

**NORTHEASTERN OHIO UNIVERSITIES COLLEGE OF MEDICINE  
PORTAGE COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 1999**

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**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

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## **REPORT OF INDEPENDENT ACCOUNTANTS**

Northeastern Ohio Universities College of Medicine  
Portage County  
4209 State Route 44  
Rootstown, Ohio 44272

To the Board of Trustees:

We have audited the accompanying balance sheet of the Northeastern Ohio Universities College of Medicine, Portage County, (the "College") as of June 30, 1999, and the related statement of changes in undesignated fund balances, statement of current funds revenues, expenditures and other changes and statement of changes in current funds designated fund balances for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Northeastern Ohio Universities College of Medicine, as of June 30, 1999, and the changes in fund balances and the current funds revenues, expenditures, and other changes for the year then ended in conformity with generally accepted accounting principles.

Our audit was performed for the purpose of forming an opinion on the financial statements of the College, taken as a whole. The additional information listed as supplementary schedules in the accompanying table of contents is presented for the purpose of additional analysis and is not a required part of the basis financial statements. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. This additional information is the responsibility of the College's management. Such information has been subjected to the auditing procedures applied in the audit of the June 30, 1999 basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Northeastern Ohio Universities College of Medicine  
Portage County  
Report of Independent Accountants  
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In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 1999, on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

A handwritten signature in black ink, appearing to read "Jim Retro", written over a printed name and title.

**Jim Retro**  
Auditor of State

December 15, 1999

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**BALANCE SHEET**  
**JUNE 30, 1999**  
(With comparative figures on June 30, 1998)

ASSETS	June 30, 1999	June 30, 1998
<b>CURRENT FUNDS</b>		
Unrestricted		
Educational and general		
Cash and temporary investments	\$7,228,840	\$7,273,616
Accounts receivable	202,118	81,179
Unbilled charges	145,915	
Inventories (at cost)	182,035	185,196
Prepaid expenses and deferred charges	213,187	78,865
Total educational and general	<u>7,972,095</u>	<u>7,618,856</u>
Auxiliary enterprises		
Cash and temporary investments	78,363	88,172
Accounts receivable	12,410	15,606
Inventories (at cost)	65,210	65,541
Total auxiliary enterprises	<u>155,983</u>	<u>169,319</u>
Total unrestricted	<u>8,128,078</u>	<u>7,788,175</u>
Restricted		
Cash and temporary investments	1,390,025	1,746,778
Accounts receivable	454,852	355,977
Unbilled charges	362,886	380,516
Prepaid expenses		7,759
Total restricted	<u>2,207,763</u>	<u>2,491,030</u>
Total current funds	<u>\$10,335,841</u>	<u>\$10,279,205</u>

The accompanying notes to financial statements are an integral part of this statement.

LIABILITIES AND FUND BALANCES	June 30, 1999	June 30, 1998
<b>CURRENT FUNDS</b>		
Unrestricted		
Educational and general		
Accounts payable	\$745,649	\$1,380,771
Accrued wages and benefits	561,591	516,731
Payroll withholdings payable	187,020	
Compensated absences	750,236	738,642
Deferred revenue	15,646	11,418
Accrued early retirement incentive plan		157,849
Other accrued liabilities	1,791,600	912,170
Fund balances:		
Designed	2,390,837	2,448,584
Undesignated	1,529,516	1,452,691
Total educational and general	<u>7,972,095</u>	<u>7,618,858</u>
Auxiliary enterprises		
Accounts payable	15,400	23,704
Accrued wages and benefits	13,554	14,576
Compensated absences	9,532	8,543
Other accrued liabilities	10,000	
Fund balances:		
Designed		24,577
Undesignated	107,497	97,919
Total auxiliary enterprises	<u>155,983</u>	<u>169,319</u>
Total unrestricted	<u>8,128,078</u>	<u>7,788,175</u>
Restricted		
Accounts payable	151,052	396,017
Accrued wages and benefits	36,149	48,142
Compensated absences	46,285	47,322
Other accrued liabilities	928,265	937,385
Fund balances:		
Restricted	1,046,012	1,062,164
Total restricted	<u>2,207,763</u>	<u>2,491,030</u>
Total current funds	<u>\$10,335,841</u>	<u>\$10,279,205</u>

**BALANCE SHEET (Continued)**  
**JUNE 30, 1999**  
(With comparative figures on June 30, 1998)

ASSETS	June 30, 1999	June 30, 1998
<b>LOAN FUNDS</b>		
Cash and temporary investments	\$220,283	\$300,933
Notes receivable	2,720,764	2,499,443
Total loan funds	<u>\$2,941,047</u>	<u>\$2,800,376</u>
<b>ENDOWMENT FUNDS</b>		
Cash and temporary investments	\$368,708	\$359,423
Total endowment funds	<u>\$368,708</u>	<u>\$359,423</u>
<b>PLANT FUNDS</b>		
Unexpended plant funds		
Cash and temporary investments	\$3,315,604	\$2,861,606
Unbilled charges	69,474	
Prepaid expenses	200,832	2,362
Total unexpended plant funds	<u>3,585,910</u>	<u>2,863,968</u>
Investment in plant		
Land and improvements other than buildings	1,163,313	1,143,892
Buildings	43,127,012	39,711,532
Movable equipments, furniture and library books	18,936,102	17,959,844
Construction in progress		230,724
Total investment in plant	<u>63,226,427</u>	<u>59,045,992</u>
Total plant funds	<u>\$66,812,337</u>	<u>\$61,909,960</u>
<b>AGENCY FUNDS</b>		
Cash and temporary investments	\$135,872	\$82,065
Accounts receivable	29,614	23,605
Total agency funds	<u>\$165,486</u>	<u>\$105,670</u>

The accompanying notes to financial statements are an integral part of this statement.



LIABILITIES AND FUND BALANCES	June 30, 1999	June 30, 1998
<b>LOAN FUNDS</b>		
Fund balances:		
U.S. government grants refundable:		
Perkins student loan fund	\$1,395,566	\$1,297,584
Health professions student loan fund	1,252,466	1,220,230
Health professions loans to disadvantaged students	205,520	201,873
College funds:		
Restricted	87,495	80,689
Total loan funds	<u>\$2,941,047</u>	<u>\$2,800,376</u>
<b>ENDOWMENT FUNDS</b>		
Fund balances:		
Restricted	368,708	359,423
Total endowment funds	<u>\$368,708</u>	<u>\$359,423</u>
<b>PLANT FUNDS</b>		
Unexpended plant funds		
Accounts payable	\$58,895	\$146,283
Accrued liabilities	52,325	
Fund balances:		
Restricted		5
Unrestricted	3,474,690	2,717,680
Total unexpended plant funds	<u>3,585,910</u>	<u>2,863,968</u>
Investment in plant		
Fund balances:		
Net investment in plant	63,226,427	59,045,992
Total investment in plant	<u>63,226,427</u>	<u>59,045,992</u>
Total plant funds	<u>\$66,812,337</u>	<u>\$61,909,960</u>
<b>AGENCY FUNDS</b>		
Accounts payable	\$3,276	\$432
Other accrued liabilities	46,074	13,209
Deposits held in custody for others	116,136	92,029
Total agency funds	<u>\$165,486</u>	<u>\$105,670</u>

**STATEMENT OF CHANGES IN UNDESIGNATED FUND BALANCES  
YEAR ENDED JUNE 30, 1999**

	Current Funds		
	Unrestricted		
	Educational and General	Auxiliary Enterprises	Total Unrestricted
<b>REVENUES AND OTHER ADDITIONS:</b>			
Unrestricted current fund revenues	\$24,731,276	\$849,582	\$25,580,858
State appropriations-restricted			
Federal grants and contracts - restricted			
State grants and contracts - restricted			
Local grants and contracts - restricted			
Private gifts, grants and contracts - restricted			
Endowment income - restricted			
Investment income - restricted			
Interest on loans receivable			
Expended for plant facilities (including \$543,847 charged to current fund expenditures)			
State of Ohio projects capitalized			
Total revenues and other additions	<u>24,731,276</u>	<u>849,582</u>	<u>25,580,858</u>
<b>EXPENDITURES AND OTHER DEDUCTIONS:</b>			
Educational and general expenditures	23,049,175		23,049,175
Auxiliary enterprises expenditures		864,581	864,581
Indirect cost recovered			
Refunded to grantors			
Loan cancellations and write-offs			
Administrative and collection costs			
Expended for plant facilities (including \$405,712 not capitalized)			
Disposal and write-offs of plant facilities			
Total expenditures and other reductions	<u>23,049,175</u>	<u>864,581</u>	<u>23,913,756</u>
<b>TRANSFERS AMONG FUNDS - ADDITIONS/(DEDUCTIONS):</b>			
Mandatory			
Loan fund matching grants	(19,800)		(19,800)
Nonmandatory			
Current designated fund balances - net	57,747	24,577	82,324
Capital improvements	(1,643,223)		(1,643,223)
Total transfers	<u>(1,605,276)</u>	<u>24,577</u>	<u>(1,580,699)</u>
<b>NET INCREASE/(DECREASE) FOR THE YEAR</b>	76,825	9,578	86,403
<b>UNDESIGNATED FUND BALANCE AT BEGINNING OF YEAR</b>	1,452,691	97,919	1,550,610
<b>UNDESIGNATED FUND BALANCE AT END OF YEAR</b>	<u>\$1,529,516</u>	<u>\$107,497</u>	<u>\$1,637,013</u>

The accompanying notes to financial statement are an integral part of this statement.

Current Funds		Loan Funds	Endowment Funds	Plant Funds	
Restricted	Total Current Funds			Unexpended	Investment in Plant
Educational and General					
	\$25,580,858				
2,138,039	2,138,039			104,942	
2,460,382	2,460,382	59,400			
323,151	323,151				
74,885	74,885				
1,232,692	1,232,692		9,285	113,294	468,579
12,582	12,582	7,815			
		11,276			
		50,276			
					1,211,840
					3,428,169
<u>6,241,731</u>	<u>31,822,589</u>	<u>128,767</u>	<u>9,285</u>	<u>218,236</u>	<u>5,108,588</u>
5,685,722	28,734,897				
	864,581				
562,039	562,039				
10,122	10,122				
		1,250			
		6,646			
				1,104,454	
					928,153
<u>6,257,883</u>	<u>30,171,639</u>	<u>7,896</u>	<u>0</u>	<u>1,104,454</u>	<u>928,153</u>
	(19,800)	19,800			
	82,324				
	(1,643,223)			1,643,223	
<u>0</u>	<u>(1,580,699)</u>	<u>19,800</u>	<u>0</u>	<u>1,643,223</u>	<u>0</u>
(16,152)	70,251	140,671	9,285	757,005	4,180,435
1,062,164	2,612,774	2,800,376	359,423	2,717,685	59,045,992
<u>\$1,046,012</u>	<u>\$2,683,025</u>	<u>\$2,941,047</u>	<u>\$368,708</u>	<u>\$3,474,690</u>	<u>\$63,226,427</u>

**STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES**  
**YEAR ENDED JUNE 30, 1999**

(With comparative figures on June 30, 1998)

	Unrestricted		
	Educational and General	Auxiliary Enterprises	Total Unrestricted
<b>REVENUES:</b>			
Tuition, fees and other student charges	\$5,814,360		\$5,814,360
State appropriations	16,656,227		16,656,227
Federal grants and contracts	534,872		534,872
State grants and contracts	894,708		894,708
Local grants and contracts			0
Private gifts, grants and contracts	89,323		89,323
Endowment income			0
Sales and services	327,218	849,582	1,176,800
Other sources	614,568		614,568
<b>Total revenues</b>	<b>24,731,276</b>	<b>849,582</b>	<b>25,580,858</b>
<b>EXPENDITURES AND MANDATORY TRANSFERS:</b>			
Educational and general			
Instruction and departmental research	8,794,260		8,794,260
Separately budgeted research	704,814		704,814
Public service	11,236		11,236
Academic support	3,956,240		3,956,240
Student services	1,549,612		1,549,612
Institutional support	5,592,107		5,592,107
Operation and maintenance of plant	2,389,057		2,389,057
Scholarships and fellowships	51,849		51,849
<b>Total educational and general expenditures</b>	<b>23,049,175</b>		<b>23,049,175</b>
Auxiliary enterprises Expenditures		864,581	864,581
Mandatory transfers for: Loan fund matching grants	19,800		19,800
<b>Total expenditures and mandatory transfers</b>	<b>23,068,975</b>	<b>864,581</b>	<b>23,933,556</b>
<b>NONMANDATORY TRANSFERS AND OTHER ADDITIONS/ (DEDUCTIONS):</b>			
Nonmandatory transfers for:			
Current designated fund balances - net	57,747	24,577	82,324
Capital improvements	(1,643,223)		(1,643,223)
Excess/(deficiency) of restricted receipts over transfers to revenue			0
Indirect costs recovered			0
Refunded to grantors			0
<b>NET INCREASE/(DECREASE) IN UNDESIGNATED FUND BALANCE</b>	<b>\$76,825</b>	<b>\$9,578</b>	<b>\$86,403</b>

The accompanying notes to financial statements are an integral part of this statement.

Restricted Educational and General	Total Current Funds 1999	Total Current Funds 1998
	\$5,614,360	\$5,264,095
2,093,950	18,750,177	18,612,675
1,900,077	2,434,949	2,233,930
362,063	1,256,771	1,043,085
74,885	74,885	77,741
1,241,747	1,331,070	1,207,499
13,000	13,000	12,000
	1,176,800	1,103,314
	614,568	769,386
<u>5,685,722</u>	<u>31,266,580</u>	<u>30,323,725</u>
2,932,291	11,726,551	12,216,724
1,698,300	2,403,114	2,161,191
111,411	122,647	121,449
678,212	4,634,452	4,253,682
2,623	1,552,235	1,514,547
715	5,592,822	5,383,134
	2,389,057	2,263,913
262,170	314,019	370,428
<u>5,685,722</u>	<u>28,734,897</u>	<u>28,285,068</u>
	864,581	884,256
	19,800	26,718
<u>5,685,722</u>	<u>29,619,278</u>	<u>29,196,042</u>
	82,324	37,796
	(1,643,223)	(1,249,024)
556,009	556,009	284,398
(562,039)	(562,039)	(487,804)
(10,122)	(10,122)	(8,986)
<u>(\$16,152)</u>	<u>\$70,251</u>	<u>(\$295,937)</u>

**STATEMENT OF CHANGES IN CURRENT FUNDS DESIGNATED FUND BALANCES  
YEAR ENDED JUNE 30, 1999**

	Balances	Undesignated Fund Balance		Balances
	July 1, 1998	Transfer from	Transfer To	June 20, 1999
<b>EDUCATIONAL AND GENERAL:</b>				
Reserve for encumbrances	\$ 472,688	\$ 234,652	\$ 472,688	\$ 234,652
Reserve for subsequent year operations	78,865	213,187	78,865	213,187
Continuing medical education conferences	136,954	123,423	136,954	123,423
Recruitment of faculty/staff	154,304	165,977	133,547	186,734
Intramural research support	647,723	265,910	253,488	660,145
Recruitment of students	83,582	76,168	53,144	106,606
General liability	75,000			75,000
Unemployment compensation	40,000	11,455	11,455	40,000
Fire/theft loss	50,000	166	166	50,000
Alumni affairs	33,023			33,023
Collaborative research support	204,174		87,878	116,296
Departmental carryover	121,589	4,340	42,556	83,373
President's pioneer awards	13,377		13,377	0
Legal support	66,680	58,320		125,000
Faculty leaves	82,615	118,592	55,579	145,628
Course development	90,000	37,671	77,671	50,000
Sick leave donation program	18,010	1,990		20,000
Training and development	80,000	90,904	43,134	127,770
<b>Total education and general</b>	<b>\$ 2,448,584</b>	<b>\$ 1,402,755</b>	<b>\$ 1,460,502</b>	<b>\$ 2,390,837</b>
<b>AUXILIARY ENTERPRISES:</b>				
Reserve for encumbrances:				
Bookstore	\$ 3,827	\$ 3,827	\$ 7,854	\$ 0
Parking	1,428	1,428	2,856	0
Dining service	19,322	19,322	38,644	0
<b>Total auxiliary enterprises</b>	<b>\$ 24,577</b>	<b>\$ 24,577</b>	<b>\$ 49,154</b>	<b>\$ 0</b>

The accompanying notes to financial statements are an integral part of this statement.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Accrual Basis**

The financial statements of the Northeastern Ohio Universities College of Medicine (hereinafter referred to as the "College") have been prepared on the accrual basis of accounting in accordance with generally accepted principles of fund accounting for educational institutions. Depreciation of the College's plant and facilities is not recognized. The Statement of Current Funds Revenues, Expenditures and Other Changes is a statement of financial activities of current funds related to the current reporting period. It does not purport to present the results of operations or the net income or loss for the period as would a statement of income or a statement of revenues and expenses.

**Fund Accounting**

Under this accounting method, resources for various purposes are classified into funds in accordance with specified activities or objectives with separate accounts maintained for each fund. For reporting purposes, funds with similar characteristics are combined into fund groups and all financial transactions are recorded and reported by such fund groups, described as follows:

Current funds include all funds available for current operations. They consist of unrestricted current funds which are available for general operating purposes, and restricted current funds which are restricted by the donor or external organization to specific operating purposes or departments. Restricted current funds are reported as revenues and expenditures when expended for current operating purposes.

Loan funds include resources, primarily from the federal government, available for loans to students. Loans granted are recorded as receivables of the fund until repaid, at which time the money becomes available for new loans. Interest on loans receivable is recorded when received.

Endowment and similar funds include resources subject to the restrictions of the gift instruments requiring *in perpetuity that the principal be invested and the income only be utilized for donor specified purposes*. These purposes include scholarships and loans.

Plant funds include unexpended funds for the purpose of acquiring, constructing or improving the physical property of the College, and the College's investment in institutional property and facilities.

Agency funds include amounts held in custody for College related organizations and others.

Within each fund group, fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific institutional purposes by action of the Board of Trustees.

All gains and losses arising from the sale, collection or other disposition of investments and other non-cash assets are accounted for in the fund which owned such assets. Ordinary income derived from investments, receivables and the like is accounted for in the fund owning such assets, except for income derived from investments of endowment and similar funds, which is accounted for in the fund to which it is restricted, or if unrestricted, as revenues in unrestricted current funds.

All other unrestricted revenue is accounted for in the unrestricted current fund. Restricted gifts, grants, appropriations, endowment income, and other restricted resources are accounted for in the appropriate restricted funds.

**Investments**

The College's investments are stated at fair value as required under Statement No. 31 of the Governmental Accounting Standards Board ("GASB"), *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which became effective for the College's fiscal year ended June 30, 1999. The implementation of this statement had no impact on the accompanying financial statements.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999 (Continued)**

**Inventories**

Inventories are stated at the lower of cost or market. Cost is generally determined on an average cost basis.

**Investment in Plant**

Land, buildings and equipment are recorded at cost at the date of acquisition, or if acquired by gift, at an appraised value at the date of donation.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as (1) expenditures, in the case of normal replacement of movable equipment and library books; (2) mandatory transfers, in the case of required provisions for debt amortization and interest, and equipment renewal and replacement; and (3) as transfers of a nonmandatory nature for all other cases.

The College does not provide depreciation on assets in the investment in plant fund. As a public-sector entity, the College is not required to adopt the provisions of Financial Accounting Standards Board (FASB) Statement No. 93, *Recognition of Depreciation by Not-For-Profit Organizations*. The Government Accounting Standards Board (GASB) is currently assessing the future public-sector reporting requirements for this matter.

**Compensated Absences**

The College records a liability for vacation accrued by full time employees, all of whom are eligible for this benefit. Within certain limitations, payment is made for accrued vacation upon separation from the College.

Accumulated sick leave is also accrued by the College. All leave will either be absorbed by time off from work or, within certain limitations, be paid to employees only upon retirement or termination of employment with the College.

**Income Taxes**

The College is exempt from federal income taxes under Section 115 of the Internal Revenue Code, with the exception of unrelated business income which is not significant.

**Gifts and Pledges**

*The College does not report pledges in the financial statements until the gifts are collected. The College's gift records indicate that no material pledges were outstanding on June 30, 1999. Since the pledges are often payable either at the discretion of the donors or through their estates, neither the realizable value nor the period of collection can be determined.*

**Other**

The financial information for the year ended June 30, 1998 has been presented for comparative purposes only and is not intended to be a complete presentation in accordance with generally accepted accounting principles.

**2. ORGANIZATION**

The College was created as a public institution of higher learning by the General Assembly of the State of Ohio on November 23, 1973 by statutory act under Chapter 3350 of the Ohio Revised Code. The principal goal of the College is to graduate physicians oriented to the practice of medicine at the community level, especially family physicians.

Established as a consortium of three state-funded institutions, The University of Akron, Kent State University, and Youngstown State University, the College is a free-standing, state-supported, community based medical school which offers a combined BS/MD program. The College has established collaborative arrangements with Kent State University and the University of Akron to offer graduate-level education in the biomedical sciences and biomedical engineering leading to master's and doctoral degrees. The College and its 16 associated hospitals co-sponsor graduate and continuing medical education programs for residents, physicians and allied health professionals.

The College is governed by a nine-member Board of Trustees consisting of the president of each university, one member from each of the three universities' board of trustees, and one public member appointed by each of the three universities' board of trustees.



**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999 (Continued)**

The College is fully accredited by the Joint Liaison Committee on Medical Education of the Association of American Medical Colleges and the American Medical Association.

In serving the seventeen county region of northeastern Ohio, the College functions as a consortium of the three aforementioned regional universities which provide the undergraduate arts and sciences curriculum. Scientists present the basis medical sciences curriculum on the College's campus; associated community hospitals serve as a base for clinical education, and more than 1,500 practicing physicians teach clinical medicine. The associated community hospitals are;

Akron General Medical Center	Salem Community Hospital
Aultman Hospital, Canton	Summa Health Systems, Akron
Barberton Citizens Hospital	Akron City Hospital
Children's Hospital Medical Center of Akron	St. Thomas Medical Center
Columbia Mercy Medical Center, Canton	Trumbull Memorial Hospital, Warren
Edwin Shaw Hospital for Rehabilitation, Akron	Wadsworth-Rittman Hospital, Wadsworth
Hillside Hospital, Warren	Forum Health Services, Youngstown
Lodi Community Hospital	Northside Medical Center
Massillon Psychiatric Center	Southside Medical Center
Robinson Memorial Hospital, Ravenna	Tod Children's Hospital
HM Health Services, Youngstown	

The individual organizations with the consortium are legally separate from the College and, accordingly, their activity is not include within the accompanying financial statements.

**3. STATE SUPPORT**

The College is a state-assisted institution of higher education which receives a student-based subsidy from the State of Ohio (the "State"). This subsidy is determined annually based upon a formula developed by the Ohio Board of Regents.

In addition to student subsidies, the state of Ohio provides the funding for construction of major plant facilities on the College's campus and medical education facilities at associated teaching hospitals. The funding is obtained from the issuance of revenue bonds by the Ohio Public Facilities Commission ("OPFC"), which in turn causes the construction and subsequent transfer of the facility to the College by the Ohio Board of Regents. Upon completion of a facility, the Ohio Board of Regents turns control over to the College. Not included in these financial statements are medical education facilities financed by the state agencies which have been constructed at the locations of the associated hospitals.

College facilities are not pledged as collateral for the revenue bonds. Instead, the bonds are supported by a pledge of monies in the Higher Education Bond Service Fund established in the custody of the Treasurer of State. If sufficient monies are not available from this fund, a pledge exists to assess a special student fee uniformly applicable to students in state-assisted institutions of high education throughout the state.

Plant facilities on the College's campus are reflected as buildings or construction in progress in the accompanying balance sheet. The State appropriations for these facilities are recognized as fund additions in the plant funds when funds are expended by the State. Neither the obligations for the revenue bonds issued by OPFC nor the annual debt service charges for principal and interest on the bonds are reflected in the College's financial statements. Debt service is funded through appropriation to the Ohio Board of Regents by the General Assembly.

**4. CASH AND INVESTMENTS**

**Cash**

The College's bank deposits and cash on hand for all fund groups at June 30, 1999, and 1998 are summarized as follows:

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 1999 (Continued)**

	<u>June 30, 1999</u>	<u>June 30, 1998</u>
College's carrying amounts (overdraft)	\$ (676,550)	\$ (502,717)
Bank balances and cash on hand	5,188	5,163
Bank balances insured by Federal Deposit Insurance Corporation	0	0

The difference in the College's Book values and bank balances were caused by cash on hand and items in transit, consisting primarily of outstanding checks. The uninsured bank balances were covered by collateral held by third party trustees pursuant to Section 135.181 of the Ohio Revised Code in collateral pools securing all public funds on deposit with the respective banks.

**Investments**

In accordance with the policies of the Board of Trustees of the College, the types of investments which may be purchased by the College are restricted to United States government securities, Federal agencies securities, certificates of deposit and bank repurchase agreements. The practice of the College's management has been to invest in the short-term.

The College's investments for all fund groups at June 30, 1999 and 1998 are summarized as follows:

	<u>June 30, 1999</u>	<u>June 30, 1998</u>
	Carrying/Market Value	Carrying/Market Value
Bank repurchase agreements	\$ 581,684	\$ 723,492
State Treasury Asset Reserve of Ohio	12,828,991	12,491,818
	<u>\$ 13,410,675</u>	<u>\$ 13,215,310</u>

Statement No. 3 of the Governmental Accounting Standards Board requires government entities to categorize investments to give an indication of the level of custodial credit risk assumed by the entity at year end. Category 1 includes investments that are insured or registered for which securities are held by the College or its agent in the name of the College. Category 2 includes uninsured and unregistered investments for which securities are held by the broker's or dealer's trust department or agent in the name of the College. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the College's name.

The repurchase agreements are fully collateralized through the investment department of the financial institution through which the investments were acquired which maintains the supporting U.S. government and agency securities in its safekeeping account at the Federal Reserve Bank in "book entry" form in the name of the financial institution, but which also internally designates the securities as owned by or pledged to the College (Category 3).

The College's investment in the State Treasury Asset Reserve of Ohio ("STAROhio") is not classified by custodial credit risk category because it represents an investment pool managed by the Treasurer of the State of Ohio and is not evidenced by securities that exist in physical or book entry form. STAROhio allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 1999.

**5. COMMITMENTS AND CONTINGENCIES**

The College has entered into various contractual service agreements with its associated hospitals primarily for clinical instruction, and for research and other services. For fiscal years ended June 30, 1999 and 1998, these contracts totaled \$3,524,163 and \$3,874,160, respectively. At June 30, 1999 and 1998, the College had recorded accrued liabilities in the current funds of \$2,577,409 and \$1,668,880, respectively, which represented unbilled services rendered by the associated hospitals under these contracts.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999 (Continued)**

The College receives grants and contracts from certain federal, state, and private agencies to fund research and other programs. The costs, both direct and indirect, which have been charged to the grant or contract, are audited annually in accordance with Office of Management and Budget Circular A-133. Such audits are subject to the approval of the granting agency which reserves the right to conduct further examinations. It is the opinion of the College's management that any potential disallowance or adjustment of such costs would not have a material effect on the accompanying financial statements.

Not included in these financial statements are unexpended capital appropriations due from the State for various construction and improvement projects as described in Note 3. During the year ended June 30, 1999, approximately \$3.4 million was expended from these capital appropriations and capitalized in the College's financial statements. On June 30, 1999, capital appropriations of approximately \$3.5 million remained unexpended for various capital improvements.

In June 1999, construction of the new Primary Care Medicine/Community Health Sciences Education building was completed. This new building of approximately 22,786 square feet, with an estimated cost of \$3.6 million, will house faculty, staff and activities relating to Family Medicine, Internal Medicine, Pediatrics and Community Health Sciences.

**6. EMPLOYEE BENEFIT PLANS**

**Retirement Plans**

Retirement benefits are available to substantially all College Employees by participation in either the State Teachers Retirement System of Ohio ("STRS"), the Public Employees Retirement System of Ohio ("PERS"), or an Alternative Retirement Plan ("ARP").

STRS and PERS are statewide, cost-sharing, multiple-employer defined benefit pension plans. STRS and PERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by State statute. Both STRS and PERS issue separate, publicly available financial reports that include financial statements and required supplementary information. The STRS financial report may be obtained by writing to State Teachers Retirement System of Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771 or by calling (614) 227-4090. The PERS financial report may be obtained by writing to the Public Employees Retirement System of Ohio, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085.

*Funding Policy.* The Ohio Revised Code provides statutory authority for employee and employer contributions to STRS and PERS. The required, actuarially determined contribution rates for STRS plan members and the College are 9.30% and 14.00% of covered payroll, respectively. For PERS, the required, actuarially determined, contribution rates for plan members and the College are 8.5% and 13.31% of covered payroll, respectively. The College's contributions, representing employer contributions for pensions and other postretirement benefits, for the year ended June 30, 1999 and for each of the two preceding years are:

Year Ended <u>June 30</u>	STRS Annual Required <u>Contribution</u>	PERS Annual Required <u>Contribution</u>
1999	\$547,771	\$1,101,098
1998	616,978	1,032,715
1997	620,677	939,657

Eligible College employees may choose an Alternative Retirement Plan in lieu of STRS or PERS. For employees electing an ARP, the College is required to make employer contributions of 6% of earned compensation to STRS or PERS. In addition, the College contributes 8% or 7.31% of earned compensation for STRS or PERS eligible employees respectively, to the employee's account with the ARP provider. During the year ended June 30, 1999, the College contributed \$72,949 to the individual retirement accounts of employees electing an Alternative Retirement Plan.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999 (Continued)**

**Postretirement Benefits Other Than Pensions**

In addition to basic retirement benefits, both the Public Employees and State Teachers Retirement Systems also provide eligible members with disability, health care, survivor and death benefits based on eligible credited service. The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care benefits through their contributions to PERS and STRS. Of the total required employer and member contributions of 21.81% of covered PERS payroll and 23.3% for STRS, 4.29% and 2.0%, respectively, are the portions used to fund postretirement health care benefits. For fiscal year ended June 30, 1999, STRS will allocate 3.5% of covered payroll to the health care reserve fund.

PERS provides postretirement health care coverage to eligible retirees and their dependents with ten or more years of qualifying Ohio service. During 1997, PERS adopted a new calculation methodology for determining employer contributions applied to other post employment benefits (OPEB). Under the new method, effective January 1, 1999, employer contributions equal to 4.2% of member covered payroll are set aside to fund health care expenses. Under the prior method, which was actuarially based, accrued liabilities and normal cost rates were computed to determine the amount of employer contributions necessary to fund OPEB.

STRS' postretirement health care benefits are advance funded, but not on an actuarially determined basis. Net health care costs paid by the plan were \$259 million for the year ended June 30, 1998 (latest information available). Eligible benefit recipients totaled 91,999. The balance in the health care reserve fund was \$2,156 million at June 30, 1998.

**7. RELATED ORGANIZATION**

Not included in the accompanying financial statements is the Medical Education Foundation of the Northeastern Ohio Universities College of Medicine ("Foundation"), a legally separate, not-for-profit organization incorporated in 1978 and operated exclusively for the benefit of the College. The primary purpose of the Foundation is to provide developmental support to increase resources benefitting all groups of the College including students, faculty, and employees.

Management of the College had determined that the Foundation is not a component unit of the College as defined by Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*.

Foundation funds available for student scholarships and loans are disbursed directly to the recipients by the Foundation. Amounts received by the College directly from the Foundation are included in private gifts, grants, and contracts in the accompanying financial statements.

The College provides accounting and various other services and office space for the Foundation at no charge.

Unaudited summary financial information of the Foundation is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net Assets, July 1, 1998	\$540,048	\$2,597,590	\$1,831,161	\$4,968,799
Contributions, gains, and other support*	1,484,712	120,056	130,015	1,734,783
Expenditures and losses	<u>(1,360,465)</u>	<u>0</u>	<u>(5,288)</u>	<u>(1,365,753)</u>
Net assets, June 30, 1999	<u>\$664,295</u>	<u>\$2,717,646</u>	<u>\$1,955,888</u>	<u>\$5,337,829</u>

\*Includes \$427,695 of in-kind support from the College.

**8. AGENCY FUNDS**

The College provides banking services for various student activities, clubs and groups.

In addition, the College serves as the fiscal agent for the Canton Area Regional Health Education Network

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 1999 (Continued)**

("CARHEN") and the Summit-Portage Area Regional Health Education Network ("SPAHEN"). Both CARHEN and SPAHEN are separately incorporated not-for-profit organizations.

Net assets held in custody by the college on June 30, 1999 and 1998, were as follows:

	<u>June 30, 1999</u>	<u>June 30, 1998</u>
CARHEN	\$ 60,074	\$ 65,438
SPAHEN	25,927	-
Student activities and clubs	23,362	23,215
Other organizations	6,773	3,376
Deposits held in custody for others	<u>\$ 116,136</u>	<u>\$ 92,029</u>

**9. YEAR 2000 ISSUE**

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the College's operations as early as fiscal year 1999.

The College has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conduct the College operations. The College has identified the following systems as being necessary to conducting College operations:

- Central Computer Hardware,
- Central Computer Software,
- Desktop Computer Hardware,
- Desktop Computer Software,
- Administrative Software,
- Financial Software,
- Facility Systems, and
- Utilities.

As of June 30, 1999, the College was in the *Validation and Testing* stage for all programs except for *Administrative and Financial Software*. The *Administrative and Financial Software* was in the *remediation stage*. The College's management reports that the *Administrative Software* is now Y2K ready.

As of November 1, 1999, all the above system were in the validation and testing stage. The College is continuing to review risk mitigation and contingency planning.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the College is or will be Year 2000 ready, that the College's remediation efforts will be successful in whole or in part, or that parties with whom the College does business will be year 2000 ready.

**SUPPLEMENTARY FINANCIAL SCHEDULES**

**YEAR ENDED JUNE 30, 1999**

**Schedule of Current Revenues - Educational and General**  
**Year Ended June 30, 1999**  
 With comparative amounts on June 30, 1998

	1999			Restricted	Total	1998 Total
	Unrestricted		Total			
	Undesignated	Designated				
Tuition, fees and other student charges						
Instructional	\$ 5,032,046	\$ 133,095	\$ 5,165,141		\$ 5,165,141	\$ 4,853,132
General	212,010		212,010		212,010	208,006
Nonresident surcharge	81,069		81,069		81,069	46,410
Matriculation	5,655		5,655		5,655	4,600
Application	34,359		34,359		34,359	36,283
Transcripts	3,203		3,203		3,203	4,946
Other	112,923		112,923		112,923	110,718
Total tuition, fees & other student charges	<u>5,481,265</u>	<u>133,095</u>	<u>5,614,360</u>	<u>0</u>	<u>5,614,360</u>	<u>5,264,095</u>
State appropriations:						
Instructional subsidy	11,927,521		11,927,521		11,927,521	11,642,569
Other, through Regents	4,728,706		4,728,706	2,093,950	6,822,656	6,970,106
Total State appropriations	<u>16,656,227</u>	<u>0</u>	<u>16,656,227</u>	<u>2,093,950</u>	<u>18,750,177</u>	<u>18,612,675</u>
Federal grants and contracts	534,872		534,872	1,900,077	2,434,949	2,293,930
State grants and contracts	784,708	100,000	894,708	362,063	1,256,771	1,043,085
Local grants and contracts			0	74,885	74,885	77,741
Private gifts, grants and contracts	33,688	55,635	89,323	1,241,747	1,331,070	1,207,499
Endowment income			0	13,000	13,000	12,000
Sales and services of educational activities						
Comparative medicine unit	99,895		99,895		99,895	71,001
Information center services	79,851		79,851		79,851	29,535
Electron microscopy lab	3,043		3,043		3,043	2,473
Yearbook sales & advertising	26,983		26,983		26,983	32,091
Duplicating center sales	12,904		12,904		12,904	12,295
Courier services	26,600		26,600		26,600	26,600
Microwave tower leases	2,400		2,400		2,400	4,900
Central stores sales	7,863		7,863		7,863	9,507
Continuing medical education exhibitor fees		28,750	28,750		28,750	23,087
Clinical competency center testing services	38,929		38,929		38,929	12,026
Total sales and services of educational activities	<u>298,468</u>	<u>28,750</u>	<u>327,218</u>	<u>0</u>	<u>327,218</u>	<u>223,515</u>
Other sources:						
Temporary investment income	601,120		601,120		601,120	649,214
Administrative cost allowances	12,197		12,197		12,197	11,340
Miscellaneous	1,251		1,251		1,251	108,832
Total other sources	<u>614,568</u>	<u>0</u>	<u>614,568</u>	<u>0</u>	<u>614,568</u>	<u>769,386</u>
<b>Total current revenues - educational and general</b>	<b><u>\$ 24,413,796</u></b>	<b><u>\$ 317,480</u></b>	<b><u>\$ 24,731,276</u></b>	<b><u>\$ 5,685,722</u></b>	<b><u>\$ 30,416,998</u></b>	<b><u>\$ 29,443,926</u></b>

**Schedule of Current Expenditures - Educational and General**  
**Year Ended June 30, 1999**

With comparative amounts on June 30, 1998

	1999			Restricted	Total	1998 Total
	Unrestricted		Total			
	Undesignated	Designated				
<b>Instruction and departmental research:</b>						
Basic medical sciences	\$ 4,845,443	\$ 112,348	\$ 4,957,791	\$ 62,124	\$ 5,019,915	\$ 5,386,829
Clinical sciences	2,826,049	500	2,826,549	2,506,918	5,333,467	5,547,467
Community health sciences	687,350	113,135	800,485	261,080	1,061,565	996,050
Continuing medical education	0	209,435	209,435	102,169	311,604	286,378
Total instruction and departmental research	8,358,842	435,418	8,794,260	2,932,291	11,726,551	12,216,724
<b>Separately budgeted research:</b>						
Faculty research projects	64,835	259,942	324,777	1,697,697	2,022,474	1,808,081
Research and sponsored programs	219,061	39,754	258,815		258,815	186,978
Surgery research coordinator			0		0	50,594
Electron microscopy lab	84,404		84,404	603	85,007	79,189
Histology lab	36,818		36,818		36,818	36,349
Total separately budgeted research	405,118	299,696	704,814	1,698,300	2,403,114	2,161,191
<b>Public service:</b>						
Basic medical sciences			0	3,661	3,661	
Community health sciences			0	107,750	107,750	
Clinical sciences	6,089		6,089		6,089	
Microwave tower	5,147		5,147		5,147	41
Other public services			0		0	121,408
Total public service	11,236	0	11,236	111,411	122,647	121,449
<b>Academic support:</b>						
Oliver Ocasek regional medical information center	1,294,619	3,605	1,298,224	13,299	1,311,523	1,292,044
Cooperative regional library storage facility			0	262,139	262,139	260,328
Comparative medicine	451,896	382	452,278		452,278	386,163
Audio visual services	27,582		27,582	5,140	32,722	115,948
Multidisciplinary lab	229,680		229,680		229,680	43,345
Office of the dean	34,958		34,958		34,958	34,730
Director of basic medical sciences	141,672		141,672		141,672	138,885
Associate dean for clinical affairs	293,732		293,732		293,732	271,321
Associate dean for information & educational technology	173,381		173,381	84	173,465	357,466
Instructional development	279,657	593	280,250		280,250	
Academic services	381,929		381,929		381,929	460,424
Center for studies of clinical performance	404,865		404,865	4,500	409,365	279,341
Faculty development	32,959		32,959		32,959	34,385
Curriculum development	30,452		30,452		30,452	36,604
Continuing medical education-admin	173,728	550	174,278		174,278	151,937
Area health education center			0	393,050	393,050	391,361
Total academic support	3,951,110	5,130	3,956,240	678,212	4,634,452	4,253,682
<b>Student services:</b>						
Assoc dean for academic & student affairs	206,557		206,557	990	207,547	217,543
Admissions	352,201	14,299	366,500	291	366,791	366,080
Student recruiting		80,939	80,939		80,939	41,080
Student services/registrar	293,144	1,128	294,272	1,342	295,614	266,296
Student health services	77,617		77,617		77,617	79,789
Commencement	46,392		46,392		46,392	90,171
Office of academic development & advising	245,846		245,846		245,846	215,415
Women in medicine	73,011		73,011		73,011	83,567
Student activities	158,478		158,478		158,478	154,606
Total student services	1,453,246	96,366	1,549,612	2,623	1,552,235	1,514,547



**Schedule of Current Expenditures - Educational and General (Continued)**  
**Year Ended June 30, 1999**

With comparative amounts on June 30, 1998

	1999			Restricted	Total	1998 Total
	Unrestricted		Total			
	Undesignated	Designated				
<b>Institutional support</b>						
Board of trustees	8,324		8,324		8,324	10,525
Office of president and dean	588,345		588,345		588,345	537,052
University liaison officers	90,000		90,000		90,000	90,000
Vice president for academic affairs	225,109		225,109		225,109	216,895
Vice president for public affairs and facilities planning	195,732	9,502	205,234		205,234	196,592
Vice president for administration and finance	257,543	3,029	260,572	230	260,802	251,194
Vice president for institutional advancement	151,962	521	152,483		152,483	94,719
Office of general counsel	154,373		154,373		154,373	150,445
Asst to pres for minority affairs/affirmative action	196,736	18,793	215,529		215,529	196,095
Educational research	10,489		10,489		10,489	6,456
Accounting office	605,091		605,091		605,091	560,821
Audits, external	46,973		46,973		46,973	74,078
Legal fees		55,579	55,579		55,579	80,390
Computer services	865,840	10,342	876,182		876,182	711,004
Human resources	251,768	3,050	254,818	485	255,303	304,059
Employee training and development	23,516	43,134	66,650		66,650	
Institutional safety	193,483		193,483		193,483	174,062
Purchasing	238,716		238,716		238,716	266,882
Central stores	181,249		181,249		181,249	181,077
Telecommunication services	102,883		102,883		102,883	61,175
Duplicating center	(29,194)		(29,194)		(29,194)	(4,442)
Work processing center	164,351		164,351		164,351	158,359
Contracted security	229,717		229,717		229,717	245,215
Courier service	56,620		56,620		56,620	83,523
Office of communications	263,885	5,255	269,140		269,140	390,419
Development office	133,558	539	134,097		134,097	107,697
Office of alumni relations	101,418		101,418		101,418	129,706
General expense	64,132	601	64,733		64,733	62,436
Compensation consultants			0		0	54,591
Institutional memberships	60,501		60,501		60,501	59,065
25th anniversary	100,560		100,560		100,560	
Administrative software implementation	60,583		60,583		60,583	79,920
Administrative costs distributed	(152,501)		(152,501)		(152,501)	(146,876)
<b>Total institutional support</b>	<b>5,441,762</b>	<b>150,345</b>	<b>5,592,107</b>	<b>715</b>	<b>5,592,822</b>	<b>5,383,134</b>
<b>Operation and maintenance of plant:</b>						
Physical plant administration	194,787	443	195,230		195,230	199,815
Maintenance of buildings	573,675		573,675		573,675	529,538
Maintenance of grounds	158,802		158,802		158,802	155,076
Custodial services	255,582		255,582		255,582	252,427
Purchased utilities	1,078,038		1,078,038		1,078,038	1,032,064
Maintenance of vehicles	111,114		111,114		111,114	75,299
Property insurance	16,616		16,616		16,616	19,694
<b>Total operation and maintenance of plant</b>	<b>2,388,614</b>	<b>443</b>	<b>2,389,057</b>	<b>0</b>	<b>2,389,057</b>	<b>2,263,913</b>
<b>Scholarships and fellowships:</b>						
Scholarships	19,000		19,000	205,612	224,612	188,728
Fellowships	32,849		32,849	45,412	78,261	170,677
Other student aid			0	11,146	11,146	11,023
<b>Total scholarships and fellowships</b>	<b>51,849</b>	<b>0</b>	<b>51,849</b>	<b>262,170</b>	<b>314,019</b>	<b>370,428</b>
<b>Total current expenditures-educational and general</b>	<b>\$ 22,061,777</b>	<b>\$ 987,398</b>	<b>\$ 23,049,175</b>	<b>\$ 5,685,722</b>	<b>\$ 28,734,897</b>	<b>\$ 28,285,068</b>

**Schedule of Current Expenditures - Instruction and Departmental Research**

**Year Ended June 30, 1999**

With comparative amounts on June 30, 1998

	1999						1998 Total
	Unrestricted			Restricted	Total		
	Undesignated	Designated	Total				
<b>Instruction and departmental research:</b>							
<b>Basic medical sciences</b>							
Anatomy	\$ 796,258	\$ 27,199	\$ 823,457	\$ 13,358	\$ 836,815	\$ 766,329	
Behavioral sciences	637,751	20,436	658,187	39,308	697,495	735,681	
Biochemistry & molecular pathology	614,696	31,825	646,521	4,036	650,557	726,827	
Microbiology/immunology	604,091	8,165	612,256	313	612,569	787,984	
Neurobiology	740,873	9,905	750,778	5,000	755,778	713,121	
Pharmacology	391,551		391,551	4	391,555	440,613	
Physiology	459,947	14,818	474,765	105	474,870	540,361	
Graduate program	600,276		600,276		600,276	675,913	
<b>Total basic medical sciences</b>	<b>4,845,443</b>	<b>112,348</b>	<b>4,957,791</b>	<b>62,124</b>	<b>5,019,915</b>	<b>5,386,629</b>	
<b>Clinical sciences</b>							
Emergency medicine	28,652		28,652	1,100	29,752	26,145	
Family medicine	557,776	500	558,276	1,246,777	1,805,053	1,989,844	
Internal medicine	483,116		483,116	249,076	732,192	789,890	
Obstetrics/gynecology	199,065		199,065		199,065	210,660	
Orthopedic surgery	11,250		11,250		11,250	11,294	
Pathology	580,665		580,665		580,665	553,788	
Pediatrics	182,673		182,673	114,129	296,802	292,455	
Psychiatry	150,966		150,966	895,836	1,046,802	936,489	
Radiology	201,780		201,780		201,780	221,031	
Surgery	221,173		221,173		221,173	240,617	
Urology	9,184		9,184		9,184	15,050	
Clinical electives	199,749		199,749		199,749	260,204	
<b>Total clinical sciences</b>	<b>2,826,049</b>	<b>500</b>	<b>2,826,549</b>	<b>2,506,918</b>	<b>5,333,467</b>	<b>5,547,467</b>	
<b>Community health sciences:</b>							
Community health	687,350	35,464	722,814	224,176	946,990	738,745	
Master of public health development		77,671	77,671	36,904	114,575	80,001	
Geriatric medicine/gerontology			0		0	177,304	
<b>Total community health sciences</b>	<b>687,350</b>	<b>113,135</b>	<b>800,485</b>	<b>261,080</b>	<b>1,061,565</b>	<b>996,050</b>	
<b>Continuing medical education</b>							
		209,435	209,435	102,169	311,604	286,378	
<b>Total instruction and departmental research</b>	<b>\$ 8,358,842</b>	<b>\$ 435,418</b>	<b>\$ 8,794,260</b>	<b>\$ 2,932,291</b>	<b>\$ 11,726,551</b>	<b>\$ 12,216,724</b>	

Schedule of Changes in Auxiliary Enterprises Undesignated Fund Balances  
Year Ended June 30, 1999

	Bookstore	Parking	Dining Service	Total
Revenues	\$ 359,679	\$ 53,920	\$ 435,983	\$ 849,582
Expenditures	353,441	2,254	508,886	864,581
Transfers among funds - additions/(deductions):				
Nonmandatory:				
Current designated fund balances - net	3,827	1,428	19,322	24,577
Net increase/(decrease) for the year	10,065	53,094	(53,581)	9,578
Undesignated fund balance at beginning of year	68,142	139,688	(109,911)	97,919
Undesignated fund balance at end of year	<u>\$ 78,207</u>	<u>\$ 192,782</u>	<u>\$ (163,492)</u>	<u>\$ 107,497</u>

Schedule of Revenues, Expenditures and Other Changes - Bookstore  
Year Ended June 30, 1999

With comparative amounts on June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	Total
<b>Revenues:</b>				
Sales to:				
Students, faculty and staff	\$ 287,571		\$ 287,571	\$ 257,540
College departments	72,108		72,108	79,601
<b>Total revenues</b>	<u>359,679</u>	<u>0</u>	<u>359,679</u>	<u>337,141</u>
<b>Expenditures:</b>				
Cost of goods sold	281,705		281,705	265,565
Operating and administrative:				
Salaries and wages	37,945		37,945	33,021
Staff benefits	12,965		12,965	9,828
Supplies	2,484		2,484	5,384
Travel	1,048		1,048	
Communications	2,235		2,235	1,692
Maintenance, repairs & rentals	1,200		1,200	1,200
Miscellaneous	5,320		5,320	276
Equipment	8,539		8,539	1,605
<b>Total operating and administrative</b>	<u>71,736</u>	<u>0</u>	<u>71,736</u>	<u>53,006</u>
<b>Total expenditures</b>	<u>353,441</u>	<u>0</u>	<u>353,441</u>	<u>318,571</u>
<b>Nonmandatory transfers-additions/(deductions):</b>				
Current designated fund balances - net	<u>3,827</u>	<u>0</u>	<u>3,827</u>	<u>2,958</u>
<b>Net increase in undesignated fund balance</b>	<u>\$ 10,065</u>	<u>\$ 0</u>	<u>\$ 10,065</u>	<u>\$ 21,526</u>

Schedule of Revenues, Expenditures and Other Changes - Parking  
Year Ended June 30, 1999

With comparative amounts on June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	Total
<b>Revenues:</b>				
Parking fees - employees	\$ 19,870		\$ 19,870	\$ 19,664
Parking fees - students	34,050		34,050	33,687
<b>Total revenues</b>	<u>53,920</u>	<u>0</u>	<u>53,920</u>	<u>53,351</u>
<b>Expenditures:</b>				
Administrative and general:				
Supplies	2,053		2,053	3,068
Maintenance, repairs & rentals	201		201	31,411
<b>Total expenditures</b>	<u>2,254</u>	<u>0</u>	<u>2,254</u>	<u>34,479</u>
<b>Nonmandatory transfers-additions/(deductions):</b>				
Current designated fund balances - net	1,428		1,428	(497)
<b>Net increase in undesignated fund balance</b>	<u>\$ 53,094</u>	<u>\$ 0</u>	<u>\$ 53,094</u>	<u>\$ 18,375</u>

Schedule of Revenues, Expenditures and Other Changes - Dining Services  
Year Ended June 30, 1999

With comparative amounts on June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	Total
<b>Revenues:</b>				
Sales - cafeteria	\$ 96,308		\$ 96,308	\$ 80,122
Sales - catering	299,037		299,037	365,578
Vending sales	33,298		33,298	32,402
Space rentals	6,227		6,227	8,269
Other sources	1,113		1,113	2,936
Total revenues	<u>435,983</u>	<u>0</u>	<u>435,983</u>	<u>489,307</u>
<b>Expenditures:</b>				
Cost of goods sold	190,798		190,798	167,225
<b>Operating and administrative:</b>				
Salaries and wages	219,098		219,098	214,762
Staff benefits	65,145		65,145	61,543
Consultants	1,176		1,176	1,152
Supplies	17,386		17,386	52,102
Travel	651		651	395
Communications	2,521		2,521	2,434
Maintenance, repairs & rentals	10,089		10,089	30,598
Miscellaneous	2,022		2,022	995
Total operating and administrative	<u>318,088</u>	<u>0</u>	<u>318,088</u>	<u>363,981</u>
<b>Total expenditures</b>	<u>508,886</u>		<u>508,886</u>	<u>531,206</u>
<b>Nonmandatory transfers-additions/(deductions):</b>				
Current designated fund balances - net	19,322		19,322	(18,094)
<b>Net decrease in undesignated fund balance</b>	<u>\$ (53,581)</u>	<u>\$ 0</u>	<u>\$ (53,581)</u>	<u>\$ (59,993)</u>

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**Schedule of Changes in Restricted Fund Balances - by Function and Fund**  
Year Ended June 30, 1999

	Fund Balance July 1, 1998	Fund Additions		
		State Appropriation	Gifts, Grants & Contracts	Endowment Income
<b>Educational and General</b>				
Instruction & departmental research				
Basic medical sciences				
Anatomy				
US Dept of Ed - college work/study	\$ 0		\$ 7,980	
Anatomy teaching fund	1,529		6,575	
Subtotal - Anatomy	1,529	0	14,555	0
Behavioral sciences				
OBR Academic challenge	277			
Cleveland Hungarian dev panel	1,772		5,000	
G. Kriebel Delmas foundation	975			
HVM restricted fund	1,000			
Morgan foundation	35,000			
Subtotal - Behavioral sciences	39,024	0	5,000	0
Biochemistry & molecular pathology				
US Dept of Ed - college work/study	0	0	4,038	0
Microbiology / Immunology				
Microbiology seminars	622	0	0	0
Neurobiology				
Burroughs Welcome #APP2444	0	0	5,000	0
Pharmacology				
OBR Academic challenge	4	0	0	0
Physiology				
US Dept of Ed - college work/study	0		105	
Visiting scientist seminar	114			
Subtotal - Physiology	114	0	105	0
<b>Total Basic medical sciences</b>	<b>41,293</b>	<b>0</b>	<b>28,696</b>	<b>0</b>
<b>Clinical sciences</b>				
Emergency medicine				
Society emergency medicine	5,786	0	0	0
Family medicine				
OBR Family medicine	59,902	854,842		
OBR Primary care-family medicine	0	74,988		
PHS D15 PE50070 faculty development	0		153,786	
PHS D15 PE85059 predoc trng	0		79,344	
PHS D32 PE10213 est depts of fam med	0		85,677	
Family medicine chair projects	1,592		900	
Family medicine sales & service	4,552			
Family medicine faculty development	20,786		6,870	
Subtotal - Family medicine	86,832	929,630	326,577	0
Internal Medicine				
OBR Primary care-Internal med	0	240,431		
Diastolic function conference	11,325			
Dermatology visiting prof conference	1,926			
Infectious disease conference	15,224		2,760	



Fund Deductions			Fund Balance June 30, 1999
Expenditures	Indirect Costs	Refunded to Grantor	

\$ 7,980			\$ 0
5,378			2,726
<u>13,358</u>	<u>0</u>	<u>0</u>	<u>2,726</u>
277			0
5,745		700	327
975			0
535			465
<u>31,776</u>	<u>0</u>	<u>700</u>	<u>3,224</u>
39,308	0	700	4,016
4,036	0	0	0
313	0	0	309
5,000	0	0	0
4	0	0	0
105			0
			114
<u>105</u>	<u>0</u>	<u>0</u>	<u>114</u>
<u>62,124</u>	<u>0</u>	<u>700</u>	<u>7,165</u>
1,100	0	0	4,688
875,792			38,752
74,988			0
143,095	10,691		0
73,527	5,817		0
79,330	6,347		0
45			2,447
			4,552
			<u>27,656</u>
<u>1,246,777</u>	<u>22,855</u>	<u>0</u>	<u>73,407</u>
240,431			0
			11,326
			1,926
979			17,005

**Schedule of Changes in Restricted Fund Balances - by Function and Fund (Continued)**

Year Ended June 30, 1999

	Fund Balance July 1, 1998	Fund Additions		
		State Appropriation	Gifts, Grants & Contracts	Endowment Income
<b>Educational and General</b>				
Instruction & departmental research (continued)				
Clinical sciences (continued)				
Internal Medicine (continued)				
Allergy/immunology conf 6/95	417			
Dermatology educ and research	4,313			
Endocrinology fac enrich prog	3,303		6,500	
Rheumatology education grants	1,159		2,750	
Gastroenterology conference	1,000			
Subtotal - internal medicine	<u>38,667</u>	<u>240,431</u>	<u>12,010</u>	<u>0</u>
Pediatrics				
OBR Primary care - pediatrics	0	114,129	0	0
Psychiatry				
ODMH contract 98-05 commun psych	0		24,986	
ODMH contract 99-08 commun psych	0		153,790	
NEOUCOM psych intern prog contract	0		123,600	
NEOUCOM psych intern training	0		215	
NEOUCOM affil hosps residency contract	0		612,407	
Subtotal - Psychiatry	<u>0</u>	<u>0</u>	<u>914,998</u>	<u>0</u>
<b>Total Clinical sciences</b>	<b><u>131,285</u></b>	<b><u>1,284,190</u></b>	<b><u>1,253,585</u></b>	<b><u>0</u></b>
Community health sciences				
Community health				
HRSA PO#98-BHPR-A262737	0		50,000	
CHS teaching fund	6,645			
CHS prim care precept donation	1,800			
GAR Fdn-alcohol & substance abuse	705			
Subtotal - Community health	<u>9,150</u>	<u>0</u>	<u>50,000</u>	<u>0</u>
Master of public health development				
Akron health dept/GAR Fdn #97-520	34,660	0	5,000	0
Geriatric medicine				
OBR Geriatric medicine	175,730	148,323		
CWRU gec subcontract/PHS AH70041	0		50,434	
Assessment & mgmt of ger patient	850			
Ohio med indemnity/OMSA grant	77,378			
Summa hlth sys foundation 52257	0		496	
Integ geriatrics and pc residen	240		2,730	
Geriatric medicine sales & services	0		2,327	
Subtotal - Geriatric medicine	<u>254,196</u>	<u>148,323</u>	<u>55,987</u>	<u>0</u>
<b>Total Community health sciences</b>	<b><u>293,006</u></b>	<b><u>148,323</u></b>	<b><u>110,987</u></b>	<b><u>0</u></b>
Continuing medical education				
ODH Breast and cervical cancer project	0		39,121	
CME-Adv concepts osteoporosis	4,943			
CME-Asthma conference	0		17,244	
Consortium GME task force	0		41,258	
Janssen pharm pain mgmt	0		2,500	
Total Continuing medical education	<u>4,943</u>	<u>0</u>	<u>100,123</u>	<u>0</u>
<b>Total Instruction &amp; departmental research</b>	<b><u>475,527</u></b>	<b><u>1,432,513</u></b>	<b><u>1,493,391</u></b>	<b><u>0</u></b>

Fund Deductions			Fund Balance June 30, 1999
Expenditures	Indirect Costs	Refunded to Grantor	
			417
250			4,063
5,569			4,234
1,847			2,062
			1,000
<u>249,076</u>	<u>0</u>	<u>0</u>	<u>42,032</u>
114,129	0	0	0
23,250	1,584		152
146,467	7,323		0
113,712	9,888		0
			215
<u>612,407</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>895,836</u>	<u>18,795</u>	<u>0</u>	<u>367</u>
<u>2,506,918</u>	<u>41,650</u>	<u>0</u>	<u>120,492</u>
25,564	1,156		23,280
			6,645
			1,800
			705
<u>25,564</u>	<u>1,156</u>	<u>0</u>	<u>32,430</u>
36,904	0	0	2,756
148,647			175,406
46,698	3,736		0
			850
			77,376
496			0
2,726			244
45			2,232
<u>198,612</u>	<u>3,736</u>	<u>0</u>	<u>256,158</u>
<u>261,080</u>	<u>4,892</u>	<u>0</u>	<u>291,344</u>
39,121			0
4,544			399
17,244			0
41,258			0
2			2,498
<u>102,169</u>	<u>0</u>	<u>0</u>	<u>2,897</u>
<u>2,932,291</u>	<u>46,542</u>	<u>700</u>	<u>421,898</u>

Schedule of Changes in Restricted Fund Balances - by Function and Fund (Continued)  
Year Ended June 30, 1999

	Fund Balance July 1, 1998	Fund Additions		
		State Appropriation	Gifts, Grants & Contracts	Endowment Income
Separately budgeted research				
Basic medical sciences				
Anatomy				
OBR Research challenge	166,361	40,214		
NIH R01 EY11036	0		36,723	
NIH R15 NS34140	0		18,079	
NIH R01 DE06065	0		136,055	
NIH R15 NS36378	0		4,794	
NSF grant EAR-9526686	0		41,476	
NSF grant IBN-9796062	0		30,479	
KSU collaborative research	0		3,000	
Diabetes research fund	7,073		(5,844)	
National geographic society 5882-97	24,500			
National geographic society 6458-99	0		17,140	
Infectech, Inc grant	0		4,018	
Mammal morphology research	5,310			
Am heart assoc Ohio affil #9807742	0		29,345	
Subtotal - Anatomy	203,244	40,214	315,265	0
Behavioral Sciences				
OBR Research challenge	0	3,834	0	0
Biochemistry & molecular pathology				
OBR Research challenge	0	944		
NIH R01 GM31548	0		223,077	
NIH R01 DK44442	0		153,563	
NIH R01 AR41452	0		147,515	
NASA # NAG5-7789	0		84,323	
Hoffmann-Laroche research	15,597		25,000	
Osteogenesis Imperfecta foundation	0		13,334	
Children's brittle bone foundation	0		50,000	
Subtotal - Biochemistry & molecular pathology	15,597	944	696,812	0
Microbiology/Immunology				
OBR Research challenge	0	15,784		
US Dept of Ed - college work/study	0		1,051	
NIH R29 NS37614	0		78,154	
PHS/Cel-Sci subcontract #R43 A143107	0		29,203	
Merz & Co research contract	7,105			
Summa hlth sys foundation #52287	0		11,229	
Cel-Sci corp research contract	8,305		7,000	
Subtotal - Microbiology/Immunology	15,410	15,784	128,637	0
Neurobiology				
OBR Research challenge	0	3,383		
NIH R29 DC-937	0		154,751	
NIH R15 NS32829	0		5,922	
NIH R01 NS22526	0		133,773	
NIH R01 NS33081	0		122,670	
Univ del caribe-brain slice	440			
H.W. Hoover foundation	20,417		30,000	
NEUCOM foundation	0		26,082	
Subtotal - Neurobiology	20,857	3,383	473,198	0

Fund Deductions			Fund Balance June 30, 1999
Expenditures	Indirect Costs	Refunded to Grantor	

70,870			135,905
23,857	12,866		0
11,849	6,430		0
89,943	46,112		0
3,816	1,178		0
31,298	10,178		0
30,479			0
663			2,337
			1,229
7,773			16,727
			17,140
4,018			0
			5,310
<u>26,198</u>			<u>3,147</u>
300,164	76,764	0	181,795
3,834	0	0	0
944			0
151,778	71,299		0
110,112	43,451		0
108,067	39,448		0
62,873	21,450		0
17,450	4,522		18,625
1,280			12,054
<u>38,724</u>			<u>13,276</u>
489,228	180,170	0	43,955
15,784			0
1,051			0
58,117	20,037		0
21,698	7,505		0
2,300			4,805
11,229			0
<u>12,214</u>	<u>2,972</u>		<u>119</u>
122,393	30,514	0	4,924
3,383			0
103,909	50,842		0
3,444	2,478		0
89,451	44,322		0
82,862	39,808		0
440			0
23,468			26,949
<u>28,082</u>			<u>0</u>
333,039	137,450	0	26,949

**Schedule of Changes in Restricted Fund Balances - by Function and Fund (Continued)**

Year Ended June 30, 1999

	Fund Balance July 1, 1998	Fund Additions		
		State Appropriation	Gifts, Grants & Contracts	Endowment Income
Separately budgeted research (continued)				
Basic medical sciences (continued)				
Pharmacology				
OBR Research challenge	0	20,496		
Georgetown med ctr/NIH DA 10458	0		44,930	
Subtotal - Pharmacology	<u>0</u>	<u>20,496</u>	<u>44,930</u>	<u>0</u>
Physiology				
OBR Research challenge	0	7,351	6,070	
NIH R29 HL47432	0		5,330	
NIH R15 HI58366	0		205	
NIH R01 HL31070	0		117,670	
NIH R01 HL40537	0		31,103	
NIH R15 HL/OD58192	0		281	
NIH R01 HL58414	0		4,058	
Univ of California PO#DP1291R-253	4,309		975	
Shriner - inhalation of smoke	218			
Canton med educ fdn-calcium collaboration	1,769			
Am heart assoc Ohio affil AK95-02-S	2,296		(4,825)	
Am heart assoc Ohio affil AK96-08-S	26,240			
Subtotal - Physiology	<u>34,832</u>	<u>7,351</u>	<u>160,867</u>	<u>0</u>
Total Basic medical sciences	<u>289,940</u>	<u>92,006</u>	<u>1,817,709</u>	<u>0</u>
Clinical sciences				
Family medicine				
Family medicine research support	8,734	0	5,000	0
Internal medicine				
OBR Primary care - clinical research	25,114	10,000		
OBR Primary care - research seed project	0	52,760		
Stark County foundation	4,152			
Fraternal Order of Eagles	0			
Diabetes research	(973)		9,000	
Subtotal - Internal medicine	<u>28,293</u>	<u>62,760</u>	<u>9,000</u>	<u>0</u>
Obstetrics/Gynecology				
Summa hlth sys foundation research	0	0	5,125	0
Pathology				
OBR Research challenge	0	7,778	0	0
Pediatrics				
Children's hosp of Akron-pediatrics	0	0	1,341	
Surgery				
OBR Research challenge	0	14,099	0	0
Urology				
Summa hlth sys foundation 52241	0		35,081	
Summa hlth sys foundation 52280	0		5,856	
Summa hlth sys foundation 52281	0		11	
Summa hlth sys foundation 53290	0		34,975	
Subtotal - Urology	<u>0</u>	<u>0</u>	<u>75,923</u>	<u>0</u>
Total Clinical sciences	<u>37,027</u>	<u>84,637</u>	<u>96,389</u>	<u>0</u>

Fund Deductions			Fund Balance June 30, 1999
Expenditures	Indirect Costs	Refunded to Grantor	
20,496			0
<u>33,532</u>	<u>11,398</u>		0
54,028	11,398	0	0
13,421			0
3,197	2,133		0
205			0
83,125	34,545		0
28,042	3,061		0
281			0
2,359	1,699		0
246			5,038
17			201
1,769			0
(2,594)		65	0
<u>22,175</u>		<u>3,023</u>	<u>1,042</u>
152,243	41,438	3,088	6,281
<u>1,454,929</u>	<u>477,734</u>	<u>3,088</u>	<u>263,904</u>
630	0	0	13,104
5,772			29,342
			52,760
			4,152
			0
<u>3,740</u>			<u>4,287</u>
9,512	0	0	90,541
1,712	0	0	3,413
7,778	0	0	0
1,341	0	0	0
14,099	0	0	0
35,081			0
5,856			0
11			0
<u>34,975</u>			<u>0</u>
75,923	0	0	0
<u>110,995</u>	<u>0</u>	<u>0</u>	<u>107,058</u>

**Schedule of Changes in Restricted Fund Balances - by Function and Fund (Continued)**

Year Ended June 30, 1999

	Fund Balance July 1, 1998	Fund Additions		
		Slate Appropriation	Gifts, Grants & Contracts	Endowment Income
<b>Separately budgeted research (continued)</b>				
<b>Community health sciences</b>				
<b>Community health</b>				
OBR Research challenge	0	3,868		
US Dept of Ed - college work/study	0		126	
Natl cancer inst R03 CA72656	0		11,305	
AHCP/R/Summa subcontract	0		16,123	
HRSA contr 397-0449(P)-BHPR	0		20,709	
HUD/Akron health dept #98-288 subcontr	0		14,651	
OBR/ODHS/OU contract #UT9807	0		24,145	
ODMH grant #98.1126	32,114			
Hospital consultation contracts	0		52,110	
<b>Total Community health sciences</b>	<b>32,114</b>	<b>3,868</b>	<b>139,169</b>	<b>0</b>
<b>Electron microscopy lab</b>				
US Dept of Ed - college work/study	0	0	603	
<b>Total Separately budgeted research</b>	<b>359,081</b>	<b>180,511</b>	<b>2,053,870</b>	<b>0</b>
<b>Public service</b>				
<b>Basic medical sciences</b>				
<b>Anatomy</b>				
N Carolina fossil club	1,803	0	0	0
<b>Behavioral Sciences</b>				
Cleveland fdn grant 95-0440	1,184			
OHC Contract #L98-085	0		3,640	
<b>Subtotal - Behavioral sciences</b>	<b>1,184</b>	<b>0</b>	<b>3,640</b>	<b>0</b>
<b>Total Basic medical sciences</b>	<b>2,987</b>	<b>0</b>	<b>3,640</b>	<b>0</b>
<b>Clinical sciences</b>				
<b>Continuing medical education</b>				
Designwrite, inc. contract	0	0	8,890	0
<b>Community health sciences</b>				
<b>Community health</b>				
DHHS/Summit city comm partner contract	0		3,759	
ODH women's health month contract	0		10,000	
Akron health dept agreement 96-074	0		55,898	
Akron health dept agreement 96-392	18		18,987	
Akron community fdn	6,926			
<b>Subtotal - Community health</b>	<b>6,944</b>	<b>0</b>	<b>88,644</b>	<b>0</b>
<b>Geriatric medicine</b>				
Benjamin rose/Cleve fdn 96-0561	0	0	12,569	0
<b>Total Community health sciences</b>	<b>6,944</b>	<b>0</b>	<b>101,213</b>	<b>0</b>
<b>Cancer consortium</b>				
CCCO-REG cancer res ctr	3,997	0	0	0
<b>Total Public service</b>	<b>13,928</b>	<b>0</b>	<b>113,743</b>	<b>0</b>



Fund Deductions			Fund Balance June 30, 1999
Expenditures	Indirect Costs	Refunded to Grantor	
3,868			0
126			0
7,202	4,103		0
9,775	6,348		0
19,188	1,521		0
8,880	5,771		0
14,633	9,512		0
15,991	884		15,239
52,110			0
<u>131,773</u>	<u>28,139</u>	<u>0</u>	<u>15,239</u>
603	0	0	0
<u>1,698,300</u>	<u>505,873</u>	<u>3,088</u>	<u>386,201</u>
21	0	0	1,782
			1,184
<u>3,640</u>			<u>0</u>
<u>3,640</u>	<u>0</u>	<u>0</u>	<u>1,184</u>
<u>3,661</u>	<u>0</u>	<u>0</u>	<u>2,966</u>
0	0	0	8,890
2,289	1,470		0
7,261			2,739
55,898			0
18,987		18	0
6,749		177	0
<u>91,184</u>	<u>1,470</u>	<u>195</u>	<u>2,739</u>
12,569	0	0	0
<u>103,753</u>	<u>1,470</u>	<u>195</u>	<u>2,739</u>
3,997	0	0	0
<u>111,411</u>	<u>1,470</u>	<u>195</u>	<u>14,595</u>

**Schedule of Changes in Restricted Fund Balances - by Function and Fund (Continued)**

Year Ended June 30, 1999

	Fund Balance July 1, 1998	Fund Additions		
		State Appropriation	Gifts, Grants & Contracts	Endowment Income
<b>Academic support</b>				
Ocasek regional medical information center				
NLM/Natl network lib of med-GMR fellowship	0		1,700	
St lib of Ohio #11-R-9897	19,200		(5,000)	
Tracy-Sanford foundation	405			
Subtotal - Medical library	<u>19,605</u>	<u>0</u>	<u>(3,300)</u>	<u>0</u>
Cooperative library storage facility				
OBR Coop library storage facility	45,750	242,718		0
Audio Visual Service				
US Dept of Ed - college work/study	0	0	5,140	0
Associate dean for clinical affairs				
Merck educational grant	1,600	0	0	0
Associate dean for info & educ tech				
OBR technology challenge	0	30,000	0	0
Clinical skills assessment				
National board medical exam contr	2,250	0	2,250	0
Area health education center				
OBR AHEC state appropriation	97,750	234,282		
Med Coll Oh/PHS coop agree PE03029	766		177,604	
Subtotal - Area health education center	<u>98,516</u>	<u>234,282</u>	<u>177,604</u>	<u>0</u>
<b>Total Academic support</b>	<u>167,721</u>	<u>507,000</u>	<u>181,694</u>	<u>0</u>
<b>Student services</b>				
Admissions				
US Dept of Ed - college work/study	0	0	291	0
Assoc dean for academic & student affairs				
US Dept of Ed - college work/study	0	0	990	0
Student services/registrar				
SLFC Financial aid enhance survey	468			0
SLFC College financial planning	0		4,230	0
Subtotal - Student services/registrar	<u>468</u>	<u>0</u>	<u>4,230</u>	<u>0</u>
<b>Total Student services</b>	<u>468</u>	<u>0</u>	<u>5,511</u>	<u>0</u>
<b>Institutional support</b>				
Administrative systems implementation				
OBR Information system	15,942	18,015	0	0
Human resources				
US Dept of Ed - college work/study	0	0	485	0
<b>Total Institutional support</b>	<u>15,942</u>	<u>18,015</u>	<u>485</u>	<u>0</u>
<b>Scholarships, fellowships, and other student aid</b>				
Scholarships				
PHS 5979106 exceptional need	0		45,185	
PHS 5979107 FADHPS	0		30,193	

Fund Deductions			Fund Balance June 30, 1999
Expenditures	Indirect Costs	Refunded to Grantor	
1,700			0
11,400		2,800	0
199			208
<u>13,299</u>	<u>0</u>	<u>2,800</u>	<u>208</u>
262,139	0	0	28,329
5,140	0	0	0
0	0	0	1,600
84	0	0	29,916
4,500	0	0	0
223,250			108,782
169,800	8,154		416
<u>393,050</u>	<u>8,154</u>	<u>0</u>	<u>109,198</u>
<u>678,212</u>	<u>8,154</u>	<u>2,800</u>	<u>167,249</u>
291	0	0	0
990	0	0	0
451	0	0	17
891		3,339	0
<u>1,342</u>	<u>0</u>	<u>3,339</u>	<u>17</u>
<u>2,623</u>	<u>0</u>	<u>3,339</u>	<u>17</u>
230	0	0	33,727
485	0	0	0
<u>715</u>	<u>0</u>	<u>0</u>	<u>33,727</u>
45,185			0
30,193			0

**Schedule of Changes in Restricted Fund Balances - by Function and Fund (Continued)**  
 Year Ended June 30, 1999

	Fund Balance July 1, 1998	Fund Additions		
		State Appropriation	Gifts, Grants & Contracts	Endowment Income
<b>Scholarships, fellowships, and other student aid (continued)</b>				
<b>Scholarships (continued)</b>				
PHS 5979109 BHP SDS	0		12,904	
Ohio academic scholarship	0		72,330	
Akron genl med ctr scholarship fund	11,000		10,000	
Cleveland fdn-Johnson scholars	4,000		16,000	
Scholarships-honoraia waived	1,045		1,145	
William J Bruder endow scholarship fund	4,783			3,828
Joseph A Block endow scholarship fund	4,267			2,773
Veronica Willo endow scholarship fund	4,243			4,084
Subtotal - Scholarships	<u>29,338</u>	<u>0</u>	<u>187,757</u>	<u>10,683</u>
<b>Fellowships</b>				
PHS F32 HL09156	0		1,832	
NRSA F32 DA05627	0		1,053	
Assoc hospitals fellowship support	0		36,277	
Am heart assoc fellowship-AK-97-01-F	0		6,250	
Subtotal - Fellowships	<u>0</u>	<u>0</u>	<u>45,412</u>	<u>0</u>
<b>Other Student Aid</b>				
US Dept of Ed - college work/study	0		6,146	
Student loan marketing assoc award	159		5,000	
Subtotal - Other student aid	<u>159</u>	<u>0</u>	<u>11,146</u>	<u>0</u>
<b>Total Scholarships &amp; fellowships</b>	<u>29,497</u>	<u>0</u>	<u>244,315</u>	<u>10,683</u>
<b>Total Educational and general restricted</b>	<u>\$ 1,062,164</u>	<u>\$ 2,138,039</u>	<u>\$ 4,093,009</u>	<u>\$ 10,683</u>

Fund Deductions			Fund Balance June 30, 1999
Expenditures	Indirect Costs	Refunded to Grantor	
12,904			0
72,330			0
11,000			10,000
20,000			0
1,000			1,190
4,600			4,009
4,200			2,840
4,200			4,127
<u>205,612</u>	<u>0</u>	<u>0</u>	<u>22,166</u>
1,832			0
1,053			0
36,277			0
6,250			0
<u>45,412</u>	<u>0</u>	<u>0</u>	<u>0</u>
6,146			0
5,000			159
<u>11,146</u>	<u>0</u>	<u>0</u>	<u>159</u>
262,170	0	0	22,325
<u>\$ 5,685,722</u>	<u>\$ 562,039</u>	<u>\$ 10,122</u>	<u>\$ 1,046,012</u>

**Schedule of Current Restricted Expenditures - by Source and Function  
Year Ended June 30, 1999**

Source of Funds	Instruction & Departmental Research	Separately Budgeted Research	Public Services	Academic Support
State appropriations	\$ 1,454,268	\$ 153,979		\$ 485,473
Federal government grants	393,892	1,152,651	2,289	176,640
Federal government contracts	25,564	42,701	7,261	
State government grants	51,849	22,724	3,997	
State government contracts	210,917	246		
Local government grants				
Local government contracts			74,885	
Private gifts and grants	110,882	260,334	22,979	11,599
Private contracts	684,919	65,665		4,500
Endowment income				
Total Restricted expenditures	<u>\$ 2,932,291</u>	<u>\$ 1,698,300</u>	<u>\$ 111,411</u>	<u>\$ 678,212</u>

Student Services	Institutional Support	Scholarships Fellowships & Other Aid	Total Restricted Expenditures
	\$ 230		\$ 2,093,950
1,281	485	97,313	1,824,551
			75,526
			78,570
		72,330	283,493
			0
			74,885
1,342		79,527	486,663
			755,084
		13,000	13,000
<u>\$ 2,623</u>	<u>\$ 715</u>	<u>\$ 262,170</u>	<u>\$ 5,685,722</u>

**Schedule of Changes in Loan Fund Balances - by Fund**  
**Year Ended June 30, 1999**

Fund	Fund Balance July 1, 1998	Fund Additions		
		Gifts & Grants	Endowment Income	Investment Income
<b>U. S. government grants:</b>				
Perkins student loan fund	\$ 1,297,584	\$ 59,400		\$ 3,400
Health professions student loan fund	1,220,230			7,209
Health professions loans to disadvantaged students	201,873			667
Total U. S. government grants	<u>2,719,687</u>	<u>59,400</u>	<u>0</u>	<u>11,276</u>
<b>College funds - restricted</b>				
Tschantz emergency loan fund	8,933			
Rienerth/Neuman emergency loan fund	11,631			
Class of 1982 emergency loan fund	1,911			
Women faculty club loan fund	2,182			
Drach loan fund	1,250			
Taggart endowed loan fund	54,782		7,815	
Total College funds - restricted	<u>80,689</u>	<u>0</u>	<u>7,815</u>	<u>0</u>
<b>Total loan funds</b>	<u>\$ 2,800,376</u>	<u>\$ 59,400</u>	<u>\$ 7,815</u>	<u>\$ 11,276</u>

Fund	Balance Sheet June 30, 1999		
	Cash & Temporary Investments	Notes Receivable	Fund Balance
<b>U. S. government grants:</b>			
Perkins student loan fund	\$ 77,461	\$ 1,318,105	\$ 1,395,566
Health professions student loan fund	100,670	1,151,796	1,252,466
Health professions loans to disadvantaged students	13,342	192,178	205,520
Total U. S. government grants	<u>191,473</u>	<u>2,662,079</u>	<u>2,853,552</u>
<b>College funds - restricted:</b>			
Tschantz emergency loan fund	6,410	2,606	9,016
Rienerth/Neuman emergency loan fund	9,247	2,464	11,711
Class of 1982 emergency loan fund	1,174	750	1,924
Women faculty club loan fund	1,445	750	2,195
Taggart endowed loan fund	10,534	52,115	62,649
Total College funds - restricted	<u>28,810</u>	<u>58,685</u>	<u>87,495</u>
<b>Total loan funds</b>	<u>\$ 220,283</u>	<u>\$ 2,720,764</u>	<u>\$ 2,941,047</u>



Fund Additions	Fund Deductions		Fund Transfers In/(Out)	Fund Balance June 30, 1999
Interest on Notes	Administrative & Collection Costs	Loan Cancellations & Write-offs		
\$ 21,883	\$ 6,501		\$ 19,800	\$ 1,395,566
25,172	145			1,252,466
2,980				205,520
<u>50,035</u>	<u>6,646</u>	<u>0</u>	<u>19,800</u>	<u>2,853,552</u>
83				9,016
80				11,711
13				1,924
13				2,195
52		1,250		0
<u>241</u>	<u>0</u>	<u>1,250</u>	<u>0</u>	<u>87,495</u>
<u>\$ 50,276</u>	<u>\$ 6,646</u>	<u>\$ 1,250</u>	<u>\$ 19,800</u>	<u>\$ 2,941,047</u>

**Schedule of Change in Principal of Endowment Funds - by Fund**  
**Year ended June 30, 1999**

Fund	Fund Balance July 1, 1998	Additions	Fund Balance June 30, 1999
		Gifts & Bequests	
Endowment funds - restricted			
Joseph A. Block scholarship endowment fund	\$ 55,000		\$ 55,000
William J. Bruder scholarship endowment fund	74,700	3,000	77,700
Veronica Willo scholarship endowment fund	74,723	6,285	81,008
Alice B. Taggart loan endowment fund	155,000		155,000
<b>Total endowment funds</b>	<b>\$ 359,423</b>	<b>\$ 9,285</b>	<b>\$ 368,708</b>

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**Schedule of Changes in Unexpended Plant Fund Balances - by Fund**  
**Year Ended June 30, 1999**

Fund	Fund Balance July 1, 1998	Fund Additions		Fund Deductions
		State Appropriations	Private Gifts & Grants	Expenditures Not Capitalized
<b>Unexpended plant - restricted:</b>				
Movable equipment, furniture and library books:				
OBR house bill 748 instructional equipment	\$ 5	\$ 35,469		\$ 8,387
OBR house bill 850 instructional equipment	0	69,473		
<b>Total unexpended plant - restricted</b>	<u>5</u>	<u>104,942</u>	<u>0</u>	<u>8,387</u>
<b>Unexpended plant - unrestricted:</b>				
Buildings:				
Designated for major building repairs	448,567		113,294	220,554
Designated for telecommunications replacement	41,195			
Designated for OSHA/ADA requirements	10,000			1,598
<b>Total buildings - unrestricted</b>	<u>499,762</u>	<u>0</u>	<u>113,294</u>	<u>222,152</u>
Movable furniture, equipment and library books:				
Designated for furniture and equipment	453,067			107,497
Designated for library acquisitions	417,389			6,637
Designated for microscope replacement	133,702			
Designated for start-up equipment	450,477			55,342
Designated for education technology advancement	581,472			21,002
<b>Total equipment &amp; library books - unrestricted</b>	<u>2,036,107</u>	<u>0</u>	<u>0</u>	<u>190,478</u>
Construction in progress				
Designated to supplement HB 790 ctr for clinical performance	2,603			
Designated to supplement Primary Care building	16,208			
<b>Total construction in progress</b>	<u>18,811</u>	<u>0</u>	<u>0</u>	<u>0</u>
Capital projects debt service	163,000			
<b>Total unexpended plant - unrestricted</b>	<u>2,717,680</u>	<u>0</u>	<u>113,294</u>	<u>412,630</u>
<b>Total unexpended plant</b>	<u>\$ 2,717,685</u>	<u>\$ 104,942</u>	<u>\$ 113,294</u>	<u>\$ 421,017</u>

Fund Deductions		Fund Transfers From/(To) Current Funds	Fund Balances June 30, 1999
Expenditures Capitalized	Retirement of & Interest on Indebtedness		
\$ 27,087			\$ 0
69,473			0
<u>96,560</u>	<u>0</u>	<u>0</u>	<u>0</u>
65,156		33,882	310,033
41,195			0
8,402		10,000	10,000
<u>114,753</u>	<u>0</u>	<u>43,882</u>	<u>320,033</u>
147,341		212,705	410,934
218,739		305,501	497,514
		21,077	154,779
55,166		150,000	489,969
<u>50,318</u>	<u>0</u>	<u>906,806</u>	<u>1,416,958</u>
<u>471,564</u>	<u>0</u>	<u>1,596,089</u>	<u>2,970,154</u>
2,603			0
<u>(2,043)</u>	<u>0</u>	<u>(1,355)</u>	<u>16,896</u>
560		(1,355)	16,896
		4,607	167,607
<u>586,877</u>	<u>0</u>	<u>1,643,223</u>	<u>3,474,690</u>
<u>\$ 683,437</u>	<u>\$ 0</u>	<u>\$ 1,643,223</u>	<u>\$ 3,474,690</u>

**Schedule of Changes in Investment in Plant - by Investment**  
**Year Ended June 30, 1999**

Plant Investment	Balance July 1, 1998	Fund Additions		Appraisal Value of Gifts
		Expended from		
		Current Funds	Unexpended Plant Funds	
Land (57.84 acres)	\$ 298,200			
Improvements other than buildings	845,692		19,421	
Buildings (351,451 gross sq. ft.)	39,711,532	6,726	49,924	
Movable equipment and furniture	11,312,803	344,681	347,342	468,579
Library books and films	6,647,041	192,440	251,306	
Construction in progress	230,724			
Total investment in plant	<u>59,045,992</u>	<u>543,847</u>	<u>667,993</u>	<u>468,579</u>
Less indebtedness	0			
Net investment in plant	<u>\$ 59,045,992</u>	<u>\$ 543,847</u>	<u>\$ 667,993</u>	<u>\$ 468,579</u>

Fund Additions	Deductions	
State of Ohio Projects Capitalized	Disposals of & Adjustments to Plant Assets	Balance June 30, 1999
		\$ 298,200
		865,113
3,128,106	(230,724)	43,127,012
300,063	911,453	11,862,015
	16,700	7,074,087
	230,724	0
<u>3,428,169</u>	<u>928,153</u>	<u>63,226,427</u>
		0
<u>\$ 3,428,169</u>	<u>\$ 928,153</u>	<u>\$ 63,226,427</u>

SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
YEAR ENDED JUNE 30, 1999

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
<b>STUDENT FINANCIAL AID CLUSTER (SFA)</b>			
<b>U.S. Department of Education:</b>			
Direct Programs:			
Federal Family Education Loans (FFEL)	84.032	N/A	\$ -
Federal Perkins Loans (FPL)	84.038	N/A	6,501
Federal Work Study (FWS)	84.033	N/A	26,953
Total U.S. Department of Education			33,454
<b>U.S. Department of Health and Human Services :</b>			
Direct Programs:			
Health Professions Students Loans:			
Health Professions Student Loans (HPSL)	93.342	N/A	145
Loans to Disadvantaged Students	93.342	N/A	-
			145
Scholarship Program for Students of Exceptional Need (EFNS)	93.820	N/A	45,185
Financial Aid to Disadvantaged Health Professions Students	93.139	N/A	30,193
Scholarships to Disadvantaged Students	93.925	N/A	12,904
Total U.S. Department of Health and Human Services			88,282
<b>TOTAL STUDENT FINANCIAL AID CLUSTER</b>			<b>121,881</b>
<b>RESEARCH AND DEVELOPMENT CLUSTER</b>			
<b>U.S. Department of Health and Human Services :</b>			
<i>Passed through from the National Institute of Health:</i>			
Natural Immunity and Bone Resorption	93.121		136,055
Auditory Tecto-Thalamic Pathways Information Processing	93.173		154,751
Behavioral Pharmacology of Dopamine Uptake Inhibitors	93.278		1,053
Biological Studies of Piperidine Analogs of Cocaine	93.279	Georgetown University	44,930
Resolution of Neurogenic Pulmonary Edema	93.390		205
Mechanisms Mediating Postexertional Hypotension	93.390		281
Total CFDA # 93.390			486
Analysis of Mixed Categorical Data in 2XC Tables	93.393		11,305
Regulation of CYP7 by Bile Acids	93.837		1,832
Mechanism and Importance of Hypoxia-induced Hypothermia	93.837		31,103
Autonomic Function in Exercise – Trained Hypertensive Rats	93.837		4,058
Sex Dimorphism in Vascular Function – Humoral Mechanisms	93.837		5,330
Total CFDA # 93.837			42,323

(Continued)



SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
YEAR ENDED JUNE 30, 1999  
(Continued)

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
<b>RESEARCH AND DEVELOPMENT CLUSTER (Continued)</b>			
<b>U.S. Department of Health and Human Services : (Continued)</b>			
<i>Passed through from the National Institute of Health:</i>			
Mechanisms of Resolution of Neurogenic Pulmonary Edema	93.838		\$ 117,670
Mineral-Matrix Relations in Calcifying Tissues	93.846		147,515
Molecular Biology of Bile Acid Synthesis	93.848		153,563
Female Reproductive Organs and Their Innervation	93.854		133,773
Neurochemical Spinal Circuitry and Uterine Innervation	93.854		122,670
CNS Substrates of Conditioned Learning	93.854		5,922
Tamoxifen and Nigrostriatal Dopaminergic Functions	93.854		18,079
Intrafusar Fiber Expression of Cardiac Sarcomeric Genes	93.854		4,794
Microglia in Retrovirus-induced Neurodegeneration	93.854		78,154
Total CFDA # 93.854			<u>363,392</u>
Heterconjugate Vaccines Against Herpes Simplex Virus	93.856	CEL-SCI Corp.	29,203
Regulation of Bile Acid Synthesis	93.859		223,077
Cell Matrix Interactions in Corneal Stromal Development	93.867		36,723
Understanding the Value Added to Clinical Care by Training Activities	93.XXX	97-0449(B)- BHPR	20,709
Planning a Conference to Convene a Panel to Evaluate Findings on Research	93.XXX	98-BHPR- A262737	26,720
Total National Institute of Health			<u>1,509,475</u>
<i>Passed through the National Science Foundation</i>			
Toward the Origin of Whales	47.050		41,476
The Function of Nonprismatic Enamel in Fruit and Nectar Feeding Mammals	47.074		30,479
Total National Science Foundation			<u>71,955</u>
<i>Passed through the Akron Health Department</i>			
Evaluation of a Lead Hazard Program	14.900		14,651
<i>Passed through Summa Health System</i>			
A Primary Care Intervention for Obesity	93.226		16,123
<i>Passed through Ohio Department of Human Services</i>			
A Comprehensive Assessment of Medicaid Purchased Healthcare in Rural Ohio	93.XXX	OBR/ Ohio University	24,145
<i>Passed National Aeronautics and Space Administration</i>			
The Effect of Hypergravity on Bond Cell Cultures	93.XXX	NAG5-7789	84,323
<b>TOTAL RESEARCH AND DEVELOPMENT</b>			<u><u>1,720,672</u></u> (Continued)

SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
YEAR ENDED JUNE 30, 1999  
(Continued)

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</b>			
<i>Passed through Medical College of Ohio - Toledo</i>			
Model State Supported AHEC Program	93.824		\$ 177,954
<i>Passed through Health Resources &amp; Services Administration</i>			
Grants for Faculty Development in Family Medicine	93.895		153,786
Grants for Predoctoral Development in Family Medicine	93.896		79,344
Grants for Establishment of Departments of Family Medicine	93.984		<u>85,677</u>
Total Health Resources & Services Administration			318,807
<i>Passed through Ohio Department of Health</i>			
Breast and Cervical Cancer Project - Professional Education	93.919		39,121
Women's Health Month	93.991		<u>7,261</u>
Total Ohio Department of Health			46,382
<i>Passed through Summit County Community Partnership</i>			
Community Partnership Healthy Summit 2000	93.194		3,759
<i>Passed through Case Western Reserve University</i>			
Grants for Geriatric Education Centers	93.969		50,434
<i>Passed through National Network Libraries of Medicine Greater Greater Midwest Region</i>			
Fellowship Award in Support of Michele Staley	93.XXX		<u>1,700</u>
Total Other Sponsored Programs			599,036
Total U.S. Department of Health and Human Services			<u>2,319,708</u>
Total Federal Awards Expenditures			\$ <u>2,441,589</u>

See notes to Schedule of Federal Awards Expenditures

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES**  
**June 30, 1999**

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**1. BASIS OF PRESENTATION**

The accompanying Schedule of Federal Awards Expenditures (the "Schedule") reflects the expenditures of Northeastern Ohio Universities College of Medicine (the "College") under programs financed by the U.S. Government for the year ended June 30, 1999. The Schedule has been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles for state-assisted colleges and universities.

For purpose of the Schedule, federal awards include the following:

- Direct federal awards
- Pass through funds received from non-federal organizations made under federally sponsored programs conducted by those organizations.

All programs are presented by federal department. Pass-through programs are also presented by the entity through which the College received the federal award. Catalog of Federal Domestic Assistance (CFDA) Numbers or Primary Grant Numbers are presented for those programs for which such numbers are available.

**2. FEDERAL FAMILY EDUCATION LOANS**

Federal Family Education Loans (Federal CFDA Number 84.032) processed for students by the College during the year ended June 30, 1999, totaled \$5,856,358. The College is responsible only for the performance of certain administrative duties with respect to the Federal Family Education Loan programs and, accordingly, these loans are not included in the College's financial statements or the Schedule.

**3. OTHER FEDERAL LOAN PROGRAMS**

The College administers the following federal loan programs:

	CFDA Number	Outstanding Balance at June 30, 1999
Federal Perkins Loan Program	84.038	\$1,318,105
Health Professions Student Loan Program- Loans to Disadvantaged Students	93.342	192,178
Health Professions Student Loan Program- Primary Care Loans	93.342	1,151,796

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES**  
**June 30, 1999**  
**(Continued)**

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**3. OTHER FEDERAL LOAN PROGRAMS (Continued)**

Total loan expenditures and disbursements under the U.S. Department of Education and the U.S. Department of Health and Human Services student financial assistance loan programs for the fiscal year are identified below:

	CFDA Number	Disbursements
Federal Perkins Loan Program	84.038	\$ 217,643
Health Professions Student Loan Program - Loans to Disadvantaged Students	93.342	17,901
Health Professions Student Loan Program - Primary Care Loan	93.342	223,706

The above expenditures include disbursements and expenditures such as loans to students and administrative expenditures. The Schedule only includes administrative costs of the loan program.

\* \* \* \* \*



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Northeastern Ohio Universities College of Medicine  
Portage County  
4209 State Route 44  
Rootstown, Ohio 44272

To the Board of Trustees:

We have audited the financial statements of the Northeastern Ohio Universities College of Medicine, Portage County, (the College) as of and for the year ended June 30, 1999, and have issued our report thereon dated December 15, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the College in a separate letter dated December 15, 1999.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the College's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the College in a separate letter dated December 15, 1999.

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

A handwritten signature in black ink, appearing to read "Jim Petro", is written over a circular stamp. The stamp is partially obscured by the signature.

**Jim Petro**  
Auditor of State

December 15, 1999



STATE OF OHIO  
OFFICE OF THE AUDITOR  
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Northeastern Ohio Universities College of Medicine  
Portage County  
4209 State Route 44  
Rootstown, Ohio 44272

To the Board of Trustees:

**Compliance**

We have audited the compliance of the Northeastern Ohio Universities College of Medicine, Portage County, (the College) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 1999. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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 occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the College'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 College's compliance with those requirements.

In our opinion, the College, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1999.

### Internal Control Over Compliance

The management of the College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the College's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

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



Jim Petro  
Auditor of State

December 15, 1999



**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
JUNE 30, 1999**

**1. SUMMARY OF AUDITOR'S RESULTS**

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under §.510?	No
(d)(1)(vii)	Major Programs (list):	Research and Development Clusters of Programs and 93.895 - Grants for Faculty Development in Family Medicine
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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NORTHEASTERN OHIO UNIVERSITIES COLLEGE OF MEDICINE  
PORTAGE 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.

By: Susan Babbitt

Date: JANUARY 11, 2000