increase that was deferred from 2010 plus a current increase of 3.5%. Undergraduate tuition and fees did not increase in 2010. Professional tuition and fees for law and medical students increased by 5% in 2011 while PharmD, graduate (except medical students), and the College of Medicine had increases of 4%. Tuition and fees for professional and graduate students realized a 3% increase during 2010 with the exception of a 5% increase in medical student tuition.

The University has a high level of commitment to research. Revenue from federal, state, and local grants and contracts was \$183 million, \$175 million, and \$155 million in 2011, 2010, and 2009, respectively; an increase of \$8 million in 2011 and an increase of \$20 million in 2010. Annual research revenue as a percent of total operating revenue accounted for 26% of revenue in both 2011 and 2010. In 2010, one-time federal funding from the American Recovery and Reinvestment Act (ARRA) of 2009, effective February 17, 2009, accounted for a significant portion of the increase in research funding. The purpose of ARRA funds were varied and included funding for investments needed to increase economic efficiency by spurring technological advances in science and health.

Total operating revenues for the institution increased by \$45 million in 2011 compared to \$49 million in 2010. Increases for 2011 were a result of increased enrollment and student retention, increases in student tuition and fee rates, plus increases in sponsored research awards. Increases for 2010 were a result of increased enrollment and student retention plus a significant increase in sponsored research awards due in part to the availability of ARRA funding.

Nonoperating Revenues

State operating appropriations ranged between \$212 to \$211 million in 2011, 2010, and 2009. Of the \$212 million of state appropriations for 2011, \$29 million originated from State Fiscal Stabilization Funds (SFSF) provided through Federal stimulus funds with \$28 million originating from SFSF during 2010. While state appropriations contribute a significantly lower percentage of the overall funding of University operations particularly compared to tuition, the resources remain a vital source of funding for academic programs and administrative costs.

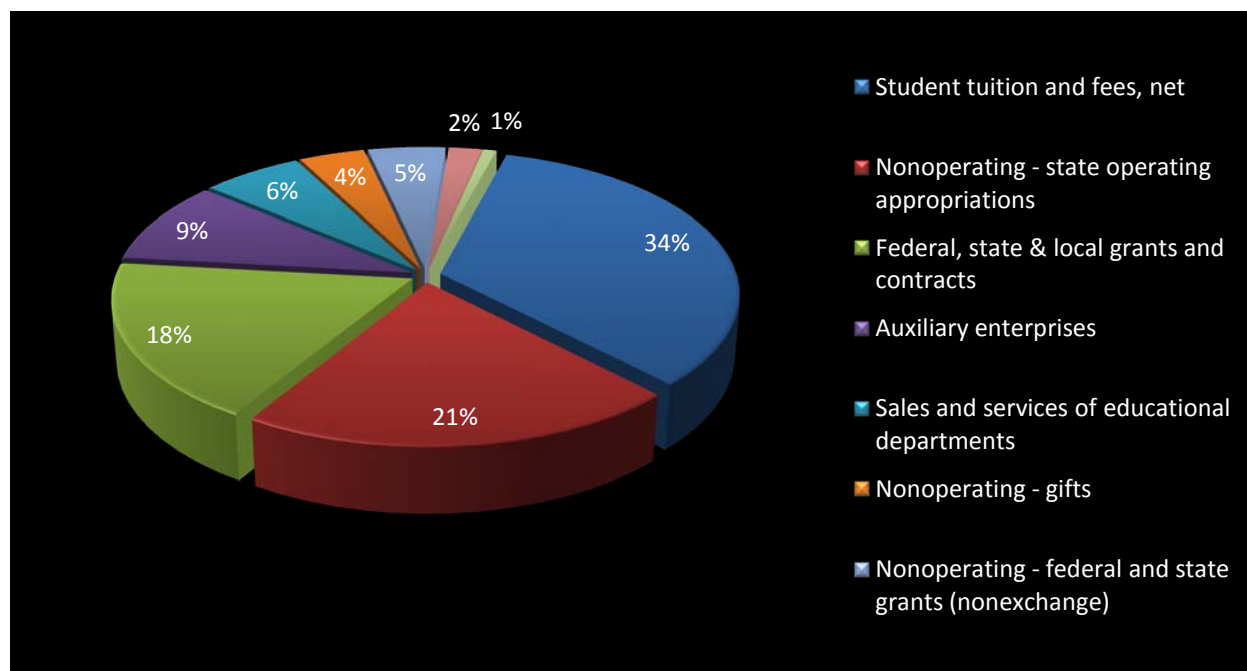
Revenues from federal and state grants (nonexchange) provide for the recovery of direct and indirect costs. Such revenues increased by \$8 million in 2011 and \$11 million in 2010. In a time of heightened competitiveness, especially for federal research funding, the University has continued to maintain its research base.

The results of fund-raising efforts have been an important component of financial resources. Expendable gifts to the University totaled \$41 million and \$42 million in 2011 and 2010, respectively. While there was a \$1 million decline in gift funds raised for 2011, the University is pleased to have attracted this high level of giving during these challenging economic times. It will be difficult to sustain the current level of operations without continued increases in donor support, highlighting the importance of the success of the University's Proudly Cincinnati \$1 billion gift campaign that spans 2005 – 2013.

The University's investment income totaled \$52 million, \$80 million, and \$88 million in 2011, 2010, and 2009 respectively, a decrease of \$28 million and \$8 million. Investment income includes both endowment income and temporary investment pool income. Temporary investment pool income for current funds was \$3 million in 2011 and \$6 million for 2010. The overall decline in investment income for 2011 and 2010 is attributable to a reduction in interest rates and endowment earnings available through the endowment spending policy.

The nonoperating revenue associated with the fair value of investments which includes the University's endowment and equity interest in UC Health has continued to grow. Revenue of \$196 million, \$5 million, and a loss of \$330 million was recorded in 2011, 2010, and 2009 respectively. The 2011 and 2010 increases of \$191 million and \$335 million reflect the strength in global equity markets and increases in UC Health.

Below is a chart listing revenues by source including revenues used for operating activities and those classified as nonoperating such as state operating appropriations, federal and state grants (nonexchange), and gifts. As noted earlier, GASB requires state appropriations, federal and state grants (nonexchange), and gifts to be classified as nonoperating revenues.



EXPENSES

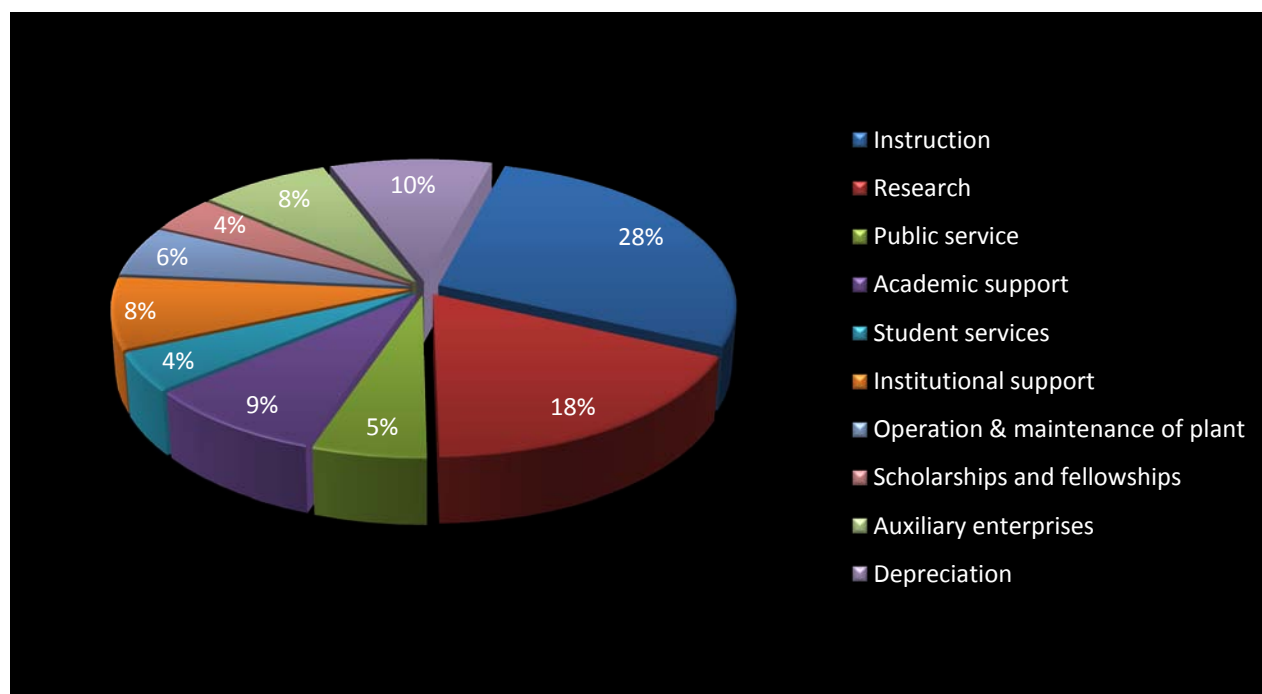
The University continues to employ cost containment initiatives to control expenses while investing in research, academic & institutional support, and students through scholarships and fellowships.

SUMMARY OF EXPENSE

	(in thousands)	2011	2010	2009
Operating expenses				
Instruction		\$277,304	\$288,177	\$281,437
Research		178,565	175,532	161,964
Public service		55,356	54,917	56,820
Academic support and student services		130,353	109,888	106,595
Institutional support		79,409	69,035	72,969
Operation & maintenance of plant		57,013	58,285	60,118
Scholarships and fellowships		40,659	36,118	25,611
Auxiliary enterprises		80,071	79,284	85,261
Depreciation		99,789	97,452	93,393
Total operating expenses		998,519	968,688	944,168
Nonoperating expenses				
Interest on capital asset related debt		45,571	46,310	44,783
Other nonoperating expenses		1,465	1,419	4,806
Total nonoperating expenses		47,036	47,729	49,589
Total University expenses		1,045,555	\$1,016,417	\$993,757

Total expenses (operating and nonoperating) were contained to an increase of \$29 million in 2011 compared to an increase of \$23 million in 2010. The change in 2011 was attributable to increases in academic and institutional support while the 2010 increase was mainly attributable to additional instruction costs associated with increased student enrollment and an increase in the costs associated with research grants.

Below is a chart reflecting operating expenses by category and percentage of total operating expenses.



ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

As the milestone of the University's 200th anniversary approaches in 2019, a unique opportunity arises to build on recent accomplishments and all of the strengths of the past and present, to create a future that places the University among the best in the world. To provide a strategic plan for the institution to follow, a blueprint for achieving excellence and setting institutional priorities was unveiled in September 2010. The strategic plan is known as **UC2019 ▶ Accelerating Our Transformation**. Milestones include targeted goals for first-year retention rates, six-year graduation rates, annual research funding, ACT scores, institutional liquidity, endowment assets, and University rankings by external sources. Evidence of the University's positive trajectory is listed below:

- Record-breaking enrollment of over 42,400 students in autumn 2011, up 2.5% from autumn 2010
- First-year retention rates increasing from 80% in 2006 to 85% in 2011
- Six-year graduation rates increasing from 52% in 2006 to 58% in 2011
- Incoming freshman class includes 45 National Merit Scholars
- U.S. News & World Report annual college guide lists the University among its "Best National Universities" and continues to cite the University as one of its "up and comers"
- Average ACT scores of entering Uptown Campus class increasing from 24.0 in 2006 to 25.0 in 2011
- International student enrollment increased 9.3% from 2,097 in autumn 2010 to 2,291 in autumn 2010
- Graduate student enrollment increased 8.8% from 9,834 in autumn 2010 to 10,700 in autumn 2011
- Classified as a Research University (very high research activity) by the Carnegie Commission
- Ranked as one of America's top 25 public research universities by the National Science Foundation
- Listed by the Princeton Review in its 2012 edition as one of "The Best 376 Colleges"

Institutional liquidity requirements as set forth in the operating cash policy were approved by the Board of Trustees in November 2006. The minimum daily and average daily cash requirements are no less than 17% and 25% of annual operating budget expenditures and transfers, respectively. Minimum daily cash requirements for fiscal year 2012 are \$185 million while requirements for average daily cash are \$272 million. Operating cash includes cash, cash equivalents, and investments (current and noncurrent). In accordance with policy, the cash position is monitored by the Cash Committee on a monthly basis to ensure that the required levels are achieved. The University has been consistently in compliance with the policy.

The University's state operating appropriations have remained stable at a range of \$211 to \$212 million annually for the past three fiscal years (2009, 2010, and 2011). Due to the loss of ARRA funding in fiscal year 2012 and an \$8 billion decline in the State of Ohio's forecasted revenue, the State has reduced the University's State Share of Instruction (SSI) appropriations by \$29 million in fiscal year 2012. Although a \$29 million reduction in SSI funding is significant, it is less than originally expected. Smaller state appropriation line items such as clinical teaching subsidies have declined by approximately 15%. In anticipation of the overall reduction in State support, a reserve of nearly \$15 million was accumulated by the University to pre-fund a portion of the 2012 SSI funding reduction. Additionally, the University has begun setting aside funds through permanent budget cuts for any further 2012 cuts or future year reductions. The University's 2012 budget is balanced and accounts for the total decline in State support.

State capital appropriation revenue will decline in 2012 due to the elimination of the 2011-2012 biannual capital appropriations bill by the State of Ohio. The University had anticipated receiving \$25 million from the State of which \$5 million was for basic renovations and \$20 million for the MSB Rehabilitation Phases 2 – 3 capital project. The University advance borrowed in anticipation of these funds and is currently exploring alternative funding sources. State capital appropriation revenue for 2012 will be limited to funds not yet spent from prior biennia, estimated to be \$6 million.

The University utilizes performance-based budgeting for general funds. This disciplined budgeting process was adopted in 2010 and has been successful in inciting growth in student enrollment while creating efficiencies targeted at reducing costs. The model continues to evolve and over time will encompass an all-funds model.

The "Proudly Cincinnati" \$1 billion gift campaign is on target to reach its eight year fund-raising goal that will end on June 30, 2013. The campaign is the largest in the University's 191-year history. The campaign has raised a total of \$785 million in gift and endowment contributions, non-government research funding, private practice contributions to the Medical College, and gifts-in-kind through June 30, 2011. Cash received through June 30, 2011, specifically for gifts and endowments totals \$292 million. Campaign priorities include student scholarships, fellowships to encourage advanced scholarship and research, endowed appointments for top-notch faculty, academic program support, and campus enhancements. Throughout the campaign, the Foundation expects to actively engage more than 500 volunteers. Regional committees are also focusing on cultivating relationships with alumni and friends. Private gifts

will continue to be a critically important financial resource and a significant factor in the growth of instruction, research, and services.

The University's endowment is invested with a long-term focus. The University's primary objective is to earn investment returns net of management expense that exceed the 5% spending policy plus inflation. The value of UC's total endowment investments as of June 30, 2011, was \$973 million as compared to a value at June 30, 2010, of \$867 million. The increase of \$106 million reflected the strength of global equity markets over the last twelve months. However, the University remains cautious about the near term economic environment in both the U.S. and abroad. As a result, the University is taking prudent steps to manage the investment risk in the endowment. In the longer term, as global equity markets continue to regain the ground lost since the 2008 credit crisis, endowment performance relative to the primary objective will continue to improve.

The University is committed to continuing its strategic vision while continuing to build upon its financial strength. On September 20, 2011, President Gregory Williams reviewed with the University's Board of Trustees the first year results of the *UC2019* document that set the agenda of the University for the near future, as the University community builds toward its bicentennial celebration.

University of Cincinnati
Statement of Net Assets (in thousands)
as of June 30, 2011 and 2010

	University		University Related Organizations	
	2011	2010	2011	2010
ASSETS				
Current assets				
Cash and cash equivalents	\$ 80,155	\$ 56,925	\$ 4,790	\$ 18,666
Investments	186,686	126,000	85,650	58,237
Accounts and pledges receivable, net	57,428	60,206	49,363	49,035
Inventories	2,162	1,984	29	
Deposits with bond trustees	4,204	4,079		
Notes receivable, net	6,355	6,275	145	116
Other assets	361	275	552	518
Total current assets	337,351	255,744	140,529	126,572
Noncurrent assets				
Investments	159,878	108,535		
Accounts and pledges receivable, net	13,652	14,883	25,957	26,865
Bond proceeds receivable		96,205		
Deposits with bond trustees	5,910	4,387		
Endowment investments	973,393	867,123	21,950	15,185
Notes receivable, net	24,407	28,235	311	409
Other assets and long-term investments	421,603	337,016	9,024	8,249
Capital assets not being depreciated	144,537	82,723	3,177	3,177
Capital assets being depreciated, net	1,299,830	1,300,897	29,566	31,816
Total noncurrent assets	3,043,210	2,840,004	89,985	85,701
Total assets	3,380,561	3,095,748	230,514	212,273
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	172,614	171,818	25,617	21,661
Deferred revenue	32,482	31,039		
Long-term debt - current portion	113,625	121,807	2,999	3,270
Total current liabilities	318,721	324,664	28,616	24,931
Noncurrent liabilities				
Deposits	5,861	5,424	1,551	562
Accrued liabilities	22,858	22,017	71	2,985
Refundable advances for federal loans	24,898	24,788		
Long-term debt	1,072,692	1,031,834	19,297	22,078
Total noncurrent liabilities	1,126,309	1,084,063	20,919	25,625
Deferred inflow of resources	2,062	2,771	1,323	1,366
Total liabilities and deferred outflow of resources	1,447,092	1,411,498	50,858	51,922
NET ASSETS				
Invested in capital assets, net of related debt	368,996	369,666	32,743	34,993
Restricted for:				
Nonexpendable	1,159,623	994,069	36,144	42,292
Expendable	350,918	327,069	37,579	37,453
Unrestricted	53,932	(6,554)	73,190	45,613
Total net assets	\$ 1,933,469	\$ 1,684,250	\$ 179,656	\$ 160,351

University of Cincinnati
Statement of Revenues, Expenses and Changes in Net Assets (in thousands)
For the Years Ended June 30, 2011 and 2010

	University		University Related Organizations	
	2011	2010	2011	2010
REVENUES				
Operating Revenues				
Student tuition and fees (net of scholarship allowances of \$93,594 and \$87,976; and bad debt expense of \$1,123 and \$3,172)	\$ 340,150	\$ 304,482	\$	\$
Federal grants and contracts	171,601	169,500		
State and local grants and contracts	11,088	5,267		
Nongovernmental grants and contracts	20,984	20,456		
Sales and services	62,943	64,878	170,399	154,523
Auxiliary enterprises				
Residential life	39,463	37,411		
Athletics	20,517	20,335		
Other auxiliary enterprises	35,115	33,714		
Other operating revenues	8,232	8,740	105,871	88,288
Total operating revenue	710,093	664,783	276,270	242,811
EXPENSES				
Operating Expenses				
Instruction	277,304	288,177		
Research	178,565	175,532		
Public service	55,356	54,917		
Academic support	86,472	68,591		
Student services	43,881	41,297		
Institutional support	79,409	69,035	251,005	227,221
Operation & maintenance of plant	57,013	58,285	2,170	2,641
Scholarships and fellowships	40,659	36,118		
Auxiliary enterprises	80,071	79,284		
Depreciation	99,789	97,452	4,147	4,544
Total operating expenses	998,519	968,688	257,322	234,406
Operating income (loss)	(288,426)	(303,905)	18,948	8,405
NONOPERATING REVENUES (EXPENSES)				
State operating appropriations	212,066	211,291		
Federal and state grants (nonexchange)	48,728	41,089		
Gifts, including \$23,670 and \$28,441 from the University Foundation	41,372	42,172	17,526	30,072
Investment income, net	52,242	80,341	2,541	4,226
Increase in fair value of investments	195,892	4,711	20,432	10,649
Interest on capital asset-related debt	(45,571)	(46,310)	(1,552)	(2,018)
Loss on disposal of assets	(1,465)	(1,243)		
Payments to University of Cincinnati			(23,670)	(28,441)
Other nonoperating revenues (expenses)	4,631	(176)	(16,324)	(12,756)
Net nonoperating revenues (expenses)	507,895	331,875	(1,047)	1,732
Income before other revenues, expenses, gains or losses	219,469	27,970	17,901	10,137
State capital appropriations	18,619	10,276		
Capital grants and gifts	796	11,067		
Additions to permanent endowments	21,823	10,566		
Total other revenues	41,238	31,909	-	-
Increase in net assets	260,707	59,879	17,901	10,137
NET ASSETS				
Net assets - beginning of year	1,684,250	1,624,371	160,351	77,086
Change in University organizations - beginning of year	(11,488)		1,404	73,128
Net assets, end of year	\$ 1,933,469	\$ 1,684,250	\$ 179,656	\$ 160,351

University of Cincinnati
Statement of Cash Flows (in thousands)
Years Ended June 30, 2011 and 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 342,229	\$ 306,536
Grants and contracts	246,202	246,239
Sales and services of educational departments and auxiliary enterprises	154,916	151,059
Expenditures and other deductions:		
Compensation	(610,388)	(589,667)
Payments for materials, services and other	(324,393)	(306,867)
Loans issued	(3,571)	(1,430)
Loan principal collected	5,706	4,922
Interest on loans receivable	789	728
Other revenue	15,995	5,474
Cash used for operating activities	(172,515)	(183,006)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	212,066	211,291
Federal and state grants (non-exchange)	48,727	41,090
Gifts for other than capital purposes (including additions to permanent endowments)	63,192	52,775
Cash from noncapital financing activities	323,985	305,156
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
State appropriations - capital	15,408	9,792
Private gifts for capital purposes	4,149	4,836
Grants for capital purposes	328	51
Other	(62,309)	(4,961)
Proceeds from capital debt	358,266	205,376
Purchases of capital assets	(96,120)	(51,817)
Principal paid on capital debt and leases	(227,634)	(238,584)
Interest paid on capital debt and leases	(52,988)	(48,194)
Cash used for capital financing activities	(60,900)	(123,501)
CASH FLOWS FROM INVESTING ACTIVITIES		
Endowment income	39,762	66,544
Income from deposits with trustees	2,444	11,613
Purchase of investments	(388,555)	(492,242)
Sale of investments	274,609	407,025
Investment income	4,400	7,786
Cash from (used for) investing activities	(67,340)	726
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	23,230	(625)
Cash and cash equivalents - beginning of the year	56,925	57,550
Cash and cash equivalents - end of the year	\$ 80,155	\$ 56,925

University of Cincinnati
Statement of Cash Flows - (in thousands)
Years Ended June 30, 2011 and 2010
(continued)

	2011	2010
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES		
Operating loss	\$ (290,174)	\$ (303,905)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation expense	99,789	97,452
Loss on disposal of capital assets	1,465	1,243
Changes in assets and liabilities:		
Receivables, net	2,755	6,177
Inventories	(178)	56
Other assets	(57)	2,270
Accounts payable and accrued liabilities	11,579	9,427
Deferred revenue	1,767	8,048
Compensated absences	1,655	(5,055)
Deposits	632	1,281
Net cash used for operating activities	\$ (170,767)	\$ (183,006)
Noncash transactions		
Capital asset acquired by incurring note payable	\$ 266	\$ -
Accrued liabilities for property, plant and equipment	15,230	7,953
Gifts of moveable equipment	436	845
Debt traded not settled		96,205

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2011 and 2010

1. Organization and Summary of Significant Accounting Policies

Organization

The University of Cincinnati (the University) was founded in 1819 with the first charter granted by the State of Ohio in 1870. The University, formerly city owned, became a State University on July 1, 1977. As such, it is a component unit of the State of Ohio. Under provisions of the Internal Revenue Code, Section 115, and the applicable income tax regulations of the State of Ohio, the University, as a state institution, is exempt from taxes on income other than unrelated business income. Since the University has no material net unrelated business income during the years ended June 30, 2011 and June 30, 2010, no provision for income taxes has been made.

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

- The University of Cincinnati Foundation (Foundation), described more fully in Note 15, is a legally separate not-for-profit organization engaged in fundraising activities exclusively for the benefit of the University.
- University of Cincinnati Physicians, Inc. (UCP), described more fully in Note 16, is a legally separate not-for-profit organization through which the faculty of the College of Medicine engages in clinical practice.
- University Heights Community Urban Redevelopment Corporation (UHCURC), described more fully in Note 17, is a legally separate not-for-profit organization which owns a residence complex offering housing for University students.

Both the Foundation and UCP are reported as discrete component units of the University in accordance with the provisions of the Governmental Accounting Standards Board (GASB) and are aggregated as University Related Organizations on the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets.

UHCURC is reported as a blended component unit of the University in accordance with the provisions of GASB and is consolidated on the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Net Assets and Statement of Cash Flows.

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the GASB. The University has elected not to apply those Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989.

In June 2010, GASB issued a statement to update and improve existing standards related to financial reporting and disclosure requirements of certain financial instruments and external investment pools. The requirements of this statement are effective for periods beginning after June 15, 2010. There was no significant impact on the financial statements or disclosure requirements related to the adoption of this statement.

In November, 2010, GASB issued a statement to amend previous statements related to the assessment of potential component units in determining what should be included in the financial reporting entity, and financial reporting entity display and disclosure requirements. The requirements of this statement are effective for periods beginning after June 15, 2012. The University has elected early adoption of this statement for the year ending June 30, 2011. There was no significant impact on the financial statements related to the implementation of this statement.

The University's financial resources are classified for accounting and reporting purposes into the following three 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.

Restricted for—

Nonexpendable restricted net assets are subject to externally imposed stipulations that they be maintained permanently by the University. Such assets include the University's permanent endowment funds.

Expendable restricted net assets are subject to externally imposed stipulations that can be fulfilled by actions of the University pursuant to those stipulations or that expire by the passage of time.

Unrestricted—Net assets that are not subject to externally imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net assets are designated for academic and research programs and initiatives and for capital programs.

Summary of Significant Accounting Policies

The accompanying financial statements have been prepared on the accrual basis. The University reports as an entity engaged in business-type activities because its operations are financed, in part, by fees charged to external parties for goods and services provided.

Investments in marketable securities (other than the University's alternative investments) are carried at fair value as established by the major securities markets (quoted market prices). Investment income is recorded on the accrual basis. Realized and unrealized gains and losses are reported as nonoperating revenues (expenses).

The University's financial statements include alternative investments, such as limited partnerships, that are not publicly traded. Certain of these alternative investments are carried at estimated fair value as of March 31, 2011 and 2010, as adjusted by cash receipts, cash disbursements and securities distributions through June 30, 2011 and 2010, at a total estimated fair value of \$85 million and \$69 million, respectively. In addition, the University also has alternative investments in investment funds that are not themselves publicly traded and thus do not have publicly reported market values, but whose underlying assets consist of publicly traded investments for which fair values are established by the major securities markets. Such alternative investments are carried at fair value of \$151 million and \$146 million at June 30, 2011 and 2010. The University believes that the total carrying amount of its alternative investments valued at \$299 million and \$266 million at June 30, 2011 and 2010 is a reasonable estimate of fair value. The University's outstanding commitment to alternative investments is \$66 million and \$56 million as of June 30, 2011 and 2010, respectively.

The University's investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investments could occur in the near term and that such changes could materially affect the investment amounts reported in the accompanying Statement of Net Assets.

Inventories are held primarily by the Hoxworth Blood Center and the Utilities Service Center. Inventory is stated at the lower of cost or net realizable market value. The moving-average basis for all inventories is used to determine inventory cost.

Capital Assets—Land, land improvements, infrastructure, buildings and equipment are recorded at cost at date of acquisition, or market value at date of donation. The University's capitalization threshold is \$100,000 for major capital projects and intangible assets. For all other items the capitalization threshold is \$5,000. Interest on related borrowing, net of interest earnings on invested proceeds, is capitalized during the period of construction. The University and its component unit's property and equipment are depreciated using the straight-line method over the estimated useful lives (from three to fifty years) of the respective assets. When plant assets are sold or disposed of, the carrying value of such assets and the associated depreciation are removed from the University's records.

The University does not capitalize works of art or historical treasures that are held for public exhibition, education or research in furtherance of public service. These collections are neither disposed of for financial gain nor encumbered in any way. In addition, the University requires the proceeds from the sale of collection items be used to acquire other collection items. Accordingly, such collections are not recognized or capitalized for financial statement purposes. All other works of art or historical treasures are capitalized at historical or fair value at date of donation.

Gift Pledges—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, including time requirements, have been met. In the absence of such promise, revenue is recognized when the gift is received. Endowment pledges do not meet eligibility requirements, as defined by GASB standards, and are not recorded as assets until the related gift is received.

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows. The discounts on these amounts are computed using a discount rate commensurate with the risks involved. At June 30, 2011, these discount rates ranged from 4% to 6%. An allowance for uncollectible pledges receivable is provided based on management's judgment of potential uncollectible amounts. The determination includes such factors as prior collection history, type of gift and nature of fundraising.

Deferred Revenue includes receipts relating to tuition, student fees and athletic events received in advance of services to be provided. Deferred revenue also includes the amounts received from grant and contract sponsors that have not yet been earned under the terms of the agreement. The University will recognize such amounts into revenue when these services are provided over the coming fiscal year.

Compensated Absences includes liabilities related to the vacation and sick leave accruals. University employees earn vacation and sick leave on a monthly basis.

Vacation benefits may be accrued up to a maximum of three years' credit, and earned but unused days are payable upon termination. The liability for accrued vacation approximated \$35,636,000 and \$34,889,000 as of June 30, 2011 and 2010, respectively.

Sick leave may be accrued without limit; however, unused days are payable only upon retirement from the University, subject to 30- or 60-day limits depending on the date of hire. Before fiscal year 2010, the sick leave accrual was calculated under the vesting method. The termination payment method was adopted in 2010 to calculate the sick leave liability. The University believes that utilizing current data and trends under the termination payment method is more reliable than the vesting method, which applies actuarial assumptions and probabilities. Since this was a change in accounting estimate, prior periods were not restated. The sick leave liability as of June 30, 2011 approximated \$24,668,000 and \$23,760,000 as of June 30, 2010.

Endowment Spending Policy—For donor restricted endowments, the Uniform Prudent Management of Institutional Funds Act, as adopted in Ohio, permits the University to distribute an amount of realized and unrealized endowment appreciation as the Board of Trustees determines to be prudent. The University's policy is to accumulate the undistributed realized and unrealized appreciation within the endowment, which is discussed in Note 2.

Student Tuition and Residence Fees are presented net of scholarship and fellowship allowances of \$93,594,000 in 2011 and \$87,976,000 in 2010 and bad debt provisions of \$1,123,000 in 2011 and \$3,172,000 in 2010. Payments made directly to students are presented as scholarship and fellowship expenses.

Auxiliary Enterprise Revenues primarily represent revenues generated by bookstores, parking, the conference center, athletics, housing, and dining.

Operating Activities, as reported on the Statement of Revenues, Expenses and Changes in Net Assets are those that generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Nearly all of the University's expenses are from exchange transactions. Certain significant revenue streams available to support operations are classified as nonoperating revenues (i.e. state operating appropriations, non-endowment gifts, and investment income) in accordance with GASB standards.

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

2. Cash and Investments

Summary—The University maintains centralized management for substantially all of its cash and investments. With the exception of insurance reserves, charitable remainder trusts, and other trust funds the terms of which require separate management, the University invests its reserves and relatively short-duration assets in the Temporary Investment Pool, and invests substantially all of the assets of the University endowment in the Endowment Investment Pool.

Distributions are made from the University endowment to the University entities that benefit from those funds. The endowment spending policy provides for an annual distribution of 5% of the twelve-quarter moving-average market value of endowment units.

Effective June 1, 2009 Ohio's version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) became effective and replaced the Ohio Uniform Management of Institutional Funds Act. UPMIFA provides statutory rules for the management and investment of endowment funds owned and controlled by charitable institutions.

Authorizations—The Temporary Investment Pool is invested principally in investment-grade money-market and fixed-income securities. Balances in the Temporary Investment Pool are primarily for operating expenses or for funding capital projects.

Investment policies are governed and authorized by University rules. For endowment investments the approved asset mix may range from 85% variable investments and 15% fixed income investments to 15% variable investments and 85% fixed income investments, at any one time, at the discretion of the University's administrative investments committee.

The University has an established set of investment guidelines related to targeted asset allocation and allowable ranges for alternative investments. For alternative investment categories, as defined by investment practitioners, the Investment Committee target allocations are: Private Real Estate 2%, Private Equity including Natural Resources 12%, and Hedge Funds 6%. Maximum allowable holdings for these three categories are 10%, 20% and 10%, respectively.

Diversification is a fundamental risk-management strategy for the endowment portfolio. Accordingly, the portfolio includes investments in domestic and non-U.S. stocks, bonds and loans; real estate; and limited partnerships for investment in real estate, private equity and hedge funds.

Off-Balance-Sheet Risk— The University's investment strategy incorporates certain financial instruments which involve, to varying degrees, elements of market risk and credit risk in excess of amounts recorded in the financial statements. Market risk is the potential for changes in the value of financial instruments due to market movements, including interest and foreign exchange rate movements and fluctuations embodied in forward, futures, and commodity or security prices. Market risk is directly impacted by the volatility and liquidity of the markets in which the related underlying assets are traded. Credit risk is the possibility that a loss may occur due to the failure of a counterparty to perform according to the terms of the contract. The University's risk of loss in the event of counterparty default is typically limited to the amounts recognized in the Statement of Net Assets and is not represented by the contract or notional amounts of the instruments.

Cash and Cash Equivalents— The University considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. At June 30, 2011, the carrying amount of the University's cash and cash equivalents for all funds is \$80,155,000 as compared to bank balances of \$81,074,000. The difference between the carrying amount and the bank balances is caused primarily by deposits in transit and outstanding checks.

Of the University's bank balances, \$1,207,000 is covered by federal depository insurance; money market funds account for \$68,967,000; and the balance of \$10,900,000 is uncollateralized. The University does not have a policy for custodial credit risk.

Investments

The fair value of University investments at June 30 is (in thousands):

	<u>2011</u>	<u>2010</u>
U.S. government, agency and treasury securities	\$ 86,074	\$ 70,941
Municipal bonds and notes	96,192	6,209
Corporate notes and bonds	205,076	196,703
Corporate stocks	157,927	127,184
Mutual funds	482,197	411,818
Other securities	53,282	87,396
Real estate	<u>14,540</u>	<u>14,540</u>
Total investments	1,095,288	914,791
Less current investments	<u>186,686</u>	<u>126,000</u>
Noncurrent investments	<u>\$908,602</u>	<u>\$788,791</u>

Current investment detail (in thousands):

	<u>2011</u>	<u>2010</u>
U.S. government, agency and treasury securities	\$ 861	\$ 861
Corporate notes and bonds	<u>185,825</u>	<u>125,139</u>
Total current investments	<u>\$ 186,686</u>	<u>\$126,000</u>

Alternate Investments of \$299 million are included within mutual funds and other securities in the summary schedule of investments above (please refer to Note 1, Summary of Significant Accounting Policies, regarding valuation of alternative investments).

At June 30, 2011 and 2010, other securities included \$73,095,000 and \$89,940,000 net of \$20,884,000 and \$17,336,000 of loan loss reserves, respectively, of loans made to certain nonprofit entities for the purpose of developing residential and commercial facilities on the borders of the campus. Currently, these loans are secured primarily by mortgages on parcels of land purchased by these nonprofit entities. Some of these mortgages are subordinated to external financing arranged by these entities. These loans bear interest at 6%. The University expects repayment once the residential and commercial facilities have streams of rental income. Loan loss reserves are estimated based on aggregate cash flows projections for the projects and independent appraisals of the underlying undeveloped real estate. The change in loan loss reserves are reflected in nonoperating revenues (expenses), as a component of the increase in fair value of investments.

At June 30, 2011 and 2010, the fair (market) value of land and other real estate held as investments was \$14,540,000. Independent real estate appraisals are obtained on a three-year cycle; however, relevant real estate markets are reviewed between appraisal periods to determine if the reported market values remain accurate. Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. The most recent appraisals were received in June of 2009.

The University has recorded the investments in the table above in the following categories: \$346,564,000 is included in investments and \$748,724,000 is included in endowment investments as reported on the Statement of Net Assets. Included in endowment investments is \$224,669,000 invested predominately in equities held in donor-stipulated irrevocable trusts.

University Investment Pools

Of the University investments, approximately \$44,094,000 is separately invested by donor stipulation. The remaining funds are invested in one of three pools. The Temporary Investment Pool represents the investment of substantially all University cash not otherwise invested in the endowment.

The Endowment Investment Pool A is the principal investment pool for the University endowments that may be pooled legally or by donor concurrence. The University employs the share method of accounting for the Endowment Investment Pool A investments and for proportionate distribution of income to each fund that

participates in the pool. At June 30, 2011, the Endowment Investment Pool A consisted of 8,756,000 shares. Effective July 1, 2002, substantially all endowments held in trust, by donor stipulation, by the University of Cincinnati Foundation were invested in the University's Endowment Investment Pool A. At June 30, 2011, such endowments own 2,535,000 pool shares with a market value of \$212,474,000, equating to approximately 29% of the Endowment Investment Pool A. The Endowment Investment Pool B comprises real estate holdings received by bequest.

The following tabulation summarizes the changes in relationships between cost and fair values of the Endowment Investment Pool A assets for the year (*in thousands except per share amounts*):

	<u>Net Cost</u>	<u>Fair Value</u>	<u>Net Gains/ (Losses)</u>	<u>Fair Value Per Share</u>
End of year	\$742,532	\$734,067	\$(8,465)	\$ 83.83
Beginning of year	725,393	645,113	<u>(80,280)</u>	77.32
Unrealized net gain for year			71,815	
Realized net loss for year			<u>(17,287)</u>	
Total net gain for year			<u>\$ 54,528</u>	
Total gain per share			<u>\$ 6.51</u>	

The University has adopted a spending rate policy which limits the distribution of endowment income earned in the investment pool to 5% of the moving-average market value for the twelve-quarter period ending each December.

Income allocated for spending during 2011 amounted to \$4.86 per share of the Endowment Investment Pool A. The average annual earnings per share, exclusive of capital appreciation, amounted to \$1.50.

GASB standards require government entities to categorize investments by interest rate risk, credit risk, and custodial credit risk.

Interest Rate Risk

The University's investments total \$1,095,288,000. The segmented time distribution method is used to portray interest rate risk of \$552,773,000 of bond and other fixed income investments. Investments for the years ended June 30, 2011 and 2010 are summarized as follows (in thousands):

Investment Maturities (In Years) 2011					
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
US Treasury Obligations	\$ 4,883	\$ 2,105	\$ -	\$ 899	\$ 1,879
US Government Agencies	79,676	41,305	28,219	23	10,129
US Treasury STRIPS	1,515	861	654	-	-
US Treasury Mutual Fund	12,215	-	-	12,215	-
Municipal Bonds and Notes	96,192	27,273	49,947	508	18,464
Corporate Bonds and Notes	205,076	138,999	60,502	3,821	1,754
Bond Mutual Funds	99,720	-	82,829	153	16,738
Local mortgage secured loans	52,211	2,975	155	9,206	39,875
Other	<u>1,285</u>	<u>367</u>	<u>918</u>	<u>-</u>	<u>-</u>
Total	<u>\$552,773</u>	<u>\$213,885</u>	<u>\$223,224</u>	<u>\$ 26,825</u>	<u>\$ 88,839</u>

Investment Maturities (In Years) 2010					
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
US Treasury Obligations	\$ 4,109	\$ -	\$ 2,114	\$ -	\$ 1,995
US Government Agencies	64,561	97	43,558	10,039	10,867
US Treasury STRIPS	2,271	776	1,495	-	-
US Treasury Mutual Fund	12,092	-	-	12,092	-
Municipal Bonds and Notes	6,209	3,270	1,551	501	887
Corporate Bonds and Notes	196,703	121,869	67,285	5,726	1,823
Bond Mutual Funds	92,099	-	134	91,948	17
Local mortgage secured loans	72,604	3,010	155	29,615	39,824
Other	<u>1,652</u>	<u>367</u>	<u>1,285</u>	<u>-</u>	<u>-</u>
Total	<u>\$452,300</u>	<u>\$129,389</u>	<u>\$117,577</u>	<u>\$149,921</u>	<u>\$ 55,413</u>

Local mortgage secured loans are comprised of demand notes receivable. Amounts reflected as maturities represent management's best estimate of anticipated collections of these receivables.

The University's investment policy stipulates that the weighted average maturity of investments in the Temporary Investment Pool will be no longer than 5 years. The weighted average of fixed income maturities in the Endowment portfolio will not exceed 20 years.

Credit Risk

The Temporary Investment Pool permits investments in securities rated A or higher at the time of purchase. Securities downgraded below an A rating after purchase are permitted to be retained. Endowment investment-grade bonds are limited to those in the first four grades of any rating system. Below-investment grade high yield bond investments and certain unrated investments having strategic value to the University are permitted. In accordance with the University's investment policy, the University's bond and other fixed income investments are rated by nationally recognized rating organizations as follows as of June 30 (in thousands):

<u>Rating</u>	<u>2011</u>	<u>2010</u>
US Treasury Obligations – equivalent of AAA	\$17,098	\$16,201
AAA	120,501	74,961
AA	130,266	133,070
A	184,972	119,092
BBB	36,789	31,616
M1G1	5,003	3,005
Not Rated	<u>58,144</u>	<u>74,355</u>
Total	<u>\$552,773</u>	<u>\$452,300</u>

Custodial Credit Risk

Of the University's \$1,095,288,000 total investments, \$1,056,805,000 are uninsured, not registered in the name of the University, and are held by trust departments or agents in the University's name, and thus are exposed to custodial credit risk. The University does not have a policy for custodial credit risk.

3. Accounts, Pledges and Notes Receivable

Accounts, pledges and notes receivable as of June 30, are as follows (*in thousands*):

	<u>2011</u>	<u>2010</u>
Accounts receivable	\$ 49,025	\$ 51,245
Pledges receivable	11,730	15,411
Notes receivable	30,762	34,510
Accrued interest receivable	<u>10,325</u>	<u>8,433</u>
Total	101,842	109,599
Less current receivables	<u>63,783</u>	<u>66,481</u>
Noncurrent receivables	<u>\$ 38,059</u>	<u>\$ 43,118</u>

Allowances for uncollectible receivables have been provided in the amount of approximately \$4,875,000 and \$5,547,000 for accounts receivable, \$119,000 and \$78,000 for pledges receivable, and \$6,551,000 for notes receivable as of June 30, 2011 and 2010, respectively.

An allowance for uncollectible accrued interest receivable has been provided in the amount of approximately \$17,383,000 and \$20,940,000 related to loans made to certain nonprofit entities as of June 30, 2011 and 2010, respectively (see Note 2).

Pledges have been discounted at a rate of 4% to net present value, which approximates the fair value of the receivables as follows (*in thousands*):

	<u>2011</u>	<u>2010</u>
Less than one year	\$ 3,498	\$ 4,892
One to five years	5,765	8,149
More than five years	<u>2,586</u>	<u>2,448</u>
Subtotal	11,849	15,489
Less allowance for uncollectible pledges	<u>119</u>	<u>78</u>
Total	<u>\$ 11,730</u>	<u>\$ 15,411</u>

Pledges receivable due from one donor approximated 33% and 32% of total pledges receivable, as of June 30, 2011 and 2010, respectively.

4. Capital Assets

Capital assets activity for the years ended June 30, 2011 and 2010 is summarized as follows (*in thousands*):

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions*</u>	<u>Retirements/ Transfers*</u>	<u>Balance</u> <u>June 30, 2011</u>
Land	\$ 21,923	\$ 4,788	\$ -	\$ 26,711
Land improvement	93,485	8	8,065	101,558
Buildings	1,815,656	55,581	10,554	1,881,791
Construction in progress	46,174	74,661	(18,025)	102,810
Infrastructure	115,855	-	753	116,608
Building equipment	15,801	-	-	15,801
Moveable equipment	166,253	19,800	(5,556)	180,497
Computer software	36,444	2,867	(371)	38,940
Library books	154,282	8,594	(2,389)	160,487
Collections	<u>14,626</u>	<u>390</u>	<u>-</u>	<u>15,016</u>
	2,480,499	166,689	(6,969)	2,640,219
Less: Accumulated depreciation	<u>1,096,879</u>	<u>99,790</u>	<u>(817)</u>	<u>1,195,852</u>
Capital assets, net	<u>\$1,383,620</u>	<u>\$ 66,899</u>	<u>\$ (6,152)</u>	<u>\$1,444,367</u>

* Amounts include the beginning balances of UHCURC's capital assets and accumulated depreciation (see Note 17)

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Retirements/ Transfers</u>	<u>Balance</u> <u>June 30, 2010</u>
Land	\$ 21,923	\$ -	\$ -	\$ 21,923
Land improvement	93,435	-	50	93,485
Buildings	1,799,579	-	16,077	1,815,656
Construction in progress	29,454	33,158	(16,438)	46,174
Infrastructure	115,716	-	139	115,855
Building equipment	15,707	-	94	15,801
Moveable equipment	157,617	13,984	(5,348)	166,253
Computer software	35,548	813	83	36,444
Library books	148,481	8,766	(2,965)	154,282
Collections	<u>14,582</u>	<u>44</u>	<u>-</u>	<u>14,626</u>
	2,432,042	56,765	(8,308)	2,480,499
Less: Accumulated depreciation	<u>1,007,250</u>	<u>97,452</u>	<u>(7,823)</u>	<u>1,096,879</u>
Capital assets, net	<u>\$1,424,792</u>	<u>\$ (40,687)</u>	<u>\$ (485)</u>	<u>\$1,383,620</u>

Land, construction in progress and collections, as shown above, represent nondepreciable items. Therefore, there is no accumulated depreciation for those categories.

5. Accounts Payable and Accrued Liabilities

Accounts payable and the current portion of accrued liabilities as of June 30, 2011 and 2010 are as follows
(in thousands):

	<u>2011</u>	<u>2010</u>
Compensated absences (Current portion)	\$ 37,446	\$ 36,632
Compensation	41,657	40,658
Accrued liabilities	47,697	56,781
Vendors payable	<u>45,814</u>	<u>37,747</u>
Total	<u>\$ 172,614</u>	<u>\$ 171,818</u>

6. Bonds and Notes Payable

Bonds and notes payable at June 30, 2011 and 2010 comprise the following (*in thousands*):

<u>Bond Series – Fixed Rate Debt</u>	Issue <u>Date</u>	Maturity Dates <u>Through</u>	Interest <u>Rate</u>	<u>Outstanding Debt</u>	
				<u>2011</u>	<u>2010</u>
T, AA	1998	2013	5.50%	\$ 3,985	\$ 5,750
AL-1, AO	1999	2013	5.30-5.50%	-	2,510
AT, AU, AV, AZ	2000	2015	5.35-5.50%	-	1,300
2001A	2001	2031	5.00-5.50%	31,720	92,225
2002A	2002	2022	4.10-4.875%	1,265	3,990
2002D	2002	2022	4.20-5.00%	930	2,645
2002F	2003	2024	4.00-5.00%	13,990	23,200
2002G	2003	2031	3.50-5.00%	9,380	9,805
2003C	2003	2026	4.50-5.00%	57,690	61,295
2004A	2004	2031	2.75-5.00%	48,725	52,115
2004D	2004	2026	4.00-5.00%	45,080	47,115
2004E	2005	2021	3.75-5.00%	17,245	18,615
2005A	2005	2020	4.00-5.00%	67,525	69,355
2005D	2006	2019	4.00-5.00%	20,410	20,410
2006A	2006	2031	3.50-5.00%	45,470	47,730
2007A	2007	2031	3.75-5.00%	74,710	76,040
2007G	2008	2034	3.75-5.00%	85,910	87,570
2008C	2008	2031	3.00-5.00%	36,915	38,120
2008G	2009	2020	4.00-5.50%	18,085	19,210
2009C	2010	2030	2.00-5.00%	102,815	104,000
2009E	2010	2030	2.00-4.65%	5,910	6,135
2010B	2011	2015	2.00-3.00%	2,770	-
2010C (Taxable Build America Bonds)	2011	2039	3.236-6.484%	94,865	-
2010F	2011	2034	2.00-5.00%	94,050	-
2010G (Taxable Build America Bonds)	2011	2032	4.716-6.275%	14,880	-
2011A	2011	2021	2.00-5.00%	15,530	-
2011C	2011	2031	2.00-5.25%	<u>28,080</u>	<u>-</u>
Total bonds payable – fixed rate debt				<u>\$937,935</u>	<u>\$789,135</u>
			Average Interest Rate Since Issuance		
<u>Bond Series – Variable Rate Debt</u>					
2008B – Weekly Mode	2008	2021	3.43%	\$ -	\$4,985
2008F – Weekly Mode	2009	2034	1.42%	-	<u>24,585</u>
Total bonds payable – variable rate debt				<u>-</u>	<u>29,570</u>
Total bonds payable				<u>\$937,935</u>	<u>\$818,705</u>

Notes Payable/Other Debt	Issue Date	Maturity Dates Through	Interest Rate	Outstanding Debt	
				2011	2010
<u>Bond Anticipation Notes</u>					
2009B	July 2009	July 2010	2.00%	-	31,350
2009D	December 2009	December 2010	1.50%	-	25,000
2010A	May 2010	May 2011	1.50%	-	23,900
2010D	July 2010	December 2010	1.250%	-	-
2010E	July 2010	July 2011	1.50%	10,490	-
2010H	December 2010	December 2011	2.00%	34,610	-
2011B	May 2011	May 2012	2.00%	28,345	-
<u>Capital Lease Obligations</u>					
University Center (1996)	1996	2011	5.10%	-	3,170
Edwards Center (1998)	1998	2012	5.75%	2,330	4,530
Residence Halls (2000)	2000	2028	5.125-5.50%	8,495	36,090
University Center (2005)	2005	2024	3.50-5.00%	52,815	52,815
Stetson Capital Lease	July 2006	June 2033	4.25-5.97%	31,720	32,120
Turner Capital Lease	July 2006	June 2033	4.00-5.25%	9,595	9,730
Equipment Capital Leases	2003	2019	3.58-4.69%	<u>5,220</u>	<u>6,345</u>
Total notes payable and other debt				<u>183,620</u>	<u>225,050</u>
Subtotal bonds and notes payable and other debt				1,121,555	1,043,755
UHCURC*/Hamilton County Bonds-Series 2010	2010	2039	2.00-5.00%	<u>51,960</u>	-
Total bonds and notes payable and other debt				1,173,515	1,043,755
Premium net of unamortized costs and loss on refunding				<u>12,802</u>	<u>13,681</u>
Total bonds and notes payable and other debt, net				1,186,317	1,057,436
New debt traded not settled				-	<u>96,205</u>
				<u>\$1,186,317</u>	<u>1,153,641</u>

*University Heights Community Urban Redevelopment Corporation (see Note 17)

Debt Issuances and Permanent Fundings

General Receipt Bonds-Fixed Rate Debt

During the year ended June 30, 2011, the University issued the following general receipt fixed rate bond series:

Series 2010B tax exempt bonds were issued on July 13, 2010 in the amount of \$3,460,000. This bond series was issued at a premium and bears interest at rates ranging from 2.00% to 3.00%. The final maturity of Series 2010B is June 1, 2015. The proceeds along with existing debt service reserve funds, were used to current refund \$840,000 of Series AL1, \$1,670,000 of Series AO, \$105,000 of Series AT, \$800,000 of Series AU, \$120,000 of Series AV, and \$275,000 of Series AZ fixed rate bonds on August 16, 2010; provide funding for a portion of the following capital projects: Kettering North Site Improvement, Roof Replacement Phase 2, and Utility Energy Savings Project Phase 2; and to pay associated bond issue costs.

Series 2010C taxable bonds were issued on July 13, 2010 in the amount of \$94,865,000. These bonds were issued as Build America Bonds as authorized under the American Recovery and Reinvestment Act of 2009. The University will receive a cash subsidy from the United States Treasury equal to 35% of the interest payable on the bonds. This bond series bears interest at rates ranging from 3.236% to 6.484%. The final maturity of Series 2010C is June 1, 2039. The proceeds provide funding for a portion of the following capital projects: Kettering North Site Improvement, Procter Hall Façade Renovations, Roof Replacement Phase 2, Morgens Renovations/Scioto Decommissioning, Utility Energy Savings Project Phase 2 and Medical Sciences Building Rehabilitation; and associated bond issue costs.

Series 2010F tax exempt bonds were issued on November 9, 2010 in the amount of \$95,035,000. This bond series was issued at a premium and bears interest at rates ranging from 2.00% to 5.00%. The final maturity of Series 2010F is June 1, 2034. The proceeds were used to current refund \$24,585,000 of Series 2008F variable rate bonds on November 12, 2010, \$2,235,000 of Series 2008B variable rate bonds on December 1, 2010 and \$6,345,000 of Series 2009D bond anticipation notes (BANS) on December 16, 2010; and to advance refund \$51,715,000 of Series 2001A, \$2,465,000 of Series 2002A, \$1,345,000 of Series 2002D, and \$7,360,000 of Series 2002F fixed rate bonds; provide funding for a portion of the following capital projects: Kettering North Site Improvement, Roof Replacement Phase 2, and Utility Energy Savings Project Phase 2; and to pay associated bond issue costs.

Series 2010G taxable bonds were issued on November 9, 2010 in the amount of \$14,880,000. These bonds were issued as Build America Bonds as authorized under the American Recovery and Reinvestment Act of 2009. The University will receive a cash subsidy from the United States Treasury equal to 35% of the interest payable on the bonds. This bond series bears interest at rates ranging from 4.716% to 6.275%. The final maturity of Series 2010G is June 1, 2032. The proceeds provided funding for a portion of the DAAP Façade Improvements project, current refunded \$3,655,300 of Series 2009D bond anticipation notes (BANS) on December 16, 2010, and associated bond issue costs.

Series 2011A tax exempt bonds were issued on February 1, 2011 in the amount of \$17,000,000. This bond series was issued at a premium and bears interest at rates ranging from 2.00% to 5.00%. The final maturity of Series 2011A is June 1, 2021. The proceeds were used to current refund \$18,075,000 of the Series 2000 Jefferson Housing certificates of participation (COPS) on February 14, 2011, and to pay associated bond issue costs.

Series 2011C tax exempt bonds were issued on May 19, 2011 in the amount of \$28,080,000. This bond series was issued at a premium and bears interest at rates ranging from 2.00% to 5.25%. The final maturity of Series 2011C is June 1, 2031. The proceeds were used to current refund \$9,520,000 of the Series 2000 Jefferson Housing certificates of participation (COPS) on June 6, 2011; provide funding for a portion of the following capital projects: 60 West Charlton Classroom Renovation, Roof Replacement Phase 3, and Utility Energy Savings Project Phase 3; and to pay associated bond issue costs.

General Receipt Bonds-Variable Rate Debt

During the year ended June 30, 2011, the University refunded \$2,235,000 of Series 2008B and \$24,585,000 of Series 2008F general receipt variable rate bonds with the issuance of Series 2010F fixed rate bonds. Proceeds from the sale of Series 2010F bonds were placed into the Series 2008B and 2008F bond funds on November 9, 2010 and were used to call Series 2008F on November 12, 2010 and Series 2008B on December 1, 2010. The University retired the remaining \$2,750,000 of Series 2008B with University funds on December 1, 2010. The combination of the Series 2010F refunding and \$2,750,000 principal payment fully retired the University's variable rate debt.

Derivative Transactions

The University has one pay-fixed interest rate swap in effect at June 30, 2011 and 2010, which has been in existence since May 1, 2009. The initial objective of this interest rate swap was to protect the University against the potential of rising interest rates within the fixed rate market. As defined by GASB standards, the University has determined the interest rate swap to be ineffective, thus it is considered to be an investment derivative versus a hedging derivative. The fair value of the swap on June 30, 2011 was (\$2,062,000) as compared to the (\$2,771,000) fair value on June 30, 2010. The \$709,000 change in fair value is reported as an investment gain within the Statement of Revenues, Expenses and Changes in Net Assets and reduces the deferred outflow of resources on the Statement of Net Assets.

The following table summarizes the University's pay-fixed interest rate swap agreement:

Associated Debt Issue	Outstanding Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Index Received	Fair Value	Swap Termination Date	Counterparty Rating
<u>As of June 30, 2011</u>							
2011B BANS	\$24,075,000	5/1/2009	3.163%	USD- 67% LIBOR-BBA-1M	(\$2,062,000)	6/1/2030	AA-/Aa1

As of June 30, 2010

2010A BANS	\$24,075,000	5/1/2009	3.163%	USD- 67% LIBOR-BBA- 1M	(\$2,771,000)	6/1/2030	AA-/Aaa
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Based on the swap agreement, the University pays to the swap counterparty interest calculated at a fixed rate. In return, the swap counterparty pays the University interest based on a specified index. Only the net difference in interest payments is actually exchanged between the parties. The University continues to pay interest on the 2011B BANS obligations as due. The University has no collateral posting requirements on this swap.

Risks

Credit Risk: There are no counterparty collateral posting requirements on the swap. The University was not exposed to credit risk of the counterparty as the swap had a negative fair value throughout fiscal year 2011. A derivative management guideline is in place at the University, which addresses diversifying counterparty risk and limiting the University's credit exposure on derivative transactions.

Basis Risk: The swap exposes the University to basis risk should the interest rate received on the swap be less than the interest rate paid on the obligation. This mismatch will effectively result in a higher synthetic fixed rate and the expected savings may not be realized. As of June 30, 2011, the University is experiencing basis risk due to the issuance of a BAN at a higher rate of interest than what is being received on the swap.

Termination Risk: The University or counterparty may terminate the swap if either party fails to perform under the terms of the agreement. Termination provisions may result in the University paying or receiving a termination payment, depending on the value of the swap at that point in time.

Market-access Risk: Market conditions in the spring of 2009 prevented the University from issuing a variable rate bond series to coincide with the June 1, 2030 maturity date of the swap, therefore Series 2009A BANS was issued on May 12, 2009. Series 2009A BANS matured on May 12, 2010; Series 2010A BANS was issued to refund Series 2009A BANS. Series 2010A BANS matured on May 12, 2011; Series 2011B BANS was issued to refund Series 2010A BANS and is the current debt issue associated with the swap. The University will again reevaluate the municipal market and the fair value of the swap in the spring of 2012 to take appropriate actions relating to the Series 2011B BANS and the outstanding swap.

Fair Value

As of June 30, 2011, the fair value of the swap agreement was a liability of \$2,062,000 (reported as deferred inflow of resources on the Statement of Net Assets), indicating the amount that the University would be required to pay the Counterparty to terminate the swap agreement. The June 30, 2010 fair value of the swap agreement was a liability of \$2,771,000. The fair value was estimated using the zero coupon method. This method calculates the future net settlement payments required by the swap agreement, assuming that the forward rates implied by the yield curve as of June 30, 2011 correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the swap agreement. The fair value of the swap agreement was developed by an independent third party with no vested interest in the swap transaction.

Bond Anticipation Notes

During the year ended June 30, 2011, the University issued the following Bond Anticipation Notes (BANS):

- Series 2010D was issued at a premium on July 21, 2010 in the amount of \$19,610,000, at an interest rate of 1.25%, to current refund a portion of Series 2009B BANS. Series 2010D matured on December 16, 2010.
- Series 2010E was issued at a premium on July 21, 2010 in the amount of \$10,490,000, at an interest rate of 1.50%, to current refund a portion of Series 2008E BANS. Series 2010E matures on July 21, 2011.

- Series 2010H was issued at a premium on December 16, 2010 in the amount of \$34,610,000, at an interest rate of 2.00%, to current refund \$19,610,000 of Series 2010D BANS and to current refund \$15,000,000 of Series 2009D BANS. Series 2010H matures on December 16, 2011.
- Series 2011B was issued at a premium on May 12, 2011 in the amount of \$28,345,000, at an interest rate of 2.00%, to current refund \$23,900,000 of Series 2010A BANS and the callable \$4,440,000 June 1, 2012 maturity of Series 2001A Bonds. Series 2011B matures on May 11, 2012.

Capital Lease Obligations

At June 30, 2011 and June 30, 2010, the University had a capital lease obligation of \$2,330,000 and \$4,530,000 respectively for the University's Edwards Center. The capital lease obligation to finance the costs of the University's University Center project was \$52,815,000 at both June 30, 2011 and June 30, 2010. At June 30, 2011 and June 30, 2010, the University's capital lease obligation to finance the costs of the Jefferson Avenue Residence Complex was \$8,495,000 and \$36,090,000, respectively. The leases for the University Center, the Edwards Center and Jefferson Avenue constitute unconditional obligations of the University to make lease payments which pay principal and interest on certain certificates of participation issued by The Bank of New York Mellon Trust Company, N.A., as trustee, through the final maturity of such certificates to the extent of the University's general receipts.

During fiscal year 2011, the University refunded \$27,595,000 of the Jefferson Avenue Residence Complex certificates of participation within Series 2011A and Series 2011C general receipt bonds. This refunding did not change the University's obligation under the capital lease to make lease payments; University general receipts are now pledged for this portion of the capital lease payments.

In addition, the University has capital lease obligations in connection with the financing of two buildings, One Stetson Square and the Turner Center, which are owned by King Highland Community Urban Redevelopment Corporation and occupied, all or in part, by the University. At June 30, 2011 and June 30, 2010, the University's capital lease obligation for One Stetson Square was \$31,720,000 and \$32,120,000 respectively; at June 30, 2011 and June 30, 2010, the University's capital lease obligation for Turner Center was \$9,595,000 and \$9,730,000 respectively. This financing was affected by the issuance of economic development revenue bonds by the County of Hamilton, Ohio (the "King Highland Bonds"). The leases for One Stetson Square and the Turner Center also constitute unconditional obligations to make lease payments which pay the principal and interest on the King Highland Bonds.

The University has not pledged its general receipts to the payment of these leases nor has the University pledged its general receipts to the payment of such Certificates of Participation. Holders of the Bond Anticipation Notes have a prior and superior claim to the general receipts than King Highland does and the trustee for the holders of such Certificates of Participation.

The University also has \$5,220,000 of financing obligations outstanding for equipment located in various departmental units. The June 30, 2010 financing obligations outstanding for equipment located in various departmental units was \$6,345,000. The obligations issued for equipment are unsecured except for an interest in the equipment.

Refundings

General Receipts Bond Anticipation Notes— Series 2011B general receipt bond anticipation notes (BANS) were issued on May 12, 2011 in the amount of \$28,345,000 for the purpose of current refunding the callable \$4,440,000 June 1, 2012 maturity of Series 2001A bonds and the \$23,900,000 of Series 2010A BANS which came due May 12, 2011. Series 2010A BANS were issued in May 2010 to current refund Series 2009A BANS, issued in May 2009 to current refund \$23,380,000 of the following June 1, 2009 fixed rate bond maturities: Series AL1 \$240,000, Series AO \$480,000, Series AQ \$270,000, Series AT \$30,000, Series AU \$105,000, Series AV \$35,000, Series AZ \$80,000, Series 2001A \$7,090,000, Series 2002A \$240,000, Series 2002D \$340,000, Series 2002F \$1,725,000, Series 2002G \$1,015,000, Series 2003C \$4,430,000, Series 2004A \$2,130,000, Series 2004D \$975,000, Series 2004E \$1,295,000, Series 2006A \$2,120,000 and Series 2007A \$780,000. The purpose of the June 1, 2009 refunding was to complete the second phase of the University's Liquidity Reserve funding plan. There was no gain or loss on the refunding transaction. BANS were issued in anticipation of fixed rate bonds. When fixed rate bonds are issued, they will have maturities corresponding to the swap amortization.

General Receipts Bonds— Series 2010B general receipt bonds were issued July 13, 2010 in the amount of \$3,460,000. A portion of the proceeds, along with existing debt service reserve funds, were used to current refund \$840,000 of Series AL1, \$1,670,000 of Series AO, \$105,000 of Series AT, \$800,000 of Series AU, \$120,000 of Series AV, and \$275,000 of Series AZ callable fixed rate bonds. The purpose of the refunding was to refund maturities that were callable thus reducing future debt service. The economic gain to the University is \$267,000 and will be realized over a period of five (5) years as a reduction of interest expense. As a result of the refunding, \$136,000 has been recorded as a deferred loss on refunding recorded within accrued liabilities on the Statement of Net Assets and will be amortized into income from 2011 through 2015. The deferred loss on refunding reflects the difference between the refunding reacquisition price for the respective portion of Series 2010B and the net carrying amount of the outstanding principal balances of the refunded debt issues.

Series 2010F general receipt bonds were issued November 9, 2010 in the amount of \$95,035,000. The proceeds were used to current refund \$2,235,000 of Series 2008B and \$24,585,000 of Series 2008F variable rate bonds; to current refund \$6,345,000 of Series 2009D BANS; and to advance refund \$51,715,000 of Series 2001A, \$2,465,000 of Series 2002A, \$1,345,000 of Series 2002D, \$7,360,000 of Series 2002F fixed rate bonds. The purpose of the refunding was to decrease the University's exposure to variable rate debt, to replace short term debt with permanent debt, as well as to advance refund maturities thus reducing future debt service. The economic gain to the University is \$3,629,000 and will be realized over a period of 17 years as a reduction of interest expense. As a result of the refunding, \$4,741,000 has been recorded as a deferred loss on refunding recorded within accrued liabilities on the Statement of Net Assets and will be amortized into income from 2011 through 2027. The deferred loss on refunding reflects the difference between the refunding reacquisition price for the respective portion of Series 2010F and the net carrying amount of the outstanding principal balances of the refunded debt issues.

Series 2011A general receipt bonds were issued February 1, 2011 in the amount of \$17,000,000. The proceeds were used to current refund \$18,075,000 of the Series 2000 Jefferson Housing certificates of participation (COPS). The purpose of the refunding was to refund maturities that were callable thus reducing future debt service. The economic gain to the University is \$1,427,000 and will be realized over a period of 11 years as a reduction of interest expense. As a result of the refunding, \$305,000 has been recorded as a deferred loss on refunding recorded within accrued liabilities on the Statement of Net Assets and will be amortized into income from 2011 through 2021. The deferred loss on refunding reflects the difference between the refunding reacquisition price for the respective portion of Series 2011A and the net carrying amount of the outstanding principal balances of the refunded debt issues.

Series 2010G general receipt bonds were issued November 9, 2010 in the amount of \$14,880,000. A portion of the proceeds were used to current refund \$3,655,300 of the Series 2009D BANS. The purpose of this refunding was make permanent, the debt associated with the DAAP Façade Improvements project. There was no gain or loss on the refunding transaction.

Series 2011C general receipt bonds were issued May 19, 2011 in the amount of \$28,080,000. A portion of the proceeds were used to current refund \$9,520,000 of the Series 2000 Jefferson Housing certificates of participation (COPS). The purpose of the refunding was to refund maturities that were callable thus reducing future debt service. The economic gain to the University is \$508,000 and will be realized over a period of 15 years as a reduction of interest expense. As a result of the refunding, \$411,000 has been recorded as a deferred loss on refunding recorded within accrued liabilities on the Statement of Net Assets and will be amortized into income from 2011 through 2025. The deferred loss on refunding reflects the difference between the refunding reacquisition price for the respective portion of Series 2011C and the net carrying amount of the outstanding principal balances of the refunded debt issues.

Collateralization and Debt Reserves

The general receipts bonds and general receipts bond anticipation notes are collateralized by a pledge of general receipts of the University. The Capital Lease Obligations and Capital Leases (Stetson and Turner) are secured by base rent payments under the leases. The gross cost of assets under Capital Lease Obligations is \$183,618,000 and \$183,493,000 for the years ended June 30, 2010 and 2011, respectively. Payment of base rents is subordinate to debt service payments on the University's general receipt bonds and bond anticipation notes. The capital leases related to equipment is collateralized by the specified equipment.

The required debt service reserve under the Amended and Restated Trust Agreement amounted to approximately \$2,236,000 at June 30, 2011. As provided for in the Amended and Restated Trust Agreement, this reserve is solely for the payment of debt service charges on the pre-amended bonds, with the exception

that excess amounts may be transferred pursuant to Section 4.03 of the Amended and Restated Trust Agreement.

Debt Service Commitments

For bonds and notes payable at June 30, 2011 (including the UHCURC/Hamilton County bonds), scheduled annual debt service payments subsequent to June 30, 2011 are as follows (*in thousands*):

Fiscal Year	Principal *	Interest**	Total
2012	\$104,570	\$49,465	\$154,035
2013	39,605	47,225	86,830
2014	43,360	45,642	89,002
2015	46,860	43,752	90,612
2016	47,660	41,659	89,319
2017-2021	268,240	171,217	439,457
2022-2026	235,315	106,859	342,174
2027-2031	161,530	57,017	218,547
2032-2036	76,735	24,091	100,826
2037-2040	<u>39,465</u>	<u>4,980</u>	<u>44,445</u>
Total	<u>\$1,063,340</u>	<u>\$591,907</u>	<u>\$1,655,247</u>

* Fiscal year 2012 principal includes \$73,445,000 of BANS that are outstanding as of June 30, 2011. These BANS are expected to be retired, renewed or refunded into long term debt.

** Amounts do not reflect federal subsidies to be received for Build America Bonds interest.

The University's \$24,075,000 LIBOR swap is currently attached to Series 2011B BANS (\$28,345,000, issued at an interest rate of 2.00%). Principal and associated interest for this BAN series is reflected within FY12 in the debt service table; the swap payment associated with the LIBOR swap is not reflected in the table.

Scheduled principal and interest payments on capital leases subsequent to June 30, 2011 are (*in thousands*):

Fiscal Year	Principal	Interest	Total
2012	\$6,829	\$5,433	\$12,262
2013	6,005	5,149	11,154
2014	6,441	4,855	11,296
2015	6,231	4,553	10,784
2016	7,202	4,240	11,442
2017-2021	25,732	16,979	42,711
2022-2026	25,815	10,221	36,036
2027-2031	19,450	4,202	23,652
2032-2034	<u>6,470</u>	<u>489</u>	<u>6,959</u>
Total	<u>\$110,175</u>	<u>\$56,121</u>	<u>\$166,296</u>

Defeased Debt

Debt defeased by the University for which amounts remain outstanding at June 30, 2011, is *(in thousands)*:

<u>Bond Series</u>	<u>Maturity Dates</u>	<u>Interest Rate(s)</u>	<u>Amount Outstanding</u>
General Receipts Bonds:			
Series 2002A	2015-2021	4.50-5.25%	\$2,465
Series 2002D	2015-2021	4.60-5.00%	1,345
Series 2002F	2014-15,2021	5.00-5.375%	7,360
Series 2002F	2016-2020	5.375%	<u>13,010</u>
Total			<u>\$ 24,180</u>

Neither the outstanding indebtedness nor the related trust accounts are reflected in the accompanying financial statements for the fully defeased bonds listed above. United States Treasury obligations in an amount sufficient to pay principal and interest on the defeased obligations, when due, have been deposited with a trustee in accordance with the defeasance of the debt.

Other

Interest expense incurred on indebtedness for the years ended June 30, 2011 and 2010, is \$45,571,000 and \$46,310,000, respectively. In 2011, interest expense on construction-related debt of \$7,631,000, net of \$1,323,000 interest earned on invested funds, was capitalized. In 2010, interest expense on construction-related debt of \$1,884,000, net of \$768,000 interest earned on invested funds, was capitalized.

Long-Term Liabilities

Long-term liabilities as of June 30, 2011 and 2010 are as follows (*in thousands*):

	Year Ended June 30, 2011					
	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Current Portion	Noncurrent Portion
Bonds, notes and capital leases:						
Bonds and notes payable	\$995,160	\$302,130	\$233,950	\$1,063,340	\$104,570	\$958,770
Capital lease-equipment	6,345	266	1,391	5,220	1,034	4,186
Capital lease obligations	138,455	-	33,500	104,955	5,795	99,160
Premium net of unamortized costs and loss on refunding	<u>13,681</u>	<u>12,066</u>	<u>12,945</u>	<u>12,802</u>	<u>2,226</u>	<u>10,576</u>
Total bonds, notes and capital leases	<u>1,153,641</u>	<u>314,462</u>	<u>281,786</u>	<u>1,186,317</u>	<u>113,625</u>	<u>1,072,692</u>
Other long-term liabilities:						
Compensated absences	58,649	2,606	951	60,304	37,446	22,858
Refundable advances, federal loans	24,788	193	83	24,898	-	24,898
Deposits held in trust for others	<u>5,424</u>	<u>84,604</u>	<u>84,167</u>	<u>5,861</u>	<u>-</u>	<u>5,861</u>
Total other long-term liabilities	<u>88,861</u>	<u>87,403</u>	<u>85,201</u>	<u>91,063</u>	<u>37,446</u>	<u>53,617</u>
Total	<u>\$1,242,502</u>	<u>\$401,865</u>	<u>\$366,987</u>	<u>\$1,277,380</u>	<u>\$151,071</u>	<u>\$ 1,126,309</u>

	Year Ended June 30, 2010					
	Balance July 1, 2009	Additions	Reductions	Balance June 30, 2010	Current Portion	Noncurrent Portion
Bonds, notes and capital leases:						
Bonds and notes payable	\$928,915	\$287,940	\$221,695	\$995,160	\$111,565	\$883,595
Loans payable-equipment	7,850	-	1,505	6,345	1,391	4,954
Capital lease obligations	146,220	-	7,765	138,455	7,150	131,305
Premium net of unamortized costs and loss on refunding	<u>7,659</u>	<u>13,641</u>	<u>7,619</u>	<u>13,681</u>	<u>1,701</u>	<u>11,980</u>
Total bonds, notes and capital leases	<u>1,090,644</u>	<u>301,581</u>	<u>238,584</u>	<u>1,153,641</u>	<u>121,807</u>	<u>1,031,834</u>
Other long-term liabilities:						
Compensated absences	63,704	8,372	13,427	58,649	36,632	22,017
Refundable advances, federal loans	25,152	34	398	24,788	-	24,788
Other Liability	481	-	481	-	-	-
Deposits held in trust for others	<u>4,535</u>	<u>73,238</u>	<u>72,349</u>	<u>5,424</u>	<u>-</u>	<u>5,424</u>
Total other long-term liabilities	<u>93,872</u>	<u>81,644</u>	<u>86,655</u>	<u>88,861</u>	<u>36,632</u>	<u>52,229</u>
Total	<u>\$1,184,516</u>	<u>\$383,225</u>	<u>\$325,239</u>	<u>\$1,242,502</u>	<u>\$158,439</u>	<u>\$ 1,084,063</u>

7. State Support

The University is a state-assisted institution of higher education and receives from the State of Ohio a state share of instruction that is student-enrollment based. This subsidy is determined annually by the Ohio Board of Regents. The State also provides line-item appropriations that support, in part, the current operations of various activities including clinical teaching expenditures.

In addition to the operating subsidies, the State of Ohio provides funding for and constructs major plant facilities on the University's campuses. The state passes a capital-appropriations bill biannually for both major capital projects and basic renovation projects of which the University receives a share. Such facilities are reported as capital assets on the Statement of Net Assets. Due to state budget constraints, the Ohio legislature did not enact a 2011-2012 biennium capital bill.

8. Retirement Plans and Other Post Employment Benefits

Retirement benefits are available for substantially all employees under one of several contributory retirement plans. Prior to July 1, 1977, when the University became a state institution, employees were covered by either the City of Cincinnati Retirement System (CRS) or the Teachers' Insurance and Annuity Association — College Retirement Equities Fund (TIAA-CREF). Certified teachers appointed on or after July 1, 1977, are covered by the State Teachers Retirement System (STRS Ohio). Non-certified employees appointed on or after that date are covered by the Ohio Public Employees Retirement System (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 are statewide systems that offer three separate plans: (1) a defined benefit plan, (2) a defined contribution plan, and (3) a combined plan. Each of the three options is discussed in greater detail in the following sections.

Defined Benefit Plans

The OPERS, STRS Ohio and CRS plans are cost-sharing, multiple-employer, defined-benefit, public-employee retirement systems. Each provides retirement, disability, and survivor benefits to plan members and beneficiaries. These plans also provide health care benefits to vested retirees. Benefits provided under the plans are established by state statute or the Cincinnati Municipal Code.

OPERS provides postemployment health care benefits to retirees with ten or more years of qualifying Ohio service credit under the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment health care coverage. The plan benefits include a medical plan, prescription drug program and Medicare Part B premium reimbursement. The Ohio Revised Code permits, but does not mandate, OPERS to provide Other Post Employment Benefits (OPEB) to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Pursuant to Chapter 3307 of the Ohio Revised Code, 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.

All three plans issue separate, publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by contacting each organization as follows: Ohio Public Employee Retirement System, 277 East Town Street, Columbus, Ohio 43215, Telephone (800) 222-7377; STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215, Telephone (888) 227-7877; and City of Cincinnati Retirement System, 801 Plum Street, Cincinnati, Ohio 45202, Telephone (513) 352-3227.

In addition to the pension benefits described above, the University provides postretirement health care and dental benefits (under its labor agreement with the American Association of University Professors) to all who are participants of TIAA-CREF when they retire. During 2011, 2010, and 2009, the net cost of these benefits recorded on a pay-as-you-go basis totaled approximately \$2,467,000, \$2,922,000, and \$3,148,000, respectively.

Defined Contribution Plans

On June 23, 1998, pursuant to Ohio House Bill 586, the University created an Ohio Alternative Retirement Plan (ARP), which is designed to aid the University in recruiting and retaining employees by offering a portable retirement option. The ARP is a defined contribution plan that provides full and immediate vesting of all contributions made on behalf of the participant. Contributions are directed to one of eight investment management companies, which allows the participant to manage the investment of all retirement funds. New employees who qualify for the ARP have 120 days from the date of hire to elect the ARP option. Once this window has passed, the employee will not have the option to elect into the 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.

At June 30, 2011, there were 1,885 members of the plan. During 2011, 2010, and 2009, the employer contributions were \$14,336,000, \$14,221,000, and \$13,956,000, respectively. The employer contribution rate for participants electing out of OPERS and STRS Ohio was 14% for 2011, 2010, and 2009.

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

OPERS 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.

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.

Funding Policy

The Ohio Revised Code provides OPERS and STRS Ohio statutory authority over employer and employee contributions. The Cincinnati Municipal Code provides CRS statutory authority. The required actuarially determined contribution rates (as a percentage of covered payroll) for the employee and the University are as follows for the year ending June 30, 2011:

	<u>OPERS (staff)</u>	<u>OPERS (Law Enforcement staff)</u>	<u>STRS Ohio</u>	<u>CRS</u>
<u>Employee:</u>				
All year	10%		10%	8%
7/10 – 12/10		11.10%		
1/11 – 6/11		11.60%		
<u>University:</u>				
All year	14%		14%	17%
7/10 – 12/10		17.87%		
1/11 – 6/11		18.10%		

The University's contributions, representing 100% of employer contributions for the year ended June 30, 2011, and for each of the two preceding years are as follows (in thousands):

<u>Fiscal Year</u>	<u>OPERS</u>	<u>STRS Ohio</u>	<u>CRS</u>
2009	\$20,904	\$16,733	\$162
2010	\$20,543	\$17,334	\$118
2011	\$21,534	\$17,894	\$ 85

OPERS Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For the year ended December 31, 2010, OPERS allocated 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010 of the employer contribution rate to fund the health care program for members in the Traditional Plan. The portion of employer contributions allocated to health care

for members in the Combined Plan was 4.73% from January 1 through February 28, 2010, and 4.23% from March 1 through December 31, 2010. The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Of the \$21,534,000 University employer contributions to OPERS for 2011, \$7,691,000 was to fund OPEB.

For the fiscal year ended June 30, 2010, STRS Ohio allocated employer contributions equal to 1.0% covered payroll to a Health Care Stabilization Fund from which payments for health care benefits are paid. University employer contributions to STRS Ohio to fund OPEB for 2011 were \$1,278,000.

9. Restricted Net Assets

Restricted net assets are either nonexpendable or expendable. Nonexpendable restricted net assets consist primarily of endowments whose corpus is held in perpetuity. Only the income and net appreciation is used for the purpose specified by the donor. The principal of expendable restricted net assets may be used for the donor-specified purpose. Restricted nonexpendable and expendable net assets are held for the following purposes (*in thousands*):

	<u>2011</u>	<u>2010</u>
Restricted nonexpendable:		
Instruction	\$ 135,072	\$ 122,398
Research	90,954	80,584
Academic support	41,862	38,098
College/programs	299,259	248,720
Scholarships	121,424	107,649
Equity interest in UC Health	420,645	336,144
Other	<u>50,407</u>	<u>60,476</u>
Total	<u>\$ 1,159,623</u>	<u>\$ 994,069</u>
	<u>2011</u>	<u>2010</u>
Restricted expendable:		
Instruction	\$ 32,444	\$ 30,090
Research	96,273	89,545
Academic support	25,685	23,708
College/programs	115,286	107,737
Scholarships	42,582	38,975
Student loans	9,740	9,520
Grants and contracts	2,007	1,510
Capital projects	23,616	21,501
Other	<u>3,285</u>	<u>4,483</u>
Total	<u>\$ 350,918</u>	<u>\$ 327,069</u>

10. Unrestricted Net Assets

Unrestricted net assets are not subject to externally imposed stipulations; however, they are subject to internal designations imposed by action of management or the Board of Trustees, or may otherwise be limited by contractual agreements with outside parties.

11. Investment in UC Health

Since January 1, 1995, the operation of University Hospital ("University Hospital") has been managed by UC Health, formerly known as The Health Alliance of Greater Cincinnati ("UC Health" or the "Health Alliance") an Ohio non-profit corporation qualified as a tax-exempt organization under §501(c)(3) of the Internal Revenue Code. The "Participating Entities" in the Health Alliance, who were parties to the Joint Operating

Agreement that established the Health Alliance, included the University (for University Hospital) and certain other Cincinnati area hospitals. Between 2008 and mid-2010, each of the other Participating Entities terminated their participation in the Health Alliance, leaving the University as the sole remaining Participating Entity. Rather than dissolve the Health Alliance and receive its remaining net assets as permitted by the Joint Operating Agreement, the University determined to allow the Health Alliance to continue to manage the University's participation interest in the Health Alliance. As a consequence of that decision, in 2010, the Health Alliance completed a reorganization into UC Health to reflect both the departure of the other Participating Entities and UC Health's new, closer affiliation with the University of Cincinnati's College of Medicine. This reorganization provides greater alignment of the missions and operations of University Hospital and UC Health, especially as related to the College of Medicine.

The University's investment in UC Health is included as an investment on the University's Statement of Net Assets and represents the University's participation interest in UC Health of 100% of UC Health's total net assets. The investment in the UC Health as of June 30, 2011 and 2010 was \$421 million and \$336 million, respectively. The investment in the UC Health is not included in the market value of the University's total endowment.

Additionally, UC Health provides the University an annual education and research payment and programmatic support that must be used exclusively for Academic Health Center purposes. The total of these payments and support for the years ended June 30, 2011 and 2010 were \$9,322,000 and \$9,103,000, respectively. The University also provides various shared services, consisting mainly of utilities, security and various administrative services to UC Health for which the University is reimbursed on a cost basis. The total cost of these services for the years ended June 30, 2011 and 2010 were approximately \$19,131,000 and \$18,149,000, respectively.

12. Capital Project Commitments

At June 30, 2011, the University is committed to future capital expenditures as follows (*in thousands*):

Contractual commitments	\$ 82,327
Estimated completion costs of projects	<u>201,324</u>
Total	<u>\$283,651</u>

These projects are being funded through various resources, including the State of Ohio, as follows (*in thousands*):

Approved state appropriations requested and released as of June 30, 2011	\$ 15,173
Approved state appropriations not yet requested	6,071
University funded prior to June 30, 2011	130,966
Funds to be provided subsequent to June 30, 2011, from various available sources	<u>131,441</u>
Total	<u>\$283,651</u>

The \$131,441,000 of funding to be provided subsequent to June 30, 2011 will come from state funds, debt, and University funds.

13. Self-Insurance Funds

The University currently provides for medical professional and general liability insurance through a combination of an actuarially funded self-insurance program sponsored by the University and has purchased commercial insurance in excess of the self-insurance amount. The medical professional liability insurance program also includes several qualified not-for-profit departmental (physician) practice corporations. Medical professional self-insurance limits were \$4 million per occurrence for 2011. An additional \$15 million in commercial excess professional liability insurance was provided above the self-insured retention.

General liability coverage is also provided as part of a group insurance program of Ohio state universities known as the Inter-University Council of Ohio Insurance Consortium (IUC-IC). This program provided for \$1 million retention per occurrence with the first \$100,000 funded by UC, and the remaining \$900,000 funded by pool funds held through the IUC-IC. Excess commercial coverage for general liability was provided with total limits of \$50 million, of which \$45 million was shared with the other participating universities. In addition, educators' legal liability coverage was provided through the IUC-IC program with \$25 million in total limits, of which \$20 million was shared among the participating institutions. The IUC-IC self-insurance pools are funded by an agreed formula among the participating universities.

The University's self-insurance program is based on calculations by independent actuaries and funds are deposited directly into two irrevocable self-insurance trust funds, one for medical and professional liability and one for general liability. In the opinion of management, trust assets totaling approximately \$31,051,000 are adequate to cover estimated liabilities resulting from known claims and incidents and incurred-but-not-reported incidents as of June 30, 2011.

Property insurance is also provided through the IUC-IC program, consisting of commercial property insurance with a \$350,000 retention, and a self-insurance pool to fund losses between \$100,000 and \$350,000.

The University is also self-insured for a portion of medical, dental, and pharmacy benefits provided to employees. The cost of such self-insured benefits provided during 2011 and 2010, respectively, was approximately \$75,771,000 and \$70,064,000. In addition, \$4,150,000 and \$5,285,000 was accrued for 2011 and 2010, respectively, for estimated claims incurred but not reported.

14. Other Commitments and Contingencies

The University is currently a defendant in various legal actions. Although the final outcome of such actions cannot currently be determined, the University's administration is of the opinion that the eventual liability, if any, will not have a material effect on the financial position or operations of the University.

The University receives grants and contracts from certain federal, state and local agencies to fund research and other activities. The costs, both direct and indirect, that have been charged to the grants or contracts are subject to examination and approval by the granting agency. It is the opinion of management that any disallowance or adjustment of such costs would not have a material effect on the financial statements.

In 2005 the Department of Education conducted a program review of certain aspects of the University's Student Financial Aid Program. A final program review determination was completed by the Department in December 2010 and as a result of various findings, a liability of \$9,194,000 was assessed. The University paid the Department of Education the portion of the determination that was related to Federal Pell Grant funds and Federal Supplemental Education Opportunity Grant (FSEOG) funds in fiscal year 2011. The remaining amount due of \$5,252,000 has been recorded as a current accrued liability of June 30, 2011. A majority of the outstanding liability requires the University to return student loan funds, which may take longer than one year to return.

The University's utility plant is exposed to market price fluctuations on its purchase of natural gas. Purchase commitments have been issued with certain suppliers of natural gas whereby the University has locked into the price of natural gas for specified amounts to stabilize costs.

15. University of Cincinnati Foundation

The University of Cincinnati Foundation is a legally separate, tax-exempt component unit of the University. The principal function of the Foundation is to solicit, reserve, hold, invest and administer funds and to make distributions to or for the benefit of the University. Since these resources held by the Foundation can be used only by or for the benefit of the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements.

Accounts of the Foundation have been presented in the accompanying financial statements in accordance with generally accepted accounting principles for not-for-profit organizations. Pledges receivable for the benefit of the University totaling \$11,730,000 in 2011 and \$15,411,000 in 2010, and funds held in trust by the Foundation for the University of \$232,747,000 in 2011 and \$189,750,000 in 2010, have been recorded by the University and have, therefore, been eliminated from the amounts reported for the Foundation as of June 30, 2011 and

2010. Of these amounts, \$212,474,000 and \$172,876,000 have been invested as of June 30, 2011 and 2010, respectively, in the University endowment investment pool.

Cash & Cash Equivalents

The carrying amount of the Foundation's cash and cash equivalents is \$3,413,000 as compared to bank balances of \$4,838,000. The difference between the carrying amounts and the bank balances is caused primarily by deposits in transit and outstanding checks.

Of the Foundation's bank balances, \$1,888,000 is covered by federal depository insurance, \$325,000 is uninsured and money market funds account for \$2,625,000 in cash equivalents.

Investments

The fair value of investments at June 30 is *(in thousands)*:

	<u>2011</u>	<u>2010</u>
U.S. Treasury Obligations	\$ 98	\$ 572
Corporate Bonds	5,154	1,888
Mutual Funds	14,840	11,391
Other Securities	<u>1,858</u>	<u>1,334</u>
Total investments	<u>\$21,950</u>	<u>\$15,185</u>

GASB standards require government entities to categorize investments of interest rate risk, credit risk, and custodial risk.

Interest Rate Risk

The Foundation's investments total \$21,950,000 and \$15,185,000 as of June 30, 2011 and 2010 respectively. The segmented time distribution method is used to portray interest rate risk for \$11,706,000 and \$7,389,000 of bond and other fixed income investments as of June 30, 2011 and 2010, respectively. Investments for the years ended June 30, 2011 and 2010 are summarized as follows (in thousands):

Investment Type	Investment Maturities (In Years) 2011				
	Fair Value	Less than 1	1 – 5	6 – 10	More than 10
U.S. Treasury Obligations	\$ 98	\$ 28	\$ 70	\$ -	\$ -
Municipal Obligations	20	-	-	-	20
Corporate Bonds	5,154	2,359	2,795	-	-
Bond Mutual Funds	<u>6,434</u>	<u>-</u>	<u>571</u>	<u>5,767</u>	<u>96</u>
Total Investments	<u>\$ 11,706</u>	<u>\$ 2,387</u>	<u>\$ 3,436</u>	<u>\$ 5,767</u>	<u>\$ 116</u>

Investment Type	Investment Maturities (In Years) 2010				
	Fair Value	Less than 1	1 – 5	6 – 10	More than 10
U.S. Treasury Obligations	\$ 559	\$ 534	\$ 25	\$ -	\$ -
U.S. Government Agency Obligations	13	-	13	-	-
Municipal Obligations	40	-	-	-	40
Corporate Bonds	1,888	1,728	64	96	-
Bond Mutual Funds	<u>4,889</u>	<u>-</u>	<u>119</u>	<u>4,677</u>	<u>93</u>
Total Investments	<u>\$ 7,389</u>	<u>\$ 2,262</u>	<u>\$ 221</u>	<u>\$ 4,773</u>	<u>\$ 133</u>

The Foundation does not have a policy for interest rate risk.

Credit Risk

Bond and other fixed income investments are rated by nationally recognized rating organizations as follows, as of June 30 (in thousands):

	2011	2010
U.S. Treasury Obligations	\$ 98	\$ 559
AAA	-	13
AA	528	1,499
A	5,717	1,025
BBB	4,712	1,242
BB	21	6
B	524	2,913
Not Rated	<u>106</u>	<u>132</u>
Total	<u>\$ 11,706</u>	<u>\$ 7,389</u>

Foundation investment grade bonds are limited to those in the first four grades of any rating system. The average rating of the portfolio of investment grade bonds must be in the top two grades of any rating system. Limited investments having strategic value to the University are permitted.

Custodial Credit Risk

Of the Foundation's \$21,950,000 total investments, approximately \$20,510,000 are uninsured, not registered in the name of the Foundation, and are held in trust departments or assets in the Foundation's name and are thus not exposed to custodial credit risk. The Foundation does not have a policy for custodial credit risk.

Endowment Investments

These funds represent separately invested endowments and split interest trusts where the Foundation is the remainderman.

Pledges Receivable

Contributors to the Foundation have made unconditional pledges totaling \$55,072,000 and \$66,103,000 as of June 30, 2011 and 2010, respectively. These pledges receivable have been discounted at a rate ranging from 2.3% to 6% to a net present value of \$42,908,000 and \$51,593,000 as of June 30, 2011 and 2010, respectively, which represents fair market value. As of June 30, these pledges are due as follows (*in thousands*):

	<u>2011</u>	<u>2010</u>
Less than one year	\$16,341	\$22,126
One to five years	12,248	12,619
More than five years	<u>14,319</u>	<u>16,848</u>
Subtotal	42,908	51,593
Less allowance for uncollectibles pledges	<u>2,187</u>	<u>2,589</u>
Total	<u>\$40,721</u>	<u>\$49,004</u>

Separate financial information regarding the Foundation may be obtained by contacting the Foundation at University of Cincinnati Foundation, University Hall, Suite 100, 51 Goodman Drive, Cincinnati, Ohio 45221-0064.

16. University of Cincinnati Physicians, Inc.

The University of Cincinnati Physicians, Inc. (UCP) is a legally separate nonprofit corporation formed under Chapter 1702 of the Ohio Revised Code through which the faculty of the University of Cincinnati's College of Medicine engage in clinical practice. During 2010, UCP amended and restated its Code of Regulations including changes in governance structure. As a result, UCP's relationship with the University was analyzed for component unit status. It was determined that UCP should be included as a component unit effective July 1, 2009 due to multiple factors including the University appointing a majority of the Board of Directors along with the financial benefit/burden of the relationship.

These benefits provided by UCP to the University include \$1,962,000 and \$1,858,000 paid in practice plan reimbursements for the years ended June 30, 2011 and 2010, respectively. UCP also paid \$12,341,000 and \$11,334,000 during 2011 and 2010, respectively, in practice plan contributions to the College of Medicine Enrichment Fund which may be used at the discretion of the Dean of the College of Medicine for the growth and development of teaching, research and service programs for the general benefit of the University's Academic Health Center.

Accounts of UCP have been presented in the accompanying financial statements in accordance with generally accepted accounting principles for not-for-profit organizations. The inclusion of UCP as a component unit for fiscal year 2010 resulted in a Change in University Related Organizations- Beginning of the Year of \$73,128,000 presented on the Statement of Revenues, Expenses and Changes in Net Assets.

Additionally, UCP adopted a new accounting standard as of July 1, 2010 related to the presentation of noncontrolling interest included within net assets. This change was retroactive resulting in a change in University organizations – beginning of the year of \$1,404,000 presented on the Statement of Revenues, Expenses and Changes in Net Assets.

Financial Position and Operating Results

The carrying amount of UCP's cash and cash equivalents is \$1,377,000 and \$9,699,000 compared to bank balances of \$1,591,000 and \$9,271,000 as of June 30, 2011 and 2010, respectively. The difference between the carrying amounts and the bank balances is caused primarily by deposits in transit and outstanding checks. The fair value of UCP investments is \$85,650,000 at June 30, 2011. As of June 30, 2011, UCP's investments consist of \$1,281,000 of common stocks, \$1,099,000 of corporate bonds and \$83,270,000 of pooled funds held at the Medical Center Fund of Cincinnati, Inc. The pooled funds are 59% common stocks, 21% corporate debt securities, 11% money market funds, 8% government debt securities and 1% real estate investment trusts

The fair value of UCP investments was \$58,237,000 at June 30, 2010. As of June 30, 2010, UCP's investments consist of \$1,131,000 of common stocks and \$57,106,000 of pooled funds held at the Medical Center Fund of Cincinnati, Inc. The pooled funds are 54% common stocks, 22% corporate debt securities, 17% money market funds, 6% government debt securities and 1% cash.

Operating income is derived primarily from providing clinical patient care services and totals \$24,841,000 for 2011 and \$18,776,000 for 2010. The overall change in net assets is \$25,944,000 and \$13,967,000 for 2011 and 2010, respectively.

Separate financial information regarding the corporation may be obtained by contacting UCP at University of Cincinnati Physicians Inc., 222 Piedmont Avenue, Suite 1200, Cincinnati, Ohio 45219, Telephone (513) 475-8027.

17. University Heights Community Urban Redevelopment Corporation

University Heights Community Urban Redevelopment Corporation (UHCURC) is organized as a not-for-profit corporation under the laws of the state of Ohio. Its mission is to revitalize the University Heights neighborhood adjacent to the University of Cincinnati. UHCURC was organized by three founding members: The Heights Community Council, the Greek Affairs Council and the University of Cincinnati. The corporation owns a student housing complex that consists of 20 buildings with the capacity to house approximately 700 students.

Effective September 1, 2009, the structure of UHCURC's Board of Trustees was changed giving the University a voting majority on the board. Due to this governance change and the fact the University can impose its will on UHCURC, the organization is reported as a blended component unit of the University. Accordingly, all significant intercompany accounting transactions have been eliminated as required by generally accepted accounting principles.

UHCURC's fiscal year end is August 31. Due to the effective date of the changes in UHCURC's governance structure, August 31, 2010 is the first fiscal period eligible to be included in the University's financial statements. As GASB standards require, the reporting entity should incorporate financial statements for the blended component unit's fiscal year ending during the reporting entity's fiscal year. Therefore, UHCURC's financial statements for the fiscal year ending August 31, 2010 have been blended with the University's financial statements for the fiscal year ending June 30, 2011. The inclusion of UHCURC as a blended component unit for fiscal year 2011 resulted in a decrease of \$11,488,000 to the beginning of year net assets. This amount is presented as a Change in University Related Organizations – Beginning of the Year net assets on the Statement of Revenues, Expenses and Changes in Net Assets.

18. Subsequent Events

The University issued two debt series subsequent to June 30, 2011. They are summarized as follows:

- \$15,990,000 in Series 2011D general receipt bond anticipation notes were issued on July 21, 2011, to refinance \$8,990,000 of Series 2010E BANS and to provide \$7,000,000 in Early Project Expenditure funding for the Campus-wide Wireless Upgrade project. These BANS mature on July 19, 2012.
- \$29,125,000 in Series 2011E general receipt bonds were issued on October 6, 2011, to current refund \$8,495,000 of Jefferson Residence Hall Certificates of Participation and \$10,260,000 of

Series 2001A bonds; and to advance refund \$715,000 of Series 2002A bonds, \$390,000 of Series 2002D bonds and \$10,055,000 of Series 2002F bonds.

Subsequent to June 30, 2011, University of Cincinnati Physicians, Inc. (UCP) entered into an agreement with UC Health for purposes of integrating the operations of UCP and UC Health. In connection with this integration, UCP transferred most of the assets and liabilities, with no consideration received, to University of Cincinnati Physicians Corporation (UCPC), an affiliate of UC Health, and entered in an agreement to lease certain employees of UCP to UCPC. This agreement is effective July 1, 2011.

University of Cincinnati
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2011

Federal Agency	Federal CFDA Number	Program Title or Sponsor ID	Federal Expenditures
CCDF (CHILD CARE AND DEVELOPMENT) CLUSTER			
CCDF (CHILD CARE AND DEVELOPMENT) - PASS THROUGH FUNDS			
Department of Health and Human Services			
Administration for Children and Families	93.575	HAM CO. JOB & FAM SVC 119222	\$52,356
Administration for Children and Families	93.575	OHIO CHILD CARE RES& REF ASSN Yr 1	-43
Administration for Children and Families	93.575	OHIO CHILD CARE RES& REF ASSN Yr 2	14,268
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			66,581
TOTAL CCDF (CHILD CARE AND DEVELOPMENT) - PASS THROUGH FUNDS			66,581
TOTAL CCDF (CHILD CARE AND DEVELOPMENT) CLUSTER			66,581
HEAD START CLUSTER			
HEAD START - DIRECT FUNDS			
Department of Health and Human Services			
Administration for Children and Families	93.600	Head Start	1,266,572
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			1,266,572
TOTAL HEAD START - DIRECT FUNDS			1,266,572
HEAD START - PASS THROUGH FUNDS			
Department of Health and Human Services			
Administration for Children and Families	93.600	CHCCAA sub HHS/HEAD START FY08-09	-20,078
Administration for Children and Families	93.600	CHCCAA sub HHS/HEAD START FY09-10	186,391
Administration for Children and Families	93.600	CHCCAA sub HHS/HEAD START FY10-11	602,303
Administration for Children and Families	93.600	HCFJS SUB TANF / Contract #113263	-1,419
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			767,197
TOTAL HEAD START - PASS THROUGH FUNDS			767,197
TOTAL HEAD START CLUSTER			2,033,769
HIGHWAY PLANNING AND CONSTRUCTION CLUSTER			
HIGHWAY PLANNING AND CONSTRUCTION - PASS THROUGH FUNDS			
Department of Transportation			
Federal Highway Administration (FHWA)	20.205	ODOT #11569 SUB FHA Job # 14805	40,307
Federal Highway Administration (FHWA)	20.205	ODOT #11569 SUB FHA Job # 14805	13,371
Federal Highway Administration (FHWA)	20.205	ODOT #20359B SUB FHWA Job # 426354	139,527
Federal Highway Administration (FHWA)	20.205	ODOT #22424 SUB USDOT	17,806
Federal Highway Administration (FHWA)	20.205	ODOT 14811 FHWA DISTR9	-96
Federal Highway Administration (FHWA)	20.205	ODOT 20979 SUB FHWA	15,928
Federal Highway Administration (FHWA)	20.205	Ohio University ODOT 21916	156,419
Federal Highway Administration (FHWA)	20.205	U Toledo ODOT #23317 A	12,389
Federal Highway Administration (FHWA)	20.205	U Toledo ODOT #23317 B	28,748
TOTAL DEPARTMENT OF TRANSPORTATION			424,399
TOTAL HIGHWAY PLANNING AND CONSTRUCTION - PASS THROUGH FUNDS			424,399
TOTAL HIGHWAY PLANNING AND CONSTRUCTION CLUSTER			424,399

University of Cincinnati
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2011

Federal Agency	Federal CFDA Number	Program Title or Sponsor ID	Federal Expenditures
HIGHWAY SAFETY CLUSTER			
HIGHWAY SAFETY - PASS THROUGH FUNDS			
Department of Transportation			
National Highway Traffic Safety Administration (NHTSA)	20.600	BROWN CTY SUB USDOT SC-2009-8-00-00-	9,519
National Highway Traffic Safety Administration (NHTSA)	20.600	BROWN CTY SUB USDOT SC-2011-8-00-00-	8,573
TOTAL DEPARTMENT OF TRANSPORTATION			18,092
TOTAL HIGHWAY SAFETY - PASS THROUGH FUNDS			18,092
TOTAL HIGHWAY SAFETY CLUSTER			18,092
JUSTICE ASSISTANCE GRANT PROGRAM CLUSTER			
JUSTICE ASSISTANCE GRANT PROGRAM CLUSTER – PASS THROUGH FUNDS			
Department of Justice			
Bureau of Justice Assistance	16.738	City of Cincinnati Contract No. 05X0058	-8,597
Bureau of Justice Assistance	16.738	Conn. Dept. of Corrections 11DOC0125AA	8,059
Bureau of Justice Assistance	16.738	OCJS/2009-JG-EOR-6239 - OCIRV BEST	49,899
Bureau of Justice Assistance	16.738	OCJS/2009-JG-EOR-6735 FORECLOSING ON	26,289
Bureau of Justice Assistance	16.738	OCJS/DOJ/2009-JG-EOR-6699	34,300
Department of Justice	16.803	ARRA OCJS SUB DOJ 2009-RA-EOR-2220	54,014
Department of Justice	16.803	ARRA OCJS SUB DOJ 2009-RA-EOR-2221	43,401
Department of Justice	16.803	ARRA OCJS Sub DOJ 2009-RA-R01-2369	39,773
TOTAL DEPARTMENT OF JUSTICE			247,138
TOTAL JUSTICE ASSISTANCE GRANT PROGRAM CLUSTER – PASS THROUGH FUNDS			247,138
TOTAL JUSTICE ASSISTANCE GRANT PROGRAM CLUSTER			247,138
TRIO CLUSTER			
TRIO CLUSTER - DIRECT FUNDS			
Department of Education			
Office of Postsecondary Education	84.042	TRIO Student Support Services	230,650
Office of Postsecondary Education	84.044	TRIO Talent Search	280,413
Office of Postsecondary Education	84.047	TRIO Upward Bound	829,954
Office of Postsecondary Education	84.066	TRIO Educational Opportunity Centers	254,168
Office of Postsecondary Education	84.217	TRIO McNair Post-Baccalaureate Achievement	201,733
TOTAL DEPARTMENT OF EDUCATION			1,796,918
TOTAL TRIO CLUSTER – DIRECT FUNDS			1,796,918
TOTAL TRIO CLUSTER			1,796,918
OTHER - DIRECT FUNDS			
Department of Defense			
U.S. Army Medical Command	12.420	Military Medical Research and Development	18,201
TOTAL DEPARTMENT OF DEFENSE			18,201
Department of Education			
Office of Postsecondary Education	84.116	Fund for the Improvement of Postsecondary	26,849
Institute of Education Sciences	84.305	Education Research, Development and	322,310
Office of Special Education and Rehabilitative Services	84.327	Special Education Technology and Media Services	120,823
Office of Postsecondary Education	84.334	Gaining Early Awareness and Readiness for	3,126,046
TOTAL DEPARTMENT OF EDUCATION			3,596,028
Department of Homeland Security			
Department of Homeland Security	97.103	Degrees at a Distance Program	11,290
TOTAL DEPARTMENT OF HOMELAND SECURITY			11,290
Department of the Interior			
National Park Service	15.923	National Center for Preservation Technology and	1,818
TOTAL DEPARTMENT OF THE INTERIOR			1,818

University of Cincinnati

Schedule of Expenditures of Federal Awards

for the Year Ended June 30, 2011

Federal Agency	Federal CFDA Number	Program Title or Sponsor ID	Federal Expenditures
Environmental Protection Agency			
Office of Research and Development	66.514	Science To Achieve Results (STAR) Fellowship	14,585
Office of Grants and Debarment	66.607	Training and Fellowships for the Environmental	18,468
TOTAL ENVIRONMENTAL PROTECTION AGENCY			33,053
National Archives and Records Administration			
National Archives and Records Administration	89.003	National Historical Publications and Records Grants	40,204
TOTAL NATIONAL ARCHIVES AND RECORDS ADMINISTRATION			40,204
National Endowment for the Humanities			
National Endowment for the Humanities	45.149	Promotion of the Humanities Division of	126,066
National Endowment for the Humanities	45.164	Promotion of the Humanities Public Programs	6,809
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES			132,875
National Science Foundation			
National Science Foundation	47.041	Engineering Grants	77,577
National Science Foundation	47.076	Education and Human Resources	196,326
TOTAL NATIONAL SCIENCE FOUNDATION			273,903
TOTAL OTHER - DIRECT FUNDS			4,107,372
OTHER - PASS THROUGH FUNDS			
Bureau of Near Eastern Affairs			
U.S. Department of State	19.021	Academy Ed Development 4273-UCN-01	202,201
TOTAL BUREAU OF NEAR EASTERN AFFAIRS			202,201
Corporation for National and Community Service			
Corporation for National and Community Service	94.004	OTTERBEIN SUB CNCS GC01	-14
Corporation for National and Community Service	94.005	AACC/CNCS SL-2010-16	2,962
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			2,948
Department of Agriculture			
National Institute of Food and Agriculture	10.225	Findlay Market/USDA-CREES/MOU	13,561
Food and Nutrition Service	10.558	ODE/USDA 079632 CACFP 09-10	3,407
Food and Nutrition Service	10.558	ODE/USDA CACFP 10-11	37,118
TOTAL DEPARTMENT OF AGRICULTURE			54,086
Department of Defense			
Department of the Air Force, Materiel Command	12.800	WSU Sub AF FA865-09-2-1649	5,900
TOTAL DEPARTMENT OF DEFENSE			5,900
Department of Education			
Department of Education	84.xxx	ODE/USED / 062927-SAELP-2010	50,954
Department of Education	84.xxx	ORSC SUB OBR / USED 006765	18,179
Office of Special Education and Rehabilitative Services	84.126	ORSC SUB OBR / USED 006856	10,556
Office of Educational Research and Improvement	84.287	Mt. Washington Cincinnati After School Program	110,508
Office of Educational Research and Improvement	84.287	National Heritage-Orion Academy	5,566
Office of Educational Research and Improvement	84.287	Winton Woods City School District SES	12,207
Office of Educational Research and Improvement	84.287	YMCA/AMIS-Cincinnati After School	6,934
Institute of Education Sciences	84.305	Lockland Schools sub USED 0089413	7,930
Office of Postsecondary Education	84.334	RTI USED Gear UP PR334A080117	20,800
Office of Elementary and Secondary Education	84.357	CPS Sub USED SES 006686	196,171
Office of Elementary and Secondary Education	84.357	CPS Sub USED SUP SES 007256	304,116
Office of Elementary and Secondary Education	84.366	ODE OMSP Sub USED 006752	21,997
Office of Elementary and Secondary Education	84.366	ODE OMSP sub USED EDU01-0000006185	211,995
Office of Elementary and Secondary Education	84.367	OBR sub USED ITQP 08-08	330
Office of Elementary and Secondary Education	84.367	OBR sub USED ITQP 007426	2,019
Office of Elementary and Secondary Education	84.367	OBR SUB USED ITQP 9-14TQP	82,152
Office of Elementary and Secondary Education	84.367	OBR sub USED K-5 ITQP	1,934
TOTAL DEPARTMENT OF EDUCATION			1,064,348

University of Cincinnati
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2011

Federal Agency	Federal CFDA Number	Program Title or Sponsor ID	Federal Expenditures
Department of Justice			
Office of Juvenile Justice and Delinquency Prevention	16.523	CJCC sub CBCF 06/07-JB-RPU-1000	7,369
Office of Juvenile Justice and Delinquency Prevention	16.523	Ham Co. Oh DMC 2009	27,786
Office of Juvenile Justice and Delinquency Prevention	16.523	Ham County Juvenile Court /DOJ Services to	40,172
Office of Juvenile Justice and Delinquency Prevention	16.523	ODYS Grant 2006-JB-016-B063	29,525
Office of Juvenile Justice and Delinquency Prevention	16.523	ODYS SUB OJJDP 2007-JB-016-B063	50,000
Violence Against Women Office	16.524	Legal Aid Society LawLink Project 006948	2,496
Bureau of Justice Assistance	16.738	CPD Contract No. 15X0038	27,264
TOTAL DEPARTMENT OF JUSTICE			184,612
Department of Labor			
Employment Training Administration	17.275	ARRA Cincinnati State /GC-J-20070-10-60-A-39	14,580
TOTAL DEPARTMENT OF LABOR			14,580
Institute of Museum and Library Services			
Institute of Museum and Library Services	45.310	ST LIB OH/VI-5-10-Tech Innovation	15,900
Institute of Museum and Library Services	45.310	ST LIB OH/VIII-11-09 Birth/Death 1865-1908	108,586
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES			124,486
National Aeronautics and Space Administration			
National Aeronautics and Space Administration	43	OAI - OSGC -sub NASA 006098	-48
National Aeronautics and Space Administration	43.001	OAI /NASA (UC SEDS)	995
National Aeronautics and Space Administration	43.001	OAI OSGC/NASA- BALLOON SATELLITE	211
National Aeronautics and Space Administration	43.001	OAI OSGC/NASA Seed Grant-Cohen	23,210
National Aeronautics and Space Administration	43.001	OAI OSGC/NASA-OAI SCHOLARSHIP	50,418
TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			74,786
National Endowment for the Humanities			
National Endowment for the Humanities	45.164	OSURF SUBAWARD NO. 60025107	49,605
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES			49,605
National Science Foundation			
National Science Foundation	47.076	Cinti Public Schools sub NSF DRL 0929557	68,511
TOTAL NATIONAL SCIENCE FOUNDATION			68,511
Small Business Administration			
Small Business Administration	59.037	SBDC ECDD09-189	-981
TOTAL SMALL BUSINESS ADMINISTRATION			-981
U.S. Department of State			
Bureau of Educational and Cultural Affairs	19.401	CIES Grant 87400212	2,302
TOTAL U.S. DEPARTMENT OF STATE			2,302
TOTAL OTHER - PASS THROUGH FUNDS			1,847,384
RESEARCH AND DEVELOPMENT CLUSTER			
RESEARCH AND DEVELOPMENT - DIRECT FUNDS			
Department of Agriculture			
Department of Agriculture	10.xxx	Genetic variation and inbreeding in population of	8,964
Agricultural Research Service	10.001	Agricultural Research Basic and Applied Research	10,531
National Institute of Food and Agriculture	10.206	Grants for Agricultural Research Competitive	59,262
Foreign Agricultural Service	10.961	Scientific Cooperation and Research	5,196
TOTAL DEPARTMENT OF AGRICULTURE			83,953

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Department of Defense			
Department of Defense	12.xxx	Army W81XWH-08-1-0370	181,085
Department of Defense	12.xxx	Army W81XWH-08-1-0443	109,039
Department of Defense	12.xxx	Army W81XWH-08-1-0662	150,213
Department of Defense	12.xxx	Army W81XWH-09-1-0625	309,166
Department of Defense	12.xxx	Army W81XWH-09-1-0673	118,349
Department of Defense	12.xxx	Army W81XWH-10-10977	281,358
Department of Defense	12.xxx	Army W911NF-09-1-0561	9,334
Department of Defense	12.xxx	Army W911NF-09-2-0034	520,534
Department of Defense	12.xxx	Army W911QX-11-P-0132	9,597
Department of Defense	12.xxx	Army W911QY-09-P-0706	15,877
Department of Defense	12.xxx	Army W911QY-10-C-0103	129,856
Department of Defense	12.xxx	Army W911QY-10-C-0185	84,805
Department of Defense	12.xxx	Army W912HQ-09-P-0043	-722
Department of Defense	12.xxx	Army W912HQ-10-P-0059	86,085
Department of Defense	12.xxx	Army W912HZ-06-P-0353	5,818
Department of the Navy, Office of the Chief of Naval Research	12.300	Basic and Applied Scientific Research	302,415
Office of the Secretary of Defense	12.351	Basic Scientific Research - Combating Weapons	392,181
U.S. Army Medical Command	12.420	Military Medical Research and Development	1,377,848
U.S. Army Materiel Command	12.431	Basic Scientific Research	131,131
Office of the Secretary of Defense	12.630	Basic, Applied, and Advanced Research in	68,949
Department of the Air Force, Materiel Command	12.800	Air Force Defense Research Sciences Program	1,767,292
National Security Agency	12.901	Mathematical Sciences Grants Program	17,738
Advanced Research Projects Agency	12.910	Research and Technology Development	2,479
TOTAL DEPARTMENT OF DEFENSE			6,070,427
Department of Education			
Office of Postsecondary Education	84.019	Overseas Programs - Faculty Research Abroad	21,142
Office of Special Education and Rehabilitative Services	84.325	Special Education - Personnel Development to	552,406
TOTAL DEPARTMENT OF EDUCATION			573,548
Department of Energy			
Department of Energy	81.049	Office of Science Financial Assistance Program	786,834
Department of Energy	81.049	ARRA Office of Science Financial Assistance Program	43,840
Department of Energy	81.057	University Coal Research	24,990
Department of Energy	81.087	Renewable Energy Research and Development	338,129
Department of Energy	81.089	Fossil Energy Research and Development	154,063
Department of Energy	81.114	University Reactor Infrastructure and Education	91,973
Department of Energy	81.121	Nuclear Energy Research, Development and	120,780
Department of Energy	81.133	ARRA Geologic Sequestration Training and Research	51,225
TOTAL DEPARTMENT OF ENERGY			1,611,834
Department of Health and Human Services			
Department of Health and Human Services	93.xxx	CDC / NIOSH 212 2010 M 35007	891
Department of Health and Human Services	93.xxx	CDC / NIOSH 214-2010-M-34674	23,694
Department of Health and Human Services	93.xxx	CDC 211-2008-M-27606	91
Department of Health and Human Services	93.xxx	CDC 212-2008-M-27003	627
Department of Health and Human Services	93.xxx	CDC 254 2010 34341	23,858

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Federal Agency	Federal CFDA Number	Program Title or Sponsor ID	Federal Expenditures
Department of Health and Human Services	93.xxx	CDC 254 2010 M 35635	1,479
Department of Health and Human Services	93.xxx	CDC 254-2010-M-35312	10,652
Department of Health and Human Services	93.xxx	N01-AI-25467	3,242
Department of Health and Human Services	93.xxx	N01DA-9-8095 / # 5 STEP 3	69,095
Department of Health and Human Services	93.xxx	N01-HB-47171 HOXWORTH	93,782
Department of Health and Human Services	93.xxx	N01-HD-4-3377 HHSN2752000403371 Task 1	22,779
Department of Health and Human Services	93.xxx	N01-HD-4-3377 HHSN275201000023U Task #5	160,122
Department of Health and Human Services	93.xxx	N01-WH-4-2126-14-16; Mod.21 to 26	53,699
Department of Health and Human Services	93.xxx	NICHHD HHSN275200900080U TASK 4	159,988
Department of Health and Human Services	93.xxx	NICHHD HHSN275201100056U TASK 7	3,312
Department of Health and Human Services	93.xxx	NICHHD HHSN275201100059U	2,358
Department of Health and Human Services	93.xxx	NICHHD HHSN275201100060U TASK 6	3,702
Department of Health and Human Services	93.xxx	NLM HHSN276201000393P	55,722
Food and Drug Administration	93.103	Food and Drug Administration Research	441,515
Health Resources and Services Administration	93.110	Maternal and Child Health Federal Consolidated	1,547,953
National Institutes of Health	93.113	Environmental Health	9,839,150
National Institute of Environmental Health Sciences	93.115	Biometry and Risk Estimation Health Risks from	35,090
National Institutes of Health	93.121	Oral Diseases and Disorders Research	325,518
Health Resources and Services Administration	93.124	Nurse Anesthetist Traineeships	13,269
Centers for Disease Control and Prevention	93.136	Injury Prevention and Control Research and	578,961
National Institutes of Health	93.142	NIEHS Hazardous Waste Worker Health and	1,789,924
National Institutes of Health	93.143	NIEHS Superfund Hazardous Substances Basic	-5
National Institutes of Health	93.172	Human Genome Research	75,558
National Institutes of Health	93.173	Research Related to Deafness and	936,007
Centers for Disease Control and Prevention	93.197	Childhood Lead Poisoning Prevention Projects	19,128
National Institutes of Health	93.213	Research and Training in Complementary and	826,826
Agency for Healthcare Research and Quality	93.226	Research on Healthcare Costs, Quality and	157,505
National Institutes of Health	93.242	Mental Health Research Grants	4,903,717
Health Resources and Services Administration	93.247	Advanced Education Nursing Grant Program	58,151
Health Resources and Services Administration	93.250	Geriatric Academic Career Awards	116,508
Centers for Disease Control and Prevention	93.262	Occupational Safety and Health Program	3,373,796
National Institutes of Health	93.273	Alcohol Research Programs	217,223
National Institute on Drug Abuse	93.278	Drug Abuse National Research Service Awards	-5
National Institutes of Health	93.279	Drug Abuse and Addiction Research Programs	5,298,266
National Institutes of Health	93.281	Mental Health Research Career/Scientist	342,716
National Institutes of Health	93.282	Mental Health National Research Service Awards	66,539
National Institutes of Health	93.286	Discovery and Applied Research for Technological	2,144,209
Health Resources and Services Administration	93.358	Advanced Education Nursing Traineeships	154,597
Health Resources and Services Administration	93.365	Sickle Cell Treatment Demonstration Program	388,809
National Institutes of Health	93.389	National Center for Research Resources	5,074,833
National Institutes of Health	93.393	Cancer Cause and Prevention Research	1,861,905
National Institutes of Health	93.394	Cancer Detection and Diagnosis Research	175,866
National Institutes of Health	93.395	Cancer Treatment Research	656,769
National Institutes of Health	93.396	Cancer Biology Research	2,321,602
National Institutes of Health	93.398	Cancer Research Manpower	685,865
National Institutes of Health	93.399	Cancer Control	203,423
Health Resources and Services Administration	93.407	ARRA - Scholarships for Disadvantaged Students	33,230
Health Resources and Services Administration	93.411	ARRA - Equipment to Enhance Training for	267,256

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Federal Agency	Federal CFDA Number	Program Title or Sponsor ID	Federal Expenditures
National Institutes of Health	93.701	ARRA - Trans-NIH Recovery Act Research Support	11,969,805
National Institutes of Health	93.702	ARRA - National Center for Research Resources,	110,751
National Institutes of Health	93.837	Cardiovascular Diseases Research	11,854,210
National Institutes of Health	93.838	Lung Diseases Research	131,208
National Institutes of Health	93.839	Blood Diseases and Resources Research	408,883
National Institutes of Health	93.846	Arthritis, Musculoskeletal and Skin Diseases	1,242,918
National Institutes of Health	93.847	Diabetes, Digestive, and Kidney Diseases	9,170,310
National Institute of Diabetes and Digestive and Kidney Disease	93.848	Digestive Diseases and Nutrition Research	1,726,778
National Institute of Diabetes and Digestive and Kidney Disease	93.849	Kidney Diseases, Urology and Hematology	556,212
National Institutes of Health	93.853	Extramural Research Programs in the	13,646,447
National Institutes of Health	93.855	Allergy, Immunology and Transplantation Research	6,395,608
National Institutes of Health	93.856	Microbiology and Infectious Diseases Research	601,062
National Institutes of Health	93.859	Biomedical Research and Research Training	3,250,377
National Institute of General Medical Sciences	93.862	Genetics and Developmental Biology Research	-323
National Institutes of Health	93.865	Child Health and Human Development Extramural	554,461
National Institutes of Health	93.866	Aging Research	784,531
National Institutes of Health	93.867	Vision Research	1,819,793
National Institutes of Health	93.879	Medical Library Assistance	141,620
Health Resources and Services Administration	93.884	Grants for Training in Primary Care Medicine and	164,077
National Institute of Environmental Health Sciences	93.894	Resource and Manpower Development in the	5,026
Health Resources and Services Administration	93.925	Scholarships for Health Professions Students from	66,770
Centers for Disease Control and Prevention	93.946	Cooperative Agreements to Support State-Based	274,580
National Institutes of Health	93.989	International Research and Research Training	-1,830
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			110,494,041
Department of Housing and Urban Development			
Department of Housing and Urban Development	14.xxx	HUD OHLHH0199-09	142,828
Department of Housing and Urban Development	14.902	Lead Technical Studies Grants	170,318
Office of Healthy Homes and Lead Hazard Control	14.906	Healthy Homes Technical Studies Grants	90,967
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			404,113
Department of Justice			
Office of Juvenile Justice and Delinquency Prevention	16.548	Title V Delinquency Prevention Program	15,583
National Institute of Justice	16.560	National Institute of Justice Research,	195,917
National Institute of Justice	16.562	Criminal Justice Research and	11,354
Bureau of Prisons	16.602	Corrections Research and Evaluation and Policy	100,920
Bureau of Justice Assistance	16.738	Edward Byrne Memorial Justice Assistance Grant	63,000
TOTAL DEPARTMENT OF JUSTICE			386,774
Department of Transportation			
Department of Transportation	20.xxx	Volpe National Trans System Center/DTRT57-09-	157,144
TOTAL DEPARTMENT OF TRANSPORTATION			157,144
Department of Veterans Affairs			
Department of Veterans Affairs	64.xxx	VA 539-C05181	2,222
Department of Veterans Affairs	64.xxx	VAMC VA250-P-0604 - ORDER NO 539-C05441	97,971
TOTAL DEPARTMENT OF VETERANS AFFAIRS			100,193
Environmental Protection Agency			
Environmental Protection Agency	66.xxx	EPA EP-C-08-058	78,489
Office of Research and Development	66.500	Environmental Protection Consolidated Research	-3,496

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Federal Agency	Federal CFDA Number	Program Title or Sponsor ID	Federal Expenditures
Office of Research and Development	66.509	Science To Achieve Results (STAR) Research	150,275
Office of Research and Development	66.511	Office of Research and Development	270,164
TOTAL ENVIRONMENTAL PROTECTION AGENCY			495,432
National Aeronautics and Space Administration			
National Aeronautics and Space Administration	43.xxx	NASA NNX07AB38A	38,973
National Aeronautics and Space Administration	43.xxx	NASA NNX07AC69A	44,435
National Aeronautics and Space Administration	43.xxx	NASA NNX08AC43A	137,752
National Aeronautics and Space Administration	43.xxx	NASA NNX10AQ44G	51,301
National Aeronautics and Space Administration	43.002	Technology Transfer	57,392
TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			329,853
National Science Foundation			
National Science Foundation	47.041	Engineering Grants	2,597,452
National Science Foundation	47.049	Mathematical and Physical Sciences	2,127,350
National Science Foundation	47.050	Geosciences	142,082
National Science Foundation	47.070	Computer and Information Science and	153,332
National Science Foundation	47.074	Biological Sciences	806,366
National Science Foundation	47.075	Social, Behavioral, and Economic Sciences	534,125
National Science Foundation	47.076	Education and Human Resources	1,380,807
National Science Foundation	47.078	Polar Programs	79,679
National Science Foundation	47.079	International Science and Engineering (OISE)	41,395
National Science Foundation	47.082	ARRA - NSF Recovery Act Research Support	602,881
TOTAL NATIONAL SCIENCE FOUNDATION			8,465,469
Nuclear Regulatory Commission			
Nuclear Regulatory Commission	77.006	U. S. Nuclear Regulatory Commission Nuclear	182,084
TOTAL NUCLEAR REGULATORY COMMISSION			182,084
Office of Personnel Management			
Office of Personnel Management	27.011	Intergovernmental Personnel Act (IPA) Mobility	2,306,055
TOTAL OFFICE OF PERSONNEL MANAGEMENT			2,306,055
TOTAL RESEARCH AND DEVELOPMENT - DIRECT FUNDS			131,660,920
RESEARCH AND DEVELOPMENT - PASS THROUGH FUNDS			
Agency for International Development			
Agency for International Development	98.012	American Council on Ed HED130-9743-ZAF-11-02	12,417
TOTAL AGENCY FOR INTERNATIONAL DEVELOPMENT			12,417
Department of Defense			
Department of Defense	12.xxx	CHEMAT SUB AF FA9550-05-C-0157	-7,386
Department of Defense	12.xxx	CRG INC. 2010-00730	14,099
Department of Defense	12.xxx	CRM SUBS CONTRACT NO. CIN_09-0 Army	117,623
Department of Defense	12.xxx	DAGSI RX7-UC-09-3CG SUB AFRL DAGSI	15,984
Department of Defense	12.xxx	ED TESTING SERVICE / SUB ARMY 006841	8,888
Department of Defense	12.xxx	ENG & SCIENTIFIC INV/ARMY W911NF11C0031	22,823
Department of Defense	12.xxx	Enogotek Inc / Army 007215	32,105
Department of Defense	12.xxx	GE sub Navy: GE 400059589/Navy N6601-08-C-	34,163
Department of Defense	12.xxx	GE/NAVY RESEARCH PO A02-7001 DARPA	2,567
Department of Defense	12.xxx	GE/SUB AF F33657-99-D-2050 GE PO	76,444
Department of Defense	12.xxx	GE200-1J-14E44459 sub AF F33657 99 D-2050	-3,144

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Department of Defense	12.xxx	GEN DYN SUB AF - USAF-3446-29-SC-0001	37,130
Department of Defense	12.xxx	GEN DYNAMICS SUB AF - USAF-3446-29-SC-0001	96,948
Department of Defense	12.xxx	General Dynamics / USAF-5408-25-SC-0003	-623
Department of Defense	12.xxx	GENERAL NANO/AF/LONG CARBON NANOTUBES	34,901
Department of Defense	12.xxx	General Nano/Navy N68335-11-C-0025	10,598
Department of Defense	12.xxx	HemCom Med Tech 2009-I-LYP-1	209,777
Department of Defense	12.xxx	HEMERUS PC396220 ARMY	-5,187
Department of Defense	12.xxx	HEMERUS SUB ARMY - LEUKOSEP	524,232
Department of Defense	12.xxx	HONEYWELL SUB USAF/AFMC FA8650-07-2-2720	-562
Department of Defense	12.xxx	ISSI SUB AFF33615-03-D-2329 DO 0003	95,409
Department of Defense	12.xxx	Jackson State Univ - JSU/Grant #634874	80,146
Department of Defense	12.xxx	JACOBS SUB AIR FORCE PO#AFRL-0000001289	138,178
Department of Defense	12.xxx	Navigant Biotech/Army W81XWH-05-2-0001	-44,995
Department of Defense	12.xxx	NC A & T #210097A sub ONR - Schulz	1,344
Department of Defense	12.xxx	NC A & T #210097A sub ONR - Shanov	28,390
Department of Defense	12.xxx	Neuron Pharm/ARMY W81XWH-09-1-0496	16,325
Department of Defense	12.xxx	NJ Inst of Tech NJIT 995538 sub ONR	37,426
Department of Defense	12.xxx	Rice U / Sub DARPA	42,410
Department of Defense	12.xxx	RNET/FA8650-10D-1750	23,085
Department of Defense	12.xxx	SkySentry -sub Army W91260-06-D-0005	229,475
Department of Defense	12.xxx	TECHSOLVE SUB ARMY (BENET LABORATORY)	48,018
Department of Defense	12.xxx	UC Irvine 2010-2493 sub Navy	20,000
Department of Defense	12.xxx	UCSD / Army W81XWH-08-2-0159 PO#10315331	6,117
Department of Defense	12.xxx	UCSD 10291745/Army W81XWH-08-2-0159	231,230
Department of Defense	12.xxx	UCSD Sub Army W81X-08-2-0159 ClinicsI Trail	58,836
Department of Defense	12.xxx	UES AF PROJECTCT 923 STRASSER	23,621
Department of Defense	12.xxx	UES INC SUB AF S843-000-001	23,866
Department of Defense	12.xxx	UES PO# S-845-010-002 Lamkin	500,853
Department of Defense	12.xxx	UES S-845-010-002 DEAN	20,788
Department of Defense	12.xxx	UES S-845-010-002 HASSERT	93,206
Department of Defense	12.xxx	UES SUB AF FA8650-08-C-6832 ADIOS PILOT	39,763
Department of Defense	12.xxx	UES SUB AF PROEJCT 923 HASSETT	50,159
Department of Defense	12.xxx	UES SUB AF PROJECT 923 PAPOIAN & NELSON	62,487
Department of Defense	12.xxx	UES SUB AF PROJECT 923 DEAN	37,049
Department of Defense	12.xxx	UES SUB AF PROJECT 923 KOTB	14,362
Department of Defense	12.xxx	UES SUB DTRA VIA AF CY10 KOTB	187,916
Department of Defense	12.xxx	UES sub DTRA via AF PO# S-845-010-002	520,603
Department of Defense	12.xxx	UES/ SBIR NAVY PO S-848-000-001	-7,169
Department of Defense	12.xxx	UES/AF S845-008-001	20,780
Department of Defense	12.xxx	UES/AF S875-130-002 Biometric Electrofluid	99,340
Department of Defense	12.xxx	UNIVERSAL TECH CORP #10-S587-0084-01-C1	8,936
Department of Defense	12.xxx	University of Dayton RSC09034 sub AF	128,105
Department of Defense	12.xxx	URS EGG0040966 sub NAVY N00178-04-D-4042	67,899
Department of Defense	12.xxx	UT HOUSTON SUB 0007120C	71,847
Department of Defense	12.xxx	UT HOUSTON/0007120C Per Patient	54,893
Department of Defense	12.xxx	UT HOUSTON/0007120C- PROMMT	-4,954
Department of Defense	12.xxx	UTC 09-S568-077-01-C1 SUB AIR FORCE	151,644
Department of Defense	12.xxx	UTC SUB AIR FORCE UTC#10-S590-0009-38-C1	2,576

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Department of the Navy, Office of the Chief of Naval Research	12.300	American Burn Assn/Army W81XWH-09-2-0194	2,663
U.S. Army Medical Command	12.420	CFBRE 07969-03-296148 - sub Army W81XWH-	22,555
U.S. Army Medical Command	12.420	HM Jackson Fund 668476	92,646
U.S. Army Medical Command	12.420	Rutgers AFIRM PO#S1061135	266,785
U.S. Army Materiel Command	12.431	Penn State 4408-UC-USA-0124 sub Army	18,977
U.S. Army Materiel Command	12.431	Univ of Missouri Sub 00031041-01	2,723
Department of the Air Force, Materiel Command	12.800	ARRA GE / SUB AF PO14G32136	210,851
Department of the Air Force, Materiel Command	12.800	ARRA GE 200-1J-14E44446 SUB AIR FORCE	43,098
Department of the Air Force, Materiel Command	12.800	HM Jackson Fund 169328	208,668
Department of the Air Force, Materiel Command	12.800	HM Jackson Fund 661150	59,785
Department of the Air Force, Materiel Command	12.800	HM Jackson Fund 677295	49,201
Department of the Air Force, Materiel Command	12.800	HM Jackson Fund 694141	1,031,250
Department of the Air Force, Materiel Command	12.800	HM Jackson Fund 706924	62,299
Department of the Air Force, Materiel Command	12.800	Korea Univ sub AF FA4869-07-1-4069	3,707
Department of the Air Force, Materiel Command	12.800	U Illinois 2006-02197-04 / A5274	66,109
TOTAL DEPARTMENT OF DEFENSE			6,542,661
Department of Education			
Office of Educational Research and Improvement	84.295	UNIV PENN sub USED 5-45800-D	11,460
Office of Special Education and Rehabilitative Services	84.323	ODE SUB USED STUDY COUNCIL OF OHIO SEPDAC	14,393
Office of Special Education and Rehabilitative Services	84.324	OSURF SUB USED R324A090012	2,126
Office of Elementary and Secondary Education	84.350	Campbellsville University sub USED YEAR 01, 02,	25,000
TOTAL DEPARTMENT OF EDUCATION			52,979
Department of Energy			
Department of Energy	81.xxx	Alliance Sustainable Energy/NO. AAM-0-40879-01	26,679
Department of Energy	81.xxx	ARGONNE NATIONAL LAB No. 6F-00001	116
Department of Energy	81.xxx	ARGONNE NATL LAB No. 97-30461	26,444
Department of Energy	81.xxx	B&W Y-12 No. 4300074053	36,289
Department of Energy	81.xxx	B&W Y-12 No. 4300079300	72,166
Department of Energy	81.xxx	Battelle Contract No. 00095724	12,000
Department of Energy	81.xxx	Battelle Contract No. 00101721	176,926
Department of Energy	81.xxx	Battelle Contract No. 113480	40,508
Department of Energy	81.xxx	Battelle Contract No. 149581	274
Department of Energy	81.xxx	FFATA - Argonne 1F-DOE 30622 06CH11357 -	57,150
Department of Energy	81.xxx	ORISE/DOE/AFRL/HEP Fellowship: Gunasekera	36,332
Department of Energy	81.xxx	ORISE/DOE/AFRL/HEP Fellowship: Selvaraj	61,048
Department of Energy	81.xxx	ORISE/DOE/AFRL/HEP Fellowship: Weiss	30,958
Department of Energy	81.xxx	SANDIA/DOE INDUSTRY/UNIV CONSORTIUM:	5,875
Department of Energy	81.xxx	Siemens/AHTFFG/DE-NT42644 SUB038	48,266
Department of Energy	81.049	Battelle Contract No. 00088635	116,207
Department of Energy	81.049	Battelle Contract No. 00102835	51,241
Department of Energy	81.049	CPWR CONTRACT NO. 1080-17	54,094
Department of Energy	81.057	New Mexico Inst Mining PO # P0008380	82,365
Department of Energy	81.089	Univ. Mo. Subaward No. 00026229-01	49,947
Department of Energy	81.114	Medical Univ. of SC MUSC09-095	72,446
Department of Energy	81.119	Energy Industries of Ohio 08- USCP Sub DE-	119
TOTAL DEPARTMENT OF ENERGY			1,057,450

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Federal Agency	Federal CFDA Number	Program Title or Sponsor ID	Federal Expenditures
Department of Health and Human Services			
Department of Health and Human Services	93.xxx	ARRA SSS sub NIAID CRB-DCR01-S-09-00319	1,849
Department of Health and Human Services	93.xxx	ARRA SSS sub NIAID CRB-DCR01S-09-00319 3	14,557
Department of Health and Human Services	93.xxx	ARRA SSS sub NIAID DCR01-S-09-00319 2	65,574
Department of Health and Human Services	93.xxx	Brown Univ. Sub Award #00000300	782,248
Department of Health and Human Services	93.xxx	CCHMC PO 31 3100198587	1,951
Department of Health and Human Services	93.xxx	CWRU ACCORDION -UC-1/NIH	15,815
Department of Health and Human Services	93.xxx	Dystonia Coalition U54 NS065701	4,880
Department of Health and Human Services	93.xxx	ODJFS G-1011-06-0072 DHHS CWWPEP	46,213
Department of Health and Human Services	93.xxx	Univ. of Toledo NS 2008-029	655
Department of Health and Human Services	93.xxx	Wake Forest N01-WH-4-4221	8
Department of Health and Human Services	93.xxx	Wake Forest NHLBI N01-WH-4-4221	353
Substance Abuse and Mental Health Services Administration	93.104	CCMHRB Sub SM-09-002	149,696
Substance Abuse and Mental Health Services Administration	93.104	HCMHRB - National Evaluation of JOURNEY	61,054
Health Resources and Services Administration	93.107	MODEL STATE AHEC 5U77HP03029-17-00	49,447
Health Resources and Services Administration	93.107	MODEL STATE AHEC 6 U77 HP 03029-16 01	30,600
Health Resources and Services Administration	93.110	HFM-5H30-10-001 MCHB	10,913
National Institutes of Health	93.113	CCHMC 103637 M3	15,341
National Institutes of Health	93.113	CCHMC 104178 M3	10,126
National Institutes of Health	93.113	CCHMC 106629	7,346
National Institutes of Health	93.113	CCHMC 107837	169,054
National Institutes of Health	93.113	COLUMBIA 5-75742 2010	-3,610
National Institutes of Health	93.113	COLUMBIA 5-75742 2011	132,951
National Institutes of Health	93.113	COLUMBIA 5-75744	2,818
National Institutes of Health	93.113	FERNALD MED MONITORING PRGM sub OIED @	1,291
National Institutes of Health	93.113	FMMP sub NCI FFQ Occ and Env Epi Branch	9,993
National Institutes of Health	93.113	OREGEON SUB P0277A-A	14,138
National Institutes of Health	93.113	Pittsburgh 0006165 / 115799-3	-170
National Institutes of Health	93.113	U ILL SUB 2007-04409	201,782
National Institutes of Health	93.113	UAB SUB 000296298-004	25,322
National Institutes of Health	93.113	Univ. Cal SanFran 6375SC	19,311
National Institute of Environmental Health Sciences	93.115	CHMC PO31-3100050453	5,977
National Institute of Environmental Health Sciences	93.115	U PITT SUB 0006165 /117456-1	22,347
National Institutes of Health	93.121	U. Rochester 414843-G	1,140
Health Resources and Services Administration	93.134	LIFELINE SUB HRSA R39OT07538 "Increase Older	15,209
Health Resources and Services Administration	93.134	LIFELINE SUB HRSA R39OT18282-01-00 "Can we	93,984
National Institutes of Health	93.142	ICWU SUB ES06162-18 HDPTP	-560
National Institutes of Health	93.142	ICWU Sub ES06162-19-HWWT	46,393
National Institutes of Health	93.142	ICWU Sub ES09758-19 DOE	4,756
National Institutes of Health	93.142	ICWUC Sub ES06162-18 - HWWT	8,220
Health Resources and Services Administration	93.145	U PITT SUB Award #0002332 2010	4,563
Health Resources and Services Administration	93.145	U PITT SUB Award #0002332 2011	244,706
National Institutes of Health	93.173	Osmic sub 5 R44 DC007291-03	5,841
National Institutes of Health	93.173	STAR Sub DC010104-01	45,872
National Institutes of Health	93.173	STAR Sub DC010289-01	29,895
Centers for Disease Control and Prevention	93.185	CCHMC 1004481	12,560
National Institutes of Health	93.213	SUOI AT000613 - Yr 2	12,512
Agency for Healthcare Research and Quality	93.226	ACHN Sub 1R18HS017911-3	16,342

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Agency for Healthcare Research and Quality	93.226	CCHMC 104091	10,432
Agency for Healthcare Research and Quality	93.226	CCHMC 107609	28,310
National Institutes of Health	93.233	CHMC 103047 M4	47,206
National Institutes of Health	93.242	CHMC 103594 M5	19,900
National Institutes of Health	93.242	Phase 2 Discovery Sub MH082461-01	18,000
National Institutes of Health	93.242	TUL/SUB-576-08/09 M3	110,485
National Institutes of Health	93.242	UNC/SUB MH090001/Admn 12	6,847
Substance Abuse and Mental Health Services Administration	93.243	ODMH TSG3-09-034-08-001	8,036
Substance Abuse and Mental Health Services Administration	93.243	TALBERT HOUSE/SAMHSA 1H791019974-01	19,371
Health Resources and Services Administration	93.249	Ohio State University sub 60027361	7,655
National Institutes of Health	93.273	UVA via AA019720	115,312
National Institutes of Health	93.279	BATTELLE SUB DA023615-01A2	60,285
National Institutes of Health	93.279	UTHSCH 7030B	28,214
Centers for Disease Control and Prevention	93.283	AAMC SUB CDC CCU319276 08-09 MM-0971-	103,942
Centers for Disease Control and Prevention	93.283	HFM SUB U01 DD00293 09-10 CDC	5,205
Centers for Disease Control and Prevention	93.283	HFM SUB U01 DD00293 10-11 CDC	8,909
Centers for Disease Control and Prevention	93.283	NCHH 07-1064	-14
Centers for Disease Control and Prevention	93.283	ODH SUB CDC 3140014BC0310 BCCP	129
Centers for Disease Control and Prevention	93.283	ODH SUB CDC 3140014BC0411 BCCP	154,770
National Institutes of Health	93.286	U Mich RB004527-05	-379
National Institutes of Health	93.286	U Mich RB004527-06	76,194
National Institutes of Health	93.361	U Penn 548282	13,631
National Institutes of Health	93.389	CHMC SUB 5 U54 RR019498-03	84
National Institutes of Health	93.393	BAYLOR 101109383	17,691
National Institutes of Health	93.393	Brig&Wms Hosp sub 104375 2011	40,615
National Institutes of Health	93.393	Brig&Wms Hosp sub 104375 2012	7,163
National Institutes of Health	93.393	CREAL SUB 1R01CA124759-02 RAD/08/10	29,814
National Institutes of Health	93.393	OSU sub CA150297	3,755
National Institutes of Health	93.393	WASH U Sub WU-10-163 PO 2911415A	815
National Institutes of Health	93.395	DUKE UNIV GCID SITE CDE103 Study Z4031	5,641
National Institutes of Health	93.395	GOG #27469-33 CA(04)	-21
National Institutes of Health	93.395	GOG Sub CA '2010 #27469-33	67,950
National Institutes of Health	93.395	NCCF SUB 19492 U10 CA98543-07	273
National Institutes of Health	93.395	NCCF SUB U10 CA98543-04	929
National Institutes of Health	93.395	NCCF SUB 19865 U10 CA98543-08	1,715
National Institutes of Health	93.395	NSAPB/NCI TFED 187	1,613
National Institutes of Health	93.395	RTOG SUB #2113 RTOG SUB CA21661	66,227
National Institutes of Health	93.395	Thermedical, Inc sub CA069926-06	8,259
National Institutes of Health	93.395	U Mich/SWOG/NCI CA32102	54,986
National Institutes of Health	93.396	CHMC 10567 M1	9,413
National Institutes of Health	93.396	CHMC 10567 M2	1,353
National Institutes of Health	93.399	NSABP STAR SUB NCI/PFED24- CN01	21,680
National Institutes of Health	93.399	NSABP SUB NCI TIND 187	14,790
National Institutes of Health	93.399	Univ South Florida 0000140751	2,377
National Institutes of Health	93.399	UTHSC San Antonio SUB CA037429	18,016
National Institutes of Health	93.701	ARRA Boston University 3772-5	20,078
National Institutes of Health	93.701	ARRA Boston University 4296-5	122,972
National Institutes of Health	93.701	ARRA Boston University 3772-5	16,077

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National Institutes of Health	93.701	ARRA Boston University 3838-5	141,166
National Institutes of Health	93.701	ARRA Boston University 4296-5	175,034
National Institutes of Health	93.701	ARRA CCHMC 104329	54,814
National Institutes of Health	93.701	ARRA CCHMC 105979	9,250
National Institutes of Health	93.701	ARRA CCHMC 106619	15,206
National Institutes of Health	93.701	ARRA CCHMC 106639	13,230
National Institutes of Health	93.701	ARRA CCHMC 106676	151,327
National Institutes of Health	93.701	ARRA CCHMC 106699	119,770
National Institutes of Health	93.701	ARRA CCHMC 106761	21,062
National Institutes of Health	93.701	ARRA CCHMC 107489	2,307
National Institutes of Health	93.701	ARRA CCHMC 107489 M1	34,005
National Institutes of Health	93.701	ARRA CHMC 105588 M1	22,770
National Institutes of Health	93.701	ARRA CHMC 106761Z	82,453
National Institutes of Health	93.701	ARRA CHMC 108572	14,908
National Institutes of Health	93.701	ARRA COLUMBIA U SUB 3 P50 ES015905-03S1	6,573
National Institutes of Health	93.701	ARRA Emory U Sub S278741	3,785
National Institutes of Health	93.701	ARRA Illinois U Sub 3 R01 ES 015584-2S1	157,834
National Institutes of Health	93.701	ARRA Indiana U Sub IUPUI4686278CINN	114,465
National Institutes of Health	93.701	ARRA JWCI MSLT-II SUB CA29605	167
National Institutes of Health	93.701	ARRA Mass General MGH 217200	30,317
National Institutes of Health	93.701	ARRA MIAMI UNIV NCCR-G70530	-177
National Institutes of Health	93.701	ARRA Titan Pharmaceutical Sub DA028910	345,672
National Institutes of Health	93.701	ARRA U Illinois 3RC2ES018758-01	1,528
National Institutes of Health	93.701	ARRA U Illinois 3RC2ES018758-02	323,263
National Institutes of Health	93.701	ARRA U Texas Sub RC2 ES018789-02	428,018
National Institutes of Health	93.701	ARRA UMich Sub 3001413194-PNT 2011	5,734
National Institutes of Health	93.701	ARRA UMich Sub 3001413194-PNT 2012	38,790
National Institutes of Health	93.701	ARRA Univ. of Washington sub 651268Z 2010	4,462
National Institutes of Health	93.701	ARRA Univ. of Washington sub 651268Z 2011	148,150
National Institutes of Health	93.701	ARRA Univ. Washington UW 667337Z	29,145
National Institutes of Health	93.701	ARRA UTMC Sub RC2 ES018789-01	68,537
Administration for Children and Families	93.708	ARRA CHCCAA 08-72-A	8,711
Agency for Healthcare Research and Quality	93.715	ARRA Mass. General Hospital 217197	139,630
Centers for Disease Control and Prevention	93.724	ARRA HCPHD sub CDC	89,418
Office of the Secretary	93.727	ARRA GCHB 90BC001601	32,431
Centers for Medicare and Medicaid Services	93.779	OBR SUB A-1011-07-0213	567,439
Centers for Medicare and Medicaid Services	93.779	OBR Sub A-89-07-0357/A1011070213	233,813
Centers for Medicare and Medicaid Services	93.791	OSU 60028121	12,991
Centers for Medicare and Medicaid Services	93.793	ODJFS C-1011-07-0166	617,151
National Institutes of Health	93.837	CCHMC 105059	160,728
National Institutes of Health	93.837	CCHMC 106210	48,492
National Institutes of Health	93.837	CCHMC 107954	146,814
National Institutes of Health	93.837	CCHMC PO#3100197321	15,828
National Institutes of Health	93.837	OSURF RF01081502	122,570
National Institutes of Health	93.837	SSS CRB-UCLAA-S-10-00045	19,140
National Institutes of Health	93.837	U IOWA 1000742618	-615
National Institutes of Health	93.837	U IOWA 1000821371	19,229
National Institutes of Health	93.837	U of Iowa 1000811037	263,059

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National Institutes of Health	93.837	Univ. of Iowa W000149485 2010	29,141
National Institutes of Health	93.837	Univ .of Iowa W000149485 2011	32,420
National Institutes of Health	93.837	UTHS 0006871A	84,081
National Institutes of Health	93.837	UTHSC 0007526A 2012	207,250
National Institutes of Health	93.837	UTHSC 0008027A	122,571
National Institutes of Health	93.837	Vanderbilt UMC VUMC33500-R	96,123
National Institutes of Health	93.838	CCHMC 107456	21,073
National Institutes of Health	93.838	CCHMC 108330	1,825
National Institutes of Health	93.838	UCSF 4914SC 2010	1,169
National Institutes of Health	93.838	UCSF 4914SC 2011	142,134
National Institutes of Health	93.839	CCHMC 105250 M1	48,298
National Institutes of Health	93.839	CCHMC 105250 M3	5,656
National Institutes of Health	93.839	CCHMC 105251 M1	13,368
National Institutes of Health	93.839	CCHMC 109700 M5	55
National Institutes of Health	93.846	CCHMC 103838	59,353
National Institutes of Health	93.846	CCHMC 105512	12,865
National Institutes of Health	93.846	CCHMC 105515	19,851
National Institutes of Health	93.846	CCHMC 105591	18,171
National Institutes of Health	93.846	CCHMC 106355	5,696
National Institutes of Health	93.846	CCHMC 107387	11,341
National Institutes of Health	93.846	CCHMC 107610	11,953
National Institutes of Health	93.846	U Minnesota N000188502	1,395
National Institutes of Health	93.847	SBMRI 56377-UC-01	9,689
National Institutes of Health	93.847	CCHMC 103075	62,352
National Institutes of Health	93.847	CCHMC 103952	74,505
National Institutes of Health	93.847	CCHMC 104356	22,829
National Institutes of Health	93.847	CCHMC 105886	6,734
National Institutes of Health	93.847	CWRU NHLBI N01-HC-95181	46,569
National Institutes of Health	93.847	MCG 20497-20	-1,182
National Institutes of Health	93.847	MCG 20497-36	32,432
National Institutes of Health	93.847	Phase 2 Discovery Sub DK083767-01A1	23,664
National Institutes of Health	93.847	Sub P2D 10060847	13,382
National Institutes of Health	93.847	UCD/SUB DK090019-01/UCD 201013238-01,	257,443
National Institute of Diabetes and Digestive and Kidney Disease	93.848	CCHMC 101668 M5	141,075
National Institute of Diabetes and Digestive and Kidney Disease	93.848	CCHMC 103952 2011	18,837
National Institute of Diabetes and Digestive and Kidney Disease	93.848	CCHMC 103952 2012	1,729
National Institute of Diabetes and Digestive and Kidney Disease	93.848	UC DAVIS SUB0900025	144,531
National Institutes of Health	93.853	CCHMC 1006817	3,749
National Institutes of Health	93.853	CCHMC 105495 M4	142,902
National Institutes of Health	93.853	CHMC 105495 M4	37,297
National Institutes of Health	93.853	Cleveland Medical Devices Sub 1R43NS065554-02	7,168
National Institutes of Health	93.853	Columbia U Sub NS048212	692
National Institutes of Health	93.853	Columbia U. #5-75959	28,819
National Institutes of Health	93.853	Cornell Univ. 089 SUB NS50324-03	36,066
National Institutes of Health	93.853	Emory S383887	15,744
National Institutes of Health	93.853	Johns Hopkins 2000796412	24,104
National Institutes of Health	93.853	Johns Hopkins 2001055121	40,321
National Institutes of Health	93.853	Johns Hopkins 8506-10376-4	-16,664

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National Institutes of Health	93.853	Johns Hopkins NS046309 5-7	43,913
National Institutes of Health	93.853	Mass General NS052592 1-5	19,755
National Institutes of Health	93.853	Mayo Clinic NS060881-03	26,857
National Institutes of Health	93.853	Mayo NS058698-03	12,202
National Institutes of Health	93.853	MSU 61-0095UC	60,265
National Institutes of Health	93.853	MUSC 08-160	38,214
National Institutes of Health	93.853	U Mich 3000691483-RPT07	675,816
National Institutes of Health	93.853	U Mich 3001300231-PIII	261,017
National Institutes of Health	93.853	U Mich 3001300231-PIII 2010	-23
National Institutes of Health	93.853	U Mich 3001300231-PIII 2011	36,920
National Institutes of Health	93.853	U Mich 5000002770	119,671
National Institutes of Health	93.853	U Mich 5000002951	52,278
National Institutes of Health	93.853	U North Carolina sub NS042167	9,235
National Institutes of Health	93.853	U of Maryland SUB 069208	89,158
National Institutes of Health	93.853	U Rochester 414668-G	-1,919
National Institutes of Health	93.853	U Rochester 415240-G	447
National Institutes of Health	93.853	U Rochester/414197-G	-1,407
National Institutes of Health	93.853	U Washington Sub NS062684	4,070
National Institutes of Health	93.853	UCLA 1580-4-441437-CK	557
National Institutes of Health	93.853	UCLA 1580-4-441437-CK YR06	8,822
National Institutes of Health	93.853	UKRF 3046851500-05-262	8,101
National Institutes of Health	93.853	UMDNJ/NS038384-06	7,573
National Institutes of Health	93.853	Univ of Washington Sub 688607	17,582
National Institutes of Health	93.853	UNIV OF AL sub NS041588	64,095
National Institutes of Health	93.853	Wash Univ WU0915 PO 2904625N	32,156
National Institutes of Health	93.853	Washington U WU-10-197	9,628
National Institutes of Health	93.853	Yale U A07223 M05A00382	16,910
National Institutes of Health	93.853	Yale U A07593 M10A10557	36,714
National Institutes of Health	93.853	Yale U A08082 M01A10557	189,404
National Institutes of Health	93.855	CCHMC 106907	16,231
National Institutes of Health	93.855	CCHMC 107121	11,806
National Institutes of Health	93.855	CHMC 103666	19,599
National Institutes of Health	93.855	SRI Sub76-000024	68,105
National Institutes of Health	93.855	SSS ACURE-Q-06-00164-T004	62,350
National Institutes of Health	93.855	SSS ACURE-Q-06-00164-T006	9
National Institutes of Health	93.855	SSS ACURE-Q-06-00164-T007	67,552
National Institutes of Health	93.855	SSS ACURE-Q-06-00164-T008	12,000
National Institutes of Health	93.855	SUNY sub 51447	134,979
National Institutes of Health	93.855	U Chicago sub U54 AI57153-08	16,585
National Institutes of Health	93.855	UCSF 3563SC 2010	2,552
National Institutes of Health	93.855	UCSF 3563SC 2011	16,123
National Institutes of Health	93.859	MatTEK Corp Sub 1RGM09356301-01	13,755
National Institutes of Health	93.859	UT-Austin Sub UTA08-479	42,425
National Institutes of Health	93.865	CCHMC 106338	11,987
National Institutes of Health	93.865	PURDUE Sub 5 P01 HD052112-04	94,053
Health Resources and Services Administration	93.918	Cin Heath Network 5H76HA00111-20-00/19-01	291,437
Health Resources and Services Administration	93.918	Cin Heath Network 5H76HA00111	29,719
Health Resources and Services Administration	93.918	Cin Heath Network 5H76HA00111 2012	24,214

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Health Resources and Services Administration	93.918	Cin Heath Network 5H76HA00111-20-00/19-01	245,560
Centers for Disease Control and Prevention	93.940	CBH Contract No. 05 X 9871	83,226
Centers for Disease Control and Prevention	93.940	CBH Contract No. 95X9895	51,080
Centers for Disease Control and Prevention	93.940	CBH RFP264CHDHIV	22,645
Substance Abuse and Mental Health Services Administration	93.959	ODADAS 998028CPREV-P-10-9227 2010	4,675
Substance Abuse and Mental Health Services Administration	93.959	ODADAS 99-8028-CPREV-P-11-9227 2011	205,542
Health Resources and Services Administration	93.969	UKRF 3048107605-11-118	93,826
Health Resources and Services Administration	93.969	UKRF sub 1D31HP088331-03-00	-96
Centers for Disease Control and Prevention	93.991	ODH 03140014CC0110	93,930
Centers for Disease Control and Prevention	93.991	ODH 03140014CC0211	70,477
Health Resources and Services Administration	93.994	ODH DOH01-0000014733	3,803
Health Resources and Services Administration	93.994	ODH SUB HRSA WOMENS HEALTH WEEK 2011	2,591
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			14,619,689
Department of Housing and Urban Development			
Department of Housing and Urban Development	14.xxx	NCHH-08-1126 SUB HUD	7,862
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			7,862
Department of Justice			
Office of Juvenile Justice and Delinquency Prevention	16.523	City of Richmond, VA PD 20110211086	31,904
Office of Juvenile Justice and Delinquency Prevention	16.523	City of Richmond, VA, PD 20110202022	-676
National Institute of Justice	16.560	Yale U. P00294 (M10P10741)	11,035
Office of Community Oriented Policing Services	16.710	ARRA/CPD Contract No. 05X0057	143,843
TOTAL DEPARTMENT OF JUSTICE			186,106
Department of Labor			
Employment Standards Administration	17.310	CPWR/DOL-J059E22270 Yr 4	46,676
Employment Standards Administration	17.310	CPWR/DOL-J059E22270 Yr. 3	22,358
TOTAL DEPARTMENT OF LABOR			69,034
Department of the Interior			
U.S. Geological Survey	15.805	OSURF SUB USGS RF01117222	6,690
U.S. Geological Survey	15.805	OSURF Sub USGS RF01161240	13,406
U.S. Geological Survey	15.805	OSURF Sub USGS RF01161982	20,353
U.S. Geological Survey	15.807	Univ S CAL SUB USGS 07HQAG0008	25,545
TOTAL DEPARTMENT OF THE INTERIOR			65,994
Department of Transportation			
Department of Transportation	20.xxx	NAS SUB DOT NCHRP HR 12-77	59,193
Department of Transportation	20.xxx	URS CORP-OHIO Sub ODOT 14174	196,316
Federal Aviation Administration (FAA)	20.108	USDOT/FAA 10-G-003	143,951
Department of Transportation	20.701	CSUMB/USDOT GT10207 #50311	21,199
Department of Transportation	20.701	U Akron R7330-UC /#DTRT06-G-0037	22,899
Department of Transportation	20.701	Univ. Akron #DTRT06-G-0037	11,039
TOTAL DEPARTMENT OF TRANSPORTATION			454,597

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Environmental Protection Agency			
Environmental Protection Agency	66.xxx	AEROMET TECH EPA EP-D-04-052	-4,698
Environmental Protection Agency	66.xxx	Emory University RD-83425001	60,726
Environmental Protection Agency	66.xxx	Pegasus 4 - 52, WA 4-52 Task 4	41,751
Environmental Protection Agency	66.xxx	Pegasus 4- 37 UC Part B	22,546
Environmental Protection Agency	66.xxx	Pegasus 4 -37 UC Part A	52,696
Environmental Protection Agency	66.xxx	Pegasus 4-02, WA 4-02	27,490
Environmental Protection Agency	66.xxx	Pegasus 4-14 UC WA 4-14	84,368
Environmental Protection Agency	66.xxx	Pegasus 4-44 UC, WA 4-44	27,754
Environmental Protection Agency	66.xxx	Pegasus 4-47	200
Environmental Protection Agency	66.xxx	Pegasus 4-67 WA 4-67	82,582
Environmental Protection Agency	66.xxx	Pegasus 4-73 WA 4-73	26,257
Environmental Protection Agency	66.xxx	Pegasus 4-74UC, 4-74 WA	26,679
Environmental Protection Agency	66.xxx	Pegasus 4-86 uc WA 4-86	82,079
Environmental Protection Agency	66.xxx	Pegasus WA 0-02	77,754
Environmental Protection Agency	66.xxx	Pegasus WA 0-17	11,659
Environmental Protection Agency	66.xxx	Pegasus WA 0-19	60,004
Environmental Protection Agency	66.xxx	Pegasus WA 0-24	6,647
Environmental Protection Agency	66.xxx	Pegasus WA0 - 01	34,587
Environmental Protection Agency	66.xxx	Pegasus 05UC WA# 0-8 /EP-C-05-056	-2,420
Environmental Protection Agency	66.xxx	Pegasus 21UC WA# 0-20 /EP-C-05-056	-1,185
Environmental Protection Agency	66.xxx	Pegasus 4-06, WA 4-06	139,568
Environmental Protection Agency	66.xxx	Pegasus 4-37 Part C	1,243
Environmental Protection Agency	66.xxx	Pegasus 4-52 UC, WA 4-52 TASK 1	65,205
Environmental Protection Agency	66.xxx	Pegasus 4-52 UC, WA4-52 T2 - A	27,720
Environmental Protection Agency	66.xxx	Pegasus 4-52UC, WA 4-52 Task 2-B	34,479
Environmental Protection Agency	66.xxx	Pegasus 4-64, WA 4-64	-694
Environmental Protection Agency	66.xxx	Pegasus 4-84 Task 4.1-A, WA4-84	44,571
Environmental Protection Agency	66.xxx	Pegasus 4-84 Task 4.1B, WA 4-84	51,357
Environmental Protection Agency	66.xxx	Pegasus 4-84UC Task 4.2, WA 4-84	46,930
Environmental Protection Agency	66.xxx	Pegasus 4-90 WA 4-90	64,106
Environmental Protection Agency	66.xxx	Pegasus EPA WA 0 - 29	4,534
Environmental Protection Agency	66.xxx	Pegasus EPA WA 0-A	22,283
Environmental Protection Agency	66.xxx	Pegasus EPA WA 0-39	22,318
Environmental Protection Agency	66.xxx	Pegasus sub EPA WA 0 - B	5,978
Environmental Protection Agency	66.xxx	Pegasus WA 0-16	14,270
Environmental Protection Agency	66.xxx	Pegasus WA 0-35	46,900
Environmental Protection Agency	66.xxx	Pegasus WA 0- 41	819
Environmental Protection Agency	66.xxx	Pegasus WA 0-23	27,106
Environmental Protection Agency	66.xxx	Pegasus WA 0-33	80,195
Environmental Protection Agency	66.xxx	Shaw WA 0-03 EP-C-09-041	-160
Environmental Protection Agency	66.xxx	Waterstone Sub EPA TO # 804	24,273
Office of Research and Development	66.500	Health Effects Institute 4784-RFA-1/09-5	45,030
Office of Research and Development	66.500	PURDUE/EPA 581-006-10(R004HAZ)	-744
TOTAL ENVIRONMENTAL PROTECTION AGENCY			1,484,763

University of Cincinnati
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2011

Federal Agency	Federal CFDA Number	Program Title or Sponsor ID	Federal Expenditures
National Aeronautics and Space Administration			
National Aeronautics and Space Administration	43.xxx	CRG Inc./NASA SBIR NNX10CE74P	16,922
National Aeronautics and Space Administration	43.xxx	FFATA CFD RESEARCH CORP 1467	1,079
National Aeronautics and Space Administration	43.xxx	General Nano Sub NASA NNX11CD79P	614
National Aeronautics and Space Administration	43.xxx	Jet Propulsion Laboratory No. 1356415	13,126
National Aeronautics and Space Administration	43.xxx	OAI 063583 UAV Demonstration	3,722
National Aeronautics and Space Administration	43.xxx	Spectral Energies SB1107-001-1	25,037
National Aeronautics and Space Administration	43.001	AVETEC sub NASA AV07-U-007	48,236
TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			108,736
National Endowment for the Humanities			
National Endowment for the Humanities	45.161	Northwestern Univ. PROJ0001208	10,648
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES			10,648
National Science Foundation			
National Science Foundation	47.041	ECOSIL /NSF IIP0944705	20,504
National Science Foundation	47.041	General Nano 0945085 NSF IIP 0945085	31,144
National Science Foundation	47.041	NORTH CAROLINA A&T 260116B	465,334
National Science Foundation	47.041	NORTH CAROLINA A&T 260116B Schulz YR1	133,523
National Science Foundation	47.041	NORTH CAROLINA A&T 260116B Schulz YR2	18,996
National Science Foundation	47.041	NORTH CAROLINA A&T260116B	157,879
National Science Foundation	47.041	SUNY @ Binghamton/Subaward 50160 SUNY	69,108
National Science Foundation	47.041	UES P880 PO-S880000001	6,587
National Science Foundation	47.041	UWM K087570 sub NSF CMMI-0724097	49,193
National Science Foundation	47.049	NKU NK2008-026-4000396	15,220
National Science Foundation	47.049	OSURF REEL 60004660	10,757
National Science Foundation	47.049	University of Notre Dame 0715396	20,159
National Science Foundation	47.076	WSU sub NSF DUE 0817332	57,836
National Science Foundation	47.076	WSU sub NSF DUE-0618571	-1,287
National Science Foundation	47.079	LSU sub NSF OISE-0730290	-7,798
TOTAL NATIONAL SCIENCE FOUNDATION			1,047,155
Nuclear Regulatory Commission			
Nuclear Regulatory Commission	77.006	Tuskegee Univ.- NRC-38-08-913	-99
TOTAL NUCLEAR REGULATORY COMMISSION			-99
TOTAL RESEARCH AND DEVELOPMENT - PASS THROUGH FUNDS			25,719,992
TOTAL RESEARCH AND DEVELOPMENT CLUSTER			157,380,912
STATE FISCAL STABILIZATION FUNDS CLUSTER			
STATE FISCAL STABILIZATION FUNDS - PASS THROUGH FUNDS			
Department of Education			
Department of Education	84.394	ARRA State Fiscal Stabilization Funds ED	25,095,881
Department of Education	84.397	ARRA State Fiscal Stabilization Funds Govn	3,702,304
TOTAL DEPARTMENT OF EDUCATION			28,798,185
TOTAL STATE FISCAL STABILIZATION FUNDS - PASS THROUGH FUNDS			28,798,185
TOTAL STATE FISCAL STABILIZATION FUNDS CLUSTER			28,798,185

University of Cincinnati
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2011

Federal Agency	Federal CFDA Number	Program Title or Sponsor ID	Federal Expenditures
STUDENT FINANCIAL AID CLUSTER			
STUDENT FINANCIAL AID - DIRECT FUNDS			
Department of Education			
Office of Student Financial Assistance Programs	84.007	Federal Supplemental Educational Opportunity	1,757,038
Office of Student Financial Assistance Programs	84.032	Federal Family Education Loan Disbursements	88,414
Office of Student Financial Assistance Programs	84.033	Federal Work-Study Program	1,748,756
Office of Student Financial Assistance Programs	84.038	Federal Perkins Loan Program Disbursements	2,671,922
Office of Student Financial Assistance Programs	84.063	Federal Pell Grant Program	41,395,608
Office of Student Financial Assistance Programs	84.268	Federal Direct Student Loan Disbursements	280,108,030
Office of Postsecondary Education	84.375	Academic Competitiveness Grants	1,384,853
Office of Student Financial Assistance Programs	84.376	National Science and Mathematics Access to	853,266
Department of Education	84.379	Teacher Education Assistance for College and	131,001
TOTAL DEPARTMENT OF EDUCATION			330,138,888
Department of Health and Human Services			
Health Resources and Services Administration	93.342	Health Professions Student Loans Disbursements	102,300
Health Resources and Services Administration	93.364	Nursing Student Loans Disbursements	68,600
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			170,900
TOTAL STUDENT FINANCIAL AID - DIRECT FUNDS			330,309,788
STUDENT FINANCIAL AID - DIRECT-OUTSTANDING LOAN BALANCES			
Department of Education			
Office of Student Financial Assistance Programs	84.038	Federal Perkins Loan Program Outstanding	22,914,213
TOTAL DEPARTMENT OF EDUCATION			22,914,213
Department of Health and Human Services			
Health Resources and Services Administration	93.342	Health Professions Student Loans Outstanding	790,133
Health Resources and Services Administration	93.364	Nursing Student Loans Outstanding	635,557
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			1,425,690
TOTAL STUDENT FINANCIAL AID - DIRECT-OUTSTANDING LOAN BALANCES			24,339,903
TOTAL STUDENT FINANCIAL AID CLUSTER			354,496,691
TANF (TEMPORARY ASSISTANCE FOR NEEDY FAMILIES) CLUSTER			
TANF (TEMPORARY ASSISTANCE FOR NEEDY FAMILIES) - PASS THROUGH FUNDS			
Department of Health and Human Services			
Administration for Children and Families	93.558	Lucas County LUCAS-0000016523	9,588
Administration for Children and Families	93.558	ODRC CONTRACT # 415-10-0277	97,058
Administration for Children and Families	93.558	ODRC Reentry	-2,303
Administration for Children and Families	93.558	ODRC SUB TANF /DRCF0028	-1,270
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			103,073
TOTAL TANF (TEMPORARY ASSISTANCE FOR NEEDY FAMILIES) - PASS THROUGH			103,073
TOTAL TANF (TEMPORARY ASSISTANCE FOR NEEDY FAMILIES) CLUSTER			103,073
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$551,473,514

UNIVERSITY OF CINCINNATI

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The accompanying schedule of expenditures of federal awards includes the federal grant transactions of the University of Cincinnati (“University”) and is recorded on the accrual basis of accounting.

Subrecipients—Certain funds are passed through to subgrantee organizations by the University. Expenditures incurred by the subgrantees and reimbursed by the University are presented in the schedule of expenditures of federal awards. The University is also the subrecipient of federal funds which have been subjected to testing and are reported as expenditures and listed as federal pass-through funds.

Negative Expenditures—Certain grant expenditures are negative as a result of various adjustments made during the year.

2. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBERS

Catalog of Federal Domestic Assistance (“CFDA”) numbers are presented for those programs for which such numbers are available.

3. INDIRECT COSTS

The University recovers indirect costs by means of predetermined indirect cost rates. The predetermined rates are a result of negotiated agreements with the U.S. Department of Health and Human Services. On June 11, 2009, the University received approval for indirect cost recovery rate effective from July 1, 2009 through June 30, 2012. The indirect cost rates structure is as follows:

Rate Type	Effective July 1, 2009 through June 30, 2012
Organized research:	
On-campus	57.0 %
Off-campus	26.0 %
Instruction:	
On-campus	57.0 %
Off-campus	26.0 %
Public Service:	
On-campus	30.0 %
Off-campus	26.0 %

4. FUNDS PASSED TO SUBRECIPIENTS

The University passed funds to subgrantees for the following programs during the year ended June 30, 2011:

CFDA Number	Program	Amount
20.205	Highway Planning and Construction	\$ 70,058
84.366	Mathematics and Science Partnerships	67,120
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	901,817
93.600	Head Start	691,325
various	Research and Development	23,899,270
		<u>\$ 25,559,532</u>

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

To the Board of Trustees of
the University of Cincinnati:

We have audited the financial statements of the University of Cincinnati (the "University"), a component unit of the State of Ohio, as of and for the year ended June 30, 2011, and have issued our report thereon dated October 13, 2011, which included a reference to our reliance on the other auditors' reports that related to their audits of the University of Cincinnati Foundation and the UC Physicians, Inc., and an emphasis of a matter paragraph related to the University's investment in alternative investments. 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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 13, 2011.

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

Deloitte & Touche LLP

October 13, 2011

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Trustees of
the University of Cincinnati:

Compliance

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

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

In our opinion, the University complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

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 our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

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

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

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

We noted certain matters that we reported to management of the University in a separate letter dated October 13, 2011.

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

Deloitte & Touche LLP

October 13, 2011

UNIVERSITY OF CINCINNATI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2011

PART I — SUMMARY OF INDEPENDENT AUDITORS' RESULTS

I. Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) 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

II. Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None reported

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 Circular A-133? _____ Yes X No

Identification of Major Programs: Research and Development – Cluster
State Fiscal Stabilization Funds – Cluster

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

Auditee qualified as low-risk auditee? X Yes _____ No

UNIVERSITY OF CINCINNATI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2011 (Continued)

PART II — FINANCIAL STATEMENT FINDINGS SECTION

No matters are reportable.

PART III — FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

11-1 Federal Program—all with purchases of goods and services from outside parties

Requirement—Non-Federal entities are prohibited from contracting with or making subawards 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 nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria.

Condition—The University’s remediation of Finding 10-1 was not implemented until March of 2011, and therefore for the majority of the year ended June 30, 2011, the University’s process for verifying that goods and services purchased directly with federal awards are not purchased from federally suspended or debarred vendors was decentralized and undocumented.

Context —For the year ended June 30, 2010, we identified a significant deficiency in internal control over compliance, labeled Finding 10-1, related to debarment of vendors from which goods and services are directly purchased with federal awards. Finding 10-1 was based on our determination that the University’s process for verifying that goods and services purchased with federal awards are not purchased from federally suspended or debarred vendors. We determined that the process for subawards was and is centralized, documented, and includes an appropriate level of management review; whereas, prior to March 2011, the corresponding process for direct purchases of goods and services with federal awards was performed by the various research departments, was not documented, and included no audit trail to facilitate management review. In March, 2011, the University successfully remediated the significant deficiency in internal control over compliance identified in Finding 10-1. We have determined that, based on the nature of the compliance requirement and the level of effort necessary to remediate the significant deficiency in internal control over compliance identified in Finding 10-1, the timing of the University’s remediation represents a deficiency in internal control over compliance. We selected 60 direct expenditures of federal awards and noted no instances of purchases from federally suspended or debarred vendors or contractors.

Effect—The University has a deficiency in internal control over compliance related to debarment of vendors from which goods and services are directly purchased with federal awards.

Cause—The University’s remediation of the significant deficiency in internal control over compliance identified in Finding 10-1 was not timely, considering the nature of the compliance requirement and the level of effort necessary to remediate the significant deficiency.

Questioned Cost —No compliance exceptions or questioned costs were identified.

Recommendation—The University has remediated the Finding 10-1 as of June 30, 2011, and therefore no further recommendation is warranted.

Views of Responsible Officials and Planned Corrective Action—Management agrees with the facts as presented. Due to the federal compliance nature of this issue, management took a dual approach to its resolution. Through acceptance of the University’s revised purchase order terms and conditions, vendors are now certifying they are not suspended or debarred. Additionally, during August 2011, the University developed an electronic notification tool within the University’s accounting system that checks the funding source of all purchases before the purchase order is issued. If the purchase requisition references Federal grant funds as the funding source, an electronic message is posted on the buyer’s computer screen notifying them to review the Excluded Parties Listing System (federal debarment database) to ensure the vendor has not been suspended or debarred. A screen print is used to document compliance with this procedure. This audit issue has been remediated.

UNIVERSITY OF CINCINNATI

SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2011

Finding 10-1 (All federal programs with purchases from outside parties)

During the fiscal year 2010 audit, a significant deficiency in internal control over compliance was noted related to management's process for verifying that goods and services purchased directly under federal awards were not purchased from federally suspended or debarred vendors or contractors. No instances of non-compliance were noted.

Management's Update on Current Status—Due to the federal compliance nature of this issue, management took a dual approach to its resolution. Through acceptance of the University's revised purchase order terms and conditions, vendors are now certifying they are not suspended or debarred. Additionally, during August 2011, the University developed an electronic notification tool within the University's accounting system that checks the funding source of all purchases before the purchase order is issued. If the purchase requisition references Federal grant funds as the funding source, an electronic message is posted on the buyer's computer screen notifying them to review the Excluded Parties Listing System (federal debarment database) to ensure the vendor has not been suspended or debarred. A screen print is used to document compliance with this procedure. This audit issue has been remediated.

Based on the nature of the compliance requirement and the level of effort necessary to remediate the significant deficiency in internal control over compliance identified in Finding 10-1, the timing of the University's remediation has been identified as a deficiency in internal control over compliance in Finding 11-1.

University of Cincinnati

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

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To Dr. Gregory Williams
President
University of Cincinnati
Cincinnati, Ohio

We have performed the procedures enumerated below, which were agreed to by the University of Cincinnati (the "University"), with respect to the accounting records of the University's Department of Athletics as of June 30, 2011 solely to assist you in evaluating whether the accompanying statement of revenues and expenditures (the "statement") is in compliance with National Collegiate Athletic Association ("NCAA") Constitution 3.2.4.16 for the year ended June 30, 2011. The University's management is responsible for the statement and for 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.

The procedures that we performed and our findings are as follows:

Affiliated/Outside Organizations

- a. The University has informed us that the only outside organization that receives revenues on behalf of the University is the University of Cincinnati Foundation (the "Foundation"). We obtained from the management of the Foundation its financial activity conducted on behalf of the University, a summary of which is included as Exhibit B to this report.
- b. We agreed a random sample of five selections of disbursements of athletics funds maintained by the Foundation to supporting documentation and noted no exceptions.
- c. We agreed a random sample of five selections of receipts of funds by the Foundation on behalf of the Department of Athletics to supporting documentation and noted no exceptions.

Statement of Revenues and Expenditures

- a. We obtained the statement of revenues and expenditures, as prepared by the Department of Athletics of the University, for the year ended June 30, 2011, which is included as Exhibit A. We agreed the revenue and expenditure amounts reported on the statement to the University's general ledger and noted no exceptions.
- b. We compared the classifications in the statement to the defined classifications in the NCAA Constitution section 3.2.4.16 and noted no exceptions.

- c. We obtained the schedule of athletics-related assets as of June 30, 2011, as prepared by the University. For a random sample of five of these assets, we agreed them to amounts recorded in the University's property ledger and noted no exceptions.
- d. We obtained the schedule of annual maturities of both principal and interest of athletics-related debt as prepared by the University for the year ended June 30, 2011. We recalculated the annual maturities of principal and interest and agreed the maturities to supporting documentation and the University's general ledger, noting no exceptions.
- e. We compared each major revenue category on the statement of revenues and expenditures to prior year amounts and current year budgeted amounts. Revenue and expenditure categories constituting more than 20% of total revenues or expenditures were considered major categories. The only fluctuation meeting the criteria for investigation was the \$2,108,682 increase in ticket sales from the prior year amounts. The explanation provided by the Department of Athletics is that the increase was the result of one additional home football game for the 2010-2011 season.

Agreed Upon Procedures for Revenues

- a. For men's football and basketball ticket revenue, we compared the season and gate sold ticket information from the Paciolan ticketing system to the general ledger. For the year ended June 30, 2011, we noted unexplained differences of \$8,399 (0.3%) for men's basketball ticket revenue, with the general ledger greater than the Paciolan system, and \$466 (0.01%) for men's football ticket revenue, with the Paciolan system greater than the general ledger. We randomly selected a total of five basketball and football games' ticket revenue reported and agreed such amounts to batch revenue support, noting no exceptions.
- b. We selected a random sample of five away game guaranteed contests from a list prepared by management and agreed each selection to amounts recorded in the University's general ledger and supporting documentation which included contracts and deposit slips. No exceptions were noted.
- c. We obtained a list of contributions of all money, goods, or services received directly by the Department of Athletics from the University. From the list provided by the University, we did not note any individual contributions that constituted 10% or more of total contributions received.
- d. We compared direct institutional support recorded by the Department of Athletics with institutional transfer authorizations held by the controller's office of the University and found them to be in agreement.
- e. We obtained the Big East Conference Distribution Schedule relating to the University's participation in revenues from tournaments during the year ended June 30, 2011, provided by the Department of Athletics, and agreed the amounts to the University's general ledger. No exceptions were noted.
- f. We obtained and read all agreements relating to broadcast, television, radio, and Internet rights from the Department of Athletics. No exceptions were noted.
- g. We obtained a schedule of program, concession, novelty, and parking revenue from the University. We randomly selected five revenue receipts and agreed them to cash remittance advices, noting no exceptions.

- h. We obtained a schedule of royalties, advertisements, and sponsorships from the University. We agreed the balance to the general ledger and noted no exceptions. We made a random sample of five receipts and agreed the receipts to supporting documentation and the related agreement, noting no exceptions.
- i. The University of Cincinnati Foundation is the trustee of certain athletic endowments. For a random sample of five endowments, including one new endowment received in 2011, we obtained and read endowment agreements and reviewed the relevant terms and conditions. We compared and agreed the classification of endowment and investment income to the uses defined within the related endowment agreement obtained and noted no exceptions.
- j. We obtained supporting schedules for other revenue and agreed amounts in the schedules to the amounts in the statement of revenues and expenditures. We made a random sample of five other revenue receipts from the supporting schedules and compared the receipts to deposit slips and/or copies of checks, noting no exceptions.

Agreed Upon Procedures for Expenditures

- a. We randomly selected five athletic students from the University's listing of student aid recipients. For each selection, we obtained individual student account detail and compared total aid allocated from the related award letter to amounts applied to the student's account and found them to be in agreement.
- b. We obtained and read five home game guarantee agreements received by the University and agreed the related expense to the University's general ledger and/or the statement of revenues and expenditures, noting no exceptions.
- c. We obtained a listing of coaches employed by the University and randomly selected five coaches that included football, men's basketball, and women's basketball. We compared and agreed the financial terms and conditions of their contract, and compared and reconciled the related W-2 and 1099s for each selection, to the related coaching salaries, benefits, and bonuses recorded in the statement and noted no exceptions.
- d. We randomly selected a sample of five support staff/administrative personnel employed by the University, and obtained and read the related W-2s and 1099s. We compared and reconciled the related W-2s and 1099s to related salaries, benefits, and bonuses paid by the University to the statement and noted no exceptions.
- e. We randomly selected a sample of five employees who received severance pay during the year ended June 30, 2011, and agreed recorded severance pay during the year ended June 30, 2011 to the related termination letters, noting no exceptions.
- f. We obtained and reviewed the recruiting policies for the Department of Athletics, as well as supporting schedules for recruiting expenditures from the Department of Athletics. We agreed amounts in the schedules to the statement, noting no exceptions. We selected a random sample of five recruiting expenditures from the supporting schedules and compared to supporting documentation of invoices and purchase orders, noting no exceptions.
- g. We obtained and reviewed team travel policies for the Department of Athletics, as well as supporting schedules for travel expenditures from the Department of Athletics. We agreed the amounts in the schedules to the statement, noting no exceptions. We selected a random sample of

- five team travel expenditures from the supporting schedules and compared to supporting documentation of invoices and purchase orders, noting no exceptions.
- h. We obtained supporting schedules for equipment, uniforms, and supplies expenditures from the Department of Athletics, and agreed amounts in the schedules to the statement, noting no exceptions. We selected a random sample of five equipment, uniforms, and supplies expenditures from the supporting schedules and compared to supporting documentation of invoices and purchase orders, noting no exceptions.
 - i. We obtained supporting schedules for game expenditures from the Department of Athletics and agreed amounts in the schedules to the statement, noting no exceptions. We selected a random sample of five game expenditures from the supporting schedules and compared to supporting documentation. We noted that the University recorded expenditures of \$1,590 related to team meals not occurring on game days as game expenditures. Based on review of the definition of game expenditures within the guidance provided by the NCAA, team meals not occurring on game days are more appropriately recorded under other expenditures. As a result, the University appropriately reclassified these expenditures to the proper category.
 - j. We obtained supporting schedules for fundraising, marketing, and promotion expenditures from the Department of Athletics and agreed amounts in the schedules to the statement, noting no exceptions. We selected a random sample of five fundraising, marketing, and promotional expenditures from the supporting schedules and compared to supporting documentation obtained, noting no exceptions.
 - k. We obtained supporting schedules for direct facilities, maintenance, and rental expenditures from the Department of Athletics and agreed amounts in the schedules to the statement, noting no exceptions. We selected a random sample of five direct facilities, maintenance, and rental expenditures from the supporting schedules and compared to supporting documentation obtained, noting no exceptions.
 - l. We obtained supporting schedules for spirit group expenditures from the Department of Athletics and agreed amounts in the schedules to the statement, noting no exceptions. We selected a random sample of five spirit group expenditures from the supporting schedules and compared to supporting documentation obtained, noting no exceptions.
 - m. We obtained supporting schedules for medical and medical insurance expenditures from the Department of Athletics and agreed amounts in the schedules to the statement, noting no exceptions. We selected a random sample of five medical and medical insurance expenditures from the supporting schedules and compared to supporting documentation obtained, noting no exceptions.
 - n. We obtained supporting schedules for membership and dues expenditures from the Department of Athletics and agreed amounts in the schedules to the statement, noting no exceptions. We selected a random sample of five membership and dues expenditures from the supporting schedules and compared to supporting documentation. We noted that the University recorded expenditure of \$9,000 related to a coach's country club membership fees as membership and dues expenditures. Based on review of the definition of Coaching Salaries, Benefits, and Bonuses paid by the University and Related Entities within the guidance provided by the NCAA, such expenditures should be recorded under Coaching Salaries, Benefits, and Bonuses paid by the University and Related Entities. As a result, the University appropriately reclassified this expenditure to the proper category.

- o. We obtained supporting schedules for other operating expenditures from the Department of Athletics and agreed amounts in the schedules to the statement, noting no exceptions. We selected a random sample of five other expenditures from the supporting schedules and compared to supporting documentation, noting no exceptions.

Agreed Upon Procedures Related to the Internal Control over Compliance

Our procedures and results are as follows:

- a. We made inquiries of the Controller's Office and Department of Athletics personnel relating to the procedures and internal accounting controls unique to the Department of Athletics, specifically departmental organization, control consciousness of staff, use of internal auditors in the department, competency of personnel, adequate safeguarding and control of records and assets, controls over interaction with the information technology department, and controls over gathering information on the nature and extent of outside organizations' activities for or on behalf of the intercollegiate athletic programs.
- b. We selected, on a random test basis, 15 cash deposits related to ticket revenue from the deposit slip files for the year ended June 30, 2011 and compared the deposit amounts to the ticketing system and the general ledger. We noted no exceptions.
- c. We selected, on a random basis, 15 football and men's basketball home games from the 2010-2011 season schedules and compared the seller statements for the game-day ticket sales to the ticketing system, noting no exceptions.

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

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the statement of revenues and expenditures of the Department of Athletics of the University or the statement's compliance with NCAA Constitution 3.2.4.16. 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. We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on management's assertion about the effectiveness of the internal control over financial reporting. Accordingly, we do not express such an opinion. Had we been engaged to perform additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the administration of the University, the Ohio Board of Regents, and authorized representatives of the NCAA and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

October 13, 2011

**UNIVERSITY OF CINCINNATI
DEPARTMENT OF ATHLETICS**

EXHIBIT A

**STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2011**

	Football	Men's Basketball	Women's Basketball	Other Men	Other Women	NonProgram- Specific	Total
REVENUES:							
Ticket Sales	\$5,794,323	\$2,605,672	\$ 35,299	\$ 21,799	\$ 5,823	\$ 23,050	\$ 8,485,966
Guarantees	870,000			1,905			871,905
Contributions	2,727,169	231,791	24,760	140,305	74,851	2,650,021	5,848,897
Direct Institutional Support NCAA and Conference						14,708,672	14,708,672
Distributions Including All Tournament Revenue	3,800,000	2,902,096		600	15,000	1,014,243	7,731,939
Program Sales, Concessions, Novelty Sales and Parking	36,172	95,326				717,022	848,520
Royalties, Licensing, Advertising and Sponsorships						1,841,836	1,841,836
Endowment and Investment Income	62,103	4,807		56,676	8,942	476,198	608,726
Other Income	88,997	107,714	16	22,260	11,135	1,548,258	1,778,380
Total Revenues	13,378,764	5,947,406	60,075	243,545	115,751	22,979,300	42,724,841
EXPENDITURES:							
Athletics Student Aid	2,763,553	553,920	422,239	495,476	2,284,080	637,918	7,157,186
Guarantees	1,265,000	625,000	82,800	16,367	3,000		1,992,167
Salaries, Benefits, and Bonuses Paid by the University and Related Entities	4,219,578	2,197,604	739,620	765,893	1,231,150	5,473,692	14,627,537
Recruiting	210,124	125,158	102,087	57,006	109,021		603,396
Team Travel	685,326	433,278	163,404	467,960	544,226	3,958	2,298,152
Equipment, Uniforms and Supplies	171,978	5,163	2,516	64,811	68,401	22,453	335,322
Game Expenses	780,762	395,608	120,790	92,324	79,863	58,296	1,527,643
Fund Raising, Marketing and Promotion	76,564	1,373		17,034	2,581	1,486,355	1,583,907
Direct Facilities, Maintenance and Rental	52,201	50,000	783	16,582	2,151	8,863,425	8,985,142
Spirit Groups						181,979	181,979
Medical Expenses and Medical Insurance	12,499					639,900	652,399
Memberships & Dues	7,806	3,395	580	7,196	8,240	14,948	42,165
Other Operating Expenses	824,214	491,788	505,740	113,313	190,108	1,576,649	3,701,812
Total Expenditures	11,069,605	4,882,287	2,140,559	2,113,962	4,522,821	18,959,573	43,688,807
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 2,309,159	\$ 1,065,119	\$ (2,080,484)	\$ (1,870,417)	\$ (4,407,070)	\$ 4,019,727	\$ (963,966)

See notes to the statement of revenue and expenditures.

UNIVERSITY OF CINCINNATI

DEPARTMENT OF ATHLETICS

NOTES TO STATEMENT OF REVENUES AND EXPENDITURES FOR THE YEAR ENDED JUNE 30, 2011

1. SUMMARY OF PRESENTATION POLICIES

The amounts in the accompanying statement of revenues and expenditures were obtained from the University of Cincinnati's (the "University") general ledger, which is maintained on an accrual basis. All revenues and expenditures directly related to various sports were disclosed as such, except items which were not applicable, such as compensation and benefits paid by third parties. The University records depreciation on physical plant and equipment; however, depreciation is not part of the statement of revenues and expenditures.

2. CONTRIBUTIONS

Contribution revenue included in the statement of revenues and expenditures represents contributions given to the University's Department of Athletics based on donor's instructions. There were no individual contributions in excess of 10% of all contributions received for the Department of Athletics for the year ended June 30, 2011.

3. PROPERTY, PLANT, AND EQUIPMENT

Land, land improvements, infrastructure, buildings, and equipment are recorded at cost at the date of acquisition or at market value at the date of donation. The University's capitalization threshold is \$100,000 for major capital projects and \$5,000 for all other capitalized items. Interest on related borrowing, net of interest earnings on invested proceeds, is capitalized during the period of construction. University property and equipment are depreciated using the straight-line method over the estimated useful lives (from five to fifty years) of the respective assets. When plant assets are sold or disposed of, the carrying value of such assets and the associated depreciation are removed from the University's records.

The University does not capitalize works of art or historical treasures that are held for public exhibition, education, or research in furtherance of public service. These collections are neither disposed of for financial gains nor encumbered in any way. In addition, the University requires the proceeds from the sale of collection items be used to acquire other collection items. Accordingly, such collections are not recognized or capitalized for financial statement purposes. All other works of art or historical treasures are capitalized at historical or fair value at the date of donation.

4. REPAYMENT SCHEDULE FOR OUTSTANDING DEBT

The repayment schedule as of June 30, 2011, for outstanding debt related to the Department of Athletics of the University is as follows:

Fiscal Year	Principal	Interest	Total
2012	\$ 5,620,723	\$ 3,253,127	\$ 8,873,850
2013	4,348,360	3,375,940	7,724,300
2014	4,416,280	3,146,518	7,562,798
2015	3,177,711	2,978,389	6,156,100
2016	3,647,556	2,823,644	6,471,200
2017-2021	28,020,464	10,625,936	38,646,400
2022-2026	24,553,568	4,135,932	28,689,500
2027-2028	1,515,000	117,800	1,632,800

Principal and interest payments made during the year are included in the statement of revenues and expenditures as direct facilities, maintenance, and rental expenditures.

**UNIVERSITY OF CINCINNATI
DEPARTMENT OF ATHLETICS**

**SCHEDULE OF EXPENDABLE FUNDS HELD BY THE UNIVERSITY OF CINCINNATI FOUNDATION
FOR THE DEPARTMENT OF ATHLETICS FOR THE YEAR ENDED JUNE 30, 2011**

	Beginning Fund Balance	Increase in Funds	Transfers to or Expenses on Behalf of Program (1)	Transfers Between Foundation Funds	Ending Fund Balance
Gift Accounts:					
Alton E. Purcell	\$ 4,396	\$ 22,060	\$ (21,138)	\$	\$ 5,318
Athletic Development Fund	(1,745)	1,952	(207)		
Athletic Director Discretionary	194,434	2,607,295	(2,751,028)	(300)	50,401
Athletic Training Development Fund		20,134	(20,134)		
Athletics — Track and Field			20	(20)	
Athletics — Women's Track and Field			20	(20)	
Athletics Opportunity Fund	2,768	25,000	(500)		27,268
Athletics Tickets/Parking		76,506	(76,506)		
Baseball Development Fund		84,297	(84,272)		25
C' Club Fund	1,900	9,875	(11,371)	(100)	304
Cheerleading Development Fund	2,950	1,250	(4,150)		50
Dance Team Development Fund	150	2,828	(2,978)		
Director of Athletics Discretionary Fund	2,222				2,222
Facilities Consultant Fund			5,805		5,805
Football Development Fund	5,675	514,787	(514,656)	1,850	7,656
George Smith Society Athletic Scholarship	192,564	1,165,582	(1,230,334)	(20,280)	107,532
George Strike Insurance Prem.	340,325	109,773	(35,500)		414,598
Legion of Excellence Fund	16,076	15,800	(4,564)	(27,761)	(449)
Marching Band Development Fund		50	(50)		
Men's Basketball Development Fund	20,125	220,265	(231,949)		8,441
Men's Golf Development Fund	2,675	31,960	(33,385)		1,250
Men's Soccer Development Fund		2,439	(2,438)		1
Men's Soccer Raffle	6,700				6,700
Men's Swimming & Diving Development Fund	560	6,645	(7,205)		
Men's Track & Field Development Fund	110	15,188	(13,073)	20	2,245
Raising the Bar — Football Continuity Fund		525,035	(525,035)		
Sports Medicine Gift Fund		1,300	(1,300)		
Suiteholders Fund	2,725	45,104	(47,829)		
Tennis Development Fund		5,525	(5,525)		
Volleyball Development Fund		9,480	(9,431)		49
Women's Basketball Development Fund	5,150	20,554	(24,774)	(250)	680
Women's Golf Development Fund	2,675	20,929	(22,353)		1,251
Women's Lacrosse Development Fund	200	22,922	(23,119)		3
Women's Soccer Development Fund		10,141	(9,993)		148
Women's Swimming & Diving Development Fund		1,431	(1,431)		
Women's Track & Field Development Fund		5,193	(3,069)	20	2,144
Total Gift Accounts	\$ 802,635	\$ 5,601,300	\$ (5,713,452)	\$ (46,841)	\$ 643,642

(1) Amount represents funds disbursed to or on behalf of the University's Department of Athletics. The funding source of the disbursements represents funds recognized as current gift revenue by the Department of Athletics of \$5,434,647, funds expended on behalf of the University of Cincinnati athletics program of \$172,954, and gift investment fees of \$105,849.



Dave Yost • Auditor of State

UNIVERSITY OF CINCINNATI

HAMILTON 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
JANUARY 12, 2012