

The Ohio State University

(A Component Unit of the State of Ohio)

Consolidated Financial Statements as of and
for the Years Ended June 30, 2009 and 2008,
and Report on Federal Awards in Accordance with
OMB Circular A-133 for the Year Ended June 30,
2009, and Independent Auditors' Reports



Mary Taylor, CPA
Auditor of State

Board of Trustees
The Ohio State University
2040 Blankenship Hall
901 Woody Hayes Drive
Columbus, Ohio 43210-4016

We have reviewed the *Independent Auditors' Report* of The Ohio State University, Franklin County, prepared by Deloitte & Touche LLP, for the audit period July 1, 2008 through June 30, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

January 25, 2010

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THE OHIO STATE UNIVERSITY

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
The Ohio State University
Columbus, Ohio

We have audited the accompanying consolidated statements of net assets of The Ohio State University, a component unit of the State of Ohio (the "University"), as of June 30, 2009 and 2008, and the related consolidated statements of revenues, expenses, and changes in net assets and of cash flows for the years then ended. These consolidated financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of The Ohio State University as of June 30, 2009 and 2008, and their changes in net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3 to 14 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the University's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit such information, and we do not express an opinion on it.

Our audit was performed for the purpose of forming an opinion on the University's consolidated financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, on pages 51 to 82, and the notes to the schedule of expenditures of federal awards on pages 83 to 85 are presented for the purpose of additional analysis and are not a required part of the consolidated financial statements. These schedules are the responsibility of the management of the

University. Such information has been subjected to the auditing procedures applied in our audit of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, when considered in relation to the consolidated financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report, dated October 23, 2009, on our consideration of internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

October 23, 2009
(January 6, as to Note 17)

Management's Discussion and Analysis for the Year Ended June 30, 2009

The following Management's Discussion and Analysis, or MD&A, provides an overview of the financial position and activities of The Ohio State University for the year ended June 30, 2009, with comparative information for the years ended June 30, 2008 and June 30, 2007. We encourage you to read this MD&A section in conjunction with the audited financial statements and footnotes appearing in this report.

About The Ohio State University

The Ohio State University is the State of Ohio's flagship research institution and one of the largest universities in the United States of America, with over 61,000 students, 5,700 faculty members and 21,000 staff members. Founded in 1870 under the Morrill Land Grant Act, the university – which was originally known as the Ohio Agricultural and Mechanical College -- has grown over the years into a comprehensive public institution of higher learning, with 167 undergraduate majors, 130 master's degree programs, 103 doctoral programs and seven professional degree programs. The university operates one of the nation's leading academic medical centers, which includes the OSU Health System. The Health System is comprised of The Ohio State University Hospital, The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute, Richard M. Ross Heart Hospital, University Hospital East, OSU Harding Hospital, and 28 outpatient care centers. The System provided services to more than 55,000 adult inpatients and nearly 980,000 outpatients during Fiscal Year 2009.

Ohio State is governed by a board of trustees who are responsible for oversight of academic programs, budgets, general administration, and employment of faculty and staff. The university's 18 colleges, two independent schools, the OSU Health System and various academic support units operate largely on a decentralized basis. The Board approves annual budgets for university operations, but these budgets are managed at the college and department level.

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

- the OSU Research Foundation (which administers sponsored research grants and contracts for the university)
- the OSU Foundation (a fundraising foundation operating exclusively for the benefit of the university)
- Campus Partners for Community Urban Redevelopment (a non-profit organization participating in the redevelopment of neighborhoods adjacent to the main Columbus campus)
- Transportation Research Center (an automotive research and testing facility in East Liberty, Ohio)
- OSU Managed Health Care Systems (a non-profit organization that administers university health care benefits)

-
- OSU Physicians, Inc. (the central practice group for physician faculty members of the Colleges of Medicine and Public Health)

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

About the Financial Statements

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

The **Statement of Net Assets** is the university’s balance sheet. It reflects the total assets, liabilities and net assets (equity) of the university as of June 30, 2009, with comparative information as of June 30, 2008. Liabilities due within one year, and assets available to pay those liabilities, are classified as current. Other assets and liabilities are classified as non-current. Investment assets are carried at market value. Capital assets, which include the university’s land, buildings, improvements, and equipment, are shown net of accumulated depreciation. Net assets are grouped in the following categories:

- Invested in capital assets, net of related debt
- Restricted – Nonexpendable (endowment and annuity funds)
- Restricted – Expendable (primarily current restricted and quasi-endowment funds)
- Unrestricted

The **Statement of Revenues, Expenses and Other Changes in Net Assets** is the university’s income statement. It details how net assets have increased (or decreased) during the year ended June 30, 2009, with comparative information for Fiscal Year 2008. Tuition revenue is shown net of scholarship allowances, depreciation is provided for capital assets, and there are required subtotals for net operating income (loss) and net income (loss) before capital contributions and additions to permanent endowments.

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

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

The **Statement of Cash Flows** details how cash has increased (or decreased) during the year ended June 30, 2009, with comparative information for Fiscal Year 2008. It breaks out the sources and uses of university cash into the following categories:

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

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

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

Financial Highlights and Key Trends

Total university net assets (equity) declined \$340 million, to \$4.29 billion at June 30, 2009, primarily due to a \$436 million net loss on university investments. The impact of this investment loss was concentrated in the restricted-nonexpendable (endowment) net asset category. University operating results were stable in 2009, with growth in operating revenues and state support offsetting similar increases in operating expenses. Total university plant debt increased \$284 million, to \$1.36 billion, primarily due to two 2009 bond issues. Total unrestricted and restricted-expendable net assets increased \$138 million, to \$1.69 billion.

Despite the financial pressures associated with a major recession in the national and state economies, demand for an Ohio State education remains strong, and student outcomes continue to improve. 61,568 students were enrolled in Autumn 2008, up slightly from Autumn 2007 total enrollment of 60,347. 92.8% of the freshmen enrolled in Autumn 2007 returned to OSU in Autumn 2008, up slightly from 92.4% in the comparable 2006-2007 period. Over the past five years, four-year graduation rates have increased from 35% to 49%, and six-year graduation rates have increased from 62% to 73%.

The following sections provide additional details on the university's 2009 financial results and a look ahead at significant economic conditions that are expected to affect the university in the future.

Statement of Net Assets

Summary Statement of Net Assets <i>(in thousands)</i>	2009	2008	2007
Cash and temporary investments	\$ 1,172,896	\$ 902,919	\$ 855,113
Current receivables, inventories and prepaid expenses	525,105	539,482	483,998
Total current assets	1,698,001	1,442,401	1,339,111
Noncurrent notes and pledges receivable	70,017	70,200	74,380
Long-term investment pool	1,662,729	2,075,853	2,315,591
Other long-term investments	69,894	102,801	88,186
Capital assets, net of accumulated depreciation	3,090,668	2,924,033	2,825,828
Total noncurrent assets	4,893,308	5,172,887	5,303,985
Total assets	\$ 6,591,309	\$ 6,615,288	\$ 6,643,096
Accounts payable and accrued expenses	\$ 530,850	\$ 520,806	\$ 470,723
Deferred revenues and deposits	186,436	184,980	189,129
Commercial paper and current portion of bonds, notes and lease obligations	631,604	516,970	518,825
Other current liabilities	9,828	10,933	11,905
Total current liabilities	1,358,718	1,233,689	1,190,582
Noncurrent portion of bonds, notes and lease obligations	728,641	559,127	599,266
Other noncurrent liabilities	218,005	196,771	186,430
Total noncurrent liabilities	946,646	755,898	785,696
Total liabilities	\$ 2,305,364	\$ 1,989,587	\$ 1,976,278
Invested in capital assets, net of related debt	\$ 1,730,423	\$ 1,847,935	\$ 1,711,274
Restricted-nonexpendable net assets	868,466	1,228,922	1,459,705
Restricted-expendable net assets	468,122	530,647	531,162
Unrestricted net assets	1,218,934	1,018,197	964,677
Total net assets	\$ 4,285,945	\$ 4,625,701	\$ 4,666,818

Total university **cash and temporary investment** balances increased \$270 million in 2009, primarily due to net cash flows from capital financing activities. The Statement of Cash Flows, which is discussed in more detail below, provides additional details on sources and uses of university cash. The university holds the bulk of its working capital in short and intermediate-term investment funds. These funds are invested in a diversified portfolio of money-market instruments as well as short and intermediate-term fixed income securities. The average maturity of the portfolio is typically less than one year.

The market value of the university's **long-term investment pool** decreased \$413 million, to \$1.66 billion at June 30, 2009, primarily due to a combination of realized and unrealized losses, which totaled \$260 million and \$227 million, respectively. The long-term investment pool operates similar to a mutual fund, in that each named fund is assigned a number of shares in the pool. It includes the gifted endowment funds of the university, gifted endowment funds of the OSU Foundation, and operating funds which have been internally designated to function as endowments. The pool is invested in a diversified portfolio of equities, fixed income, real estate, hedge funds, private equity, venture capital and natural

resources that is intended to provide the long-term growth necessary to preserve the value of these funds, adjusted for inflation, while making distributions to support the university's mission.

Other long-term investments are non-unitized investments that relate primarily to gift arrangements between donors and the OSU Foundation. These investments decreased \$33 million, to \$70 million at June 30, 2009, primarily due to the transfer of \$20 million of real estate investments to property, plant and equipment and an \$11 million decrease in charitable annuity and trust balances.

Capital assets, which include the university's land, buildings, improvements, equipment and library books, grew \$167 million, to \$3.09 billion at June 30, 2009. The university depreciates its capital assets on a straight-line basis, using estimated useful lives ranging from 5 years (for computer equipment) to 100 years (for certain building components such as foundations).

Major projects completed in 2009 include the Ross Heart Hospital addition, Doan Hall addition, Ohio Union Garage South, Newark Warner Center, Mansfield Ovalwood Hall renovation, and Buckeye Field (Women's Softball Stadium). In addition, several major construction projects are currently underway or in advanced planning stages, including:

- William Oxley Thompson Memorial Library Renovation – At June 30, the \$109 million renovation of the university's main library was nearing completion. The library re-opened for business in August 2009.
- Ohio Union Replacement – Work continues on a new 300,000 square foot student union, which is being built on the site of the old Ohio Union. The \$118 million project is scheduled for completion in Spring 2010.
- Student Academic Services Building – Construction continues on a new \$32 million building to house core student services functions in a single location on Lane Avenue. This project also includes construction of a \$28 million parking garage adjacent to the new building with 1,400 parking spaces. The project is scheduled for completion in Winter 2010.
- Medical Center Facilities Plan (ProjectOne) – The university continues to move forward on a master plan to invest up to \$1 billion in construction and capital improvements to the Medical Center between 2010 and 2014. Current plans call for construction of a new Hospital Tower including five floors for Outpatient Services, five floors for the Critical Care Facility and seven floors for the new home for the James Cancer Hospital and Solove Research Institute. The new building will be located east of Cannon Drive. The project also includes construction of related parking and infrastructure improvements.

The university's estimated future capital commitments, based on contracts and purchase orders, total approximately \$244 million at June 30, 2009.

Accounts payable and accrued expenses were relatively stable in 2009, with increases in medical malpractice accruals and Health System amounts due to third-party payors offsetting decreases in retirement contributions payable.

Total university debt, in the form of **commercial paper, bonds, notes and capital lease obligations**, increased \$284 million, to \$1.36 billion at June 30, 2009. During 2009, the university issued \$345 million in bonds, secured by the general receipts of the university. The university used these debt proceeds to retire commercial paper and to fund capital projects.

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

Although it is the university's intent to repay its variable rate demand bonds in accordance with the maturities set forth in the bond offering circulars, the university does not have "take-out agreements" in place per the GASB Interpretation 1 requirements. Accordingly, the university has classified the total outstanding principal balances on its variable rate demand bonds as current liabilities. These obligations totaled \$511 million and \$392 million at June 30, 2009 and 2008, respectively.

Other noncurrent liabilities increased \$21 million, primarily due to bond premiums associated with the 2009 bond issues.

2007-2008 Highlights: *In 2007*, total unrestricted and restricted-expendable net assets increased \$113 million, to \$1.50 billion at June 30, 2007. Total university plant debt was stable, increasing \$12 million, to \$1.12 billion. *In 2008*, total unrestricted and restricted-expendable net assets increased \$53 million, to \$1.55 billion at June 30, 2008. Total university plant debt declined \$42 million, to \$1.08 billion.

Statement of Revenues, Expenses and Other Changes in Net Assets

Summary of Revenues, Expenses and Changes in Net Assets <i>(in thousands)</i>			
	2009	2008	2007
Operating Revenues:			
Tuition and fees, net	\$ 622,857	\$ 616,650	\$ 583,580
Grants and contracts	613,018	601,742	560,855
Auxiliary enterprises sales and services, net	194,862	192,071	179,855
OSU Health System sales and services, net	1,578,401	1,460,868	1,354,702
OSU Physicians sales and services, net	286,490	256,910	239,852
Departmental sales and other operating revenues	161,063	159,704	142,504
Total operating revenues	3,456,691	3,287,945	3,061,348
Operating Expenses:			
Educational and general	1,933,759	1,905,786	1,770,232
Auxiliary enterprises	214,807	220,682	204,709
OSU Health System	1,407,701	1,295,850	1,216,897
OSU Physicians	262,131	230,403	226,612
Depreciation	221,894	213,594	193,657
Total operating expenses	4,040,292	3,866,315	3,612,107
Net operating income (loss)	(583,601)	(578,370)	(550,759)
Non-operating revenues (expenses):			
State share of instruction and line-item appropriations	497,601	469,162	451,964
Gifts - current use	77,255	78,675	76,541
Net investment income (loss)	(435,898)	(141,558)	429,584
Grants, interest expense and other non-operating	2,884	(7,725)	(18,804)
Income (loss) before other revenues, expenses gains or losses	(441,759)	(179,816)	388,526
State capital appropriations	47,227	72,837	40,928
Private capital gifts	18,960	6,754	28,725
Additions to permanent endowments	35,816	59,108	46,426
Increase (decrease) in net assets	(339,756)	(41,117)	504,605
Net assets - beginning of year	4,625,701	4,666,818	4,162,213
Net assets - end of year	\$ 4,285,945	\$ 4,625,701	\$ 4,666,818

Net tuition and fees increased \$6 million, to \$623 million in 2009. Under the terms of Amended Substitute House Bill 119, the university agreed to freeze undergraduate instructional and general fees for FY2008 and FY2009, in exchange for increased funding for **state share of instruction**. Tuition increases for graduate and professional programs ranged from 5% to 10%. However, these increases were partially offset by a reduction in the required credit hours for doctoral candidates, which resulted in an \$11 million decrease in graduate tuition revenues. This reduction in graduate tuition revenues was largely offset by a corresponding drop in expense for graduate fee authorizations.

Operating **grant and contract revenues** increased \$11 million, to \$613 million in 2009, primarily due to increases in research grants and contracts. Revenues for sponsored research programs administered by the Office of Sponsored Programs (formerly known as the OSU Research Foundation) increased \$25 million, to \$404 million in 2009. These increases were partially offset by reductions in private grant and contract revenues for the

Transportation Research Center (down \$6 million) and Prologue Research International (down \$4 million).

Educational and general expenses increased 1.5%, to \$1.93 billion in 2009. Additional details are provided below.

Educational and General Expenses <i>(in thousands)</i>			
	2009	2008	2007
Instruction and departmental research	\$ 840,697	\$ 817,146	\$ 760,923
Separately budgeted research	392,033	391,987	364,170
Public service	120,015	121,565	116,504
Academic support	133,655	135,720	128,932
Student services	87,993	86,829	78,501
Institutional support	177,548	166,172	143,956
Operation and maintenance of plant	112,097	115,107	106,564
Scholarships and fellowships	69,721	71,260	70,682
Total	\$ 1,933,759	\$ 1,905,786	\$ 1,770,232

Total **instructional and departmental research** expenses increased \$24 million in 2009, primarily due to faculty/staff salary and benefit increases. The university's budget process directs the bulk of annual increases in tuition, state share of instruction and facilities and administrative cost recoveries to the colleges, for investment in academic programs. **Separately budgeted research** expenses were relatively stable, with increases in sponsored program expenses offsetting decreases in consolidated expenses for Transportation Research Center and Prologue Research International, decreases in graduate fee authorizations (related to the reduction in required hours for doctoral candidates), and eliminations for capital expenditure activity. **Institutional support** increased \$11 million, primarily due to increased expenditures for the Student Information System project, increases in investment-related expenses and timing issues associated with the processing of legal expenses.

Sales and service revenues of the university's **Auxiliary Enterprises** increased \$3 million, to \$195 million in 2009, primarily due to increases in Housing, Food Service and Event Center and Athletics revenues, which were partially offset by decreases in revenues for other auxiliary units. Auxiliary expenses decreased \$6 million, primarily due to reductions in Fawcett Center expenses and central accrual activity.

The **Ohio State University Health System** continued its planned growth during Fiscal Year 2009 with the addition of the new magnetic resonance imaging facility (which opened August 2009), continued development of additional faculty space to facilitate the vacating and eventual demolition of Means Hall (allowing space for future construction), and continued expansion of the breadth of outpatient services at the Morehouse Medical Plaza on Kenny Road.

Health System adult inpatient admissions increased 2.4% over the prior year, while outpatient volume grew by 6.0%. Consolidated Health System Total Operating Revenues

increased \$118 million (8.1%) due to volume increases along with selective rate increases. Expenses for the consolidated Health System (excluding depreciation, interest and interfund transfers) increased \$112 million (8.6%). Salaries and benefits increased 8.6% due to increased patient activity and a competitive labor market. Supplies increased 7.8% due to volume, medical advances, inflation and more intensive patient care services. The Health System's Excess of Revenue over Expense for 2009 was \$122.0 million. After investing \$86.0 million in research and education, the change in net assets was \$38.1 million.

Looking ahead, the OSU Health System will be challenged by the national trend to meet the increase in demand for health services arising from an aging population and increasing consumer expectations. While facing the uncertainties of the economy and healthcare reform, the Health System expects revenues to increase by 7% with focus on the six signature programs: Cancer, Critical Care, Heart, Imaging, Neuroscience and Transplantation. The System will continue to be challenged by the increasing cost for care givers, malpractice costs, supplies, pharmaceuticals and technology.

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

Revenues and operating expenses of **OSU Physicians, Inc.**, the university's central practice group for physician faculty members of the Colleges of Medicine and Public Health, continued to grow in 2009. Total operating revenues grew from \$257 million to \$286 million as a result of volume increases as well as increased rates from contract negotiations. Total OSUP expenses (excluding depreciation, interest and interfund transfers) grew from \$230 million to \$262 million.

OSUP is the single member of 17 limited liability companies ("LLCs"). As of June 30, 2009, only 15 of the limited liability companies were active. Two of the LLCs (Anesthesiology and Orthopedics) have been created but had no 2009 activity.

The following table lists the LLCs that were included in OSUP's financial statements as of June 30, 2009 and 2008:

Practice Plan	2009	2008
Family Medicine Foundation, LLC ("FM")	X	X
OSU Anesthesiology, LLC ("Anesthesiology")		
OSU Children's Pediatrics, LLC	X	X
OSU Emergency Medicine, LLC ("EM")	X	X
OSU Eye Physicians and Surgeons, LLC ("Eye")	X	X
OSU GYN and OB Consultants, LLC ("OBGYN")	X	X
OSU Internal Medicine, LLC ("IM")	X	X
OSU Neuroscience Center, LLC ("Neurology")	X	X
OSU Orthopedics, LLC ("Orthopedics")		
OSU Otolaryngology-Head and Neck Surgery, LLC ("Otolaryngology")	X	X
OSU Pathology, LLC ("Pathology")	X	X
OSU Physical Medicine and Rehabilitation ("Phys Med")	X	X
OSU Psychiatry, LLC ("Psychiatry")	X	X
OSU Radiation Medicine, LLC ("Rad Med")	X	X
OSU Radiology, LLC ("Radiology")	X	X
OSU Surgery, LLC ("Surgery")	X	X
OSU Urology, LLC ("Urology")	X	X

Non-endowment gifts to the university (including gifts for current use and gifts to capital projects) increased \$11 million, to \$96 million in 2009. New gift **additions to permanent endowments** decreased \$23 million, to \$36 million. Due to the economy, University Development estimates that total gift revenues will remain flat in 2010.

During 2009, 119,048 donors made gifts to the university, the second highest year on record after 2007.

The university's **net investment loss** grew from \$142 million in 2008 to \$436 million in 2009. Fiscal Year 2009 was affected negatively by the financial markets meltdown in the fall of 2008. The portfolio was hit hard in September and October of 2008 during the worst of the financial crisis. In general, financial markets bottomed in March 2009, and have partially recovered to varying degrees. The pool has been rebuilding from its February low and has experienced a significant recovery since that point. The net investment loss figure includes \$71 million of interest and dividend income and \$507 million net depreciation in the fair market value of university investments.

2007-2008 Highlights: *In 2007*, total operating revenues increased \$248 million, to \$3.06 billion, primarily due to growth in tuition and patient care revenues. Total operating expenses increased \$299 million, to \$3.61 billion, primarily due to increases in educational and general and OSU Health System expenses. University investments yielded \$430 million of net investment income. Strong returns in the equity markets, led by international equities, accounted for the bulk of the increase. *In 2008*, total operating revenues increased \$227 million, to \$3.29 billion, primarily due to growth in patient care, grant and

contract and tuition revenues. Total operating expenses increased \$254 million, to \$3.87 billion, primarily due to increases in educational and general and OSU Health System expenses. A challenging financial environment resulted in a \$142 million net loss on university investments.

Statement of Cash Flows

University Cash Flows Summary <i>(in thousands)</i>	2009	2008	2007
Net cash flows from operating activities	\$ (315,515)	\$ (343,577)	\$ (314,186)
Net cash flows from noncapital financing activities	647,253	649,100	620,629
Capital appropriations and gifts for capital projects	70,227	75,128	76,837
Proceeds from issuance of bonds and notes payable	427,138	10,038	77,598
Payments for purchase and construction of capital assets	(380,707)	(311,494)	(311,128)
Principal and interest payments on capital debt	(184,192)	(108,915)	(129,389)
Net cash flows from investing activities	61,882	84,949	98,504
Net increase (decrease) in cash	<u>\$ 326,086</u>	<u>\$ 55,229</u>	<u>\$ 118,865</u>

Total university cash and cash equivalents increased \$326 million in 2009, primarily due to the proceeds from two bond issues. Net cash flows from operating activities increased \$28 million, with increased receipts for tuition, grants and contracts and sales and services more than offsetting increases in payments for wages, benefits and supplies and services. Total cash provided by noncapital financing activities was relatively stable in 2009, with increases in state appropriations offsetting decreases in gift receipts. Total cash provided by investing activities was \$62 million, reflecting interest and dividend income.

Economic Factors That Will Affect the Future

The Academic Plan, which was adopted in 2000, drives university spending and budgeting priorities. It focuses on six core strategies that are necessary for Ohio State to become a truly great teaching and research university:

- Build a world-class faculty
- Develop academic programs that define Ohio State as the nation's leading land-grant university
- Enhance the quality of the teaching and learning environment
- Enhance and better serve the student body
- Create a diverse university community
- Help build Ohio's future

In FY2009, the nation faced its worst financial crisis since the Great Depression of the 1930's. This created an unprecedented level of budget uncertainty for state government and for the university. Because of strong financial support from the Governor and the General Assembly, as well as prudent fund management and planning, the university was able to increase its academic standing and improve its affordability to Ohio residents. In an effort to preserve Ohio State's affordability, the university will continue its undergraduate tuition freeze through spring quarter for the third consecutive fiscal year, even though the 2010-2011 biennial state budget (Am. Sub. H.B. 1) permits instructional and general fees to increase by 3.5%.

The FY2010 budget is structured to move the university forward academically in this time of extraordinary financial instability by supporting the following thematic goals:

- Forge *One* Ohio State University
- Put Students First
- Focus on Faculty Success
- Recast Our Research Agenda
- Commit to Our Communities
- Simplify University Systems and Structures

The FY2010 budget also reflects the university's continued commitment to realize cost savings and efficiencies in a number of areas, including energy sustainability, strategic purchasing, the Transition to Work program, Your Plan for Health, enterprise-wide systems and the streamlining of business processes.

Although the university can balance its Columbus campus general funds budget and keep the tuition freeze intact during the 2009-2010 academic year, the two years that follow are currently expected to be much more challenging. State support, in the form of State Share of Instruction (SSI) and line-item appropriations, is expected to be flat in FY2011. Approximately 16% of total SSI appropriated funding in FY2010 is backed by one-time State Fiscal Stabilization Funds from the federal government. If the state economy does not sufficiently recover to replace those funds in FY2012, the university could face a reduction in SSI of over \$60 million, which is approximately 6% of OSU's FY2010 subsidy and tuition budget.

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

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

June 30, 2009 and 2008
(In thousands)

	<u>2009</u>	<u>2008</u>
ASSETS:		
Current Assets:		
Cash and cash equivalents (including bond proceeds restricted for capital expenditures of \$111,845 and \$37,110, respectively)	\$ 712,604	\$ 386,518
Temporary investments	460,292	516,401
Accounts receivable, net	408,539	423,768
Notes receivable -current portion, net	12,816	11,350
Pledges receivable - current portion, net	23,697	22,359
Accrued interest receivable	16,684	18,896
Inventories and prepaid expenses	63,369	63,109
Total Current Assets	<u>1,698,001</u>	<u>1,442,401</u>
Noncurrent Assets:		
Notes receivable, net	58,761	60,816
Pledges receivable, net	11,256	9,384
Long-term investment pool	1,662,729	2,075,853
Other long-term investments	69,894	102,801
Capital assets not being depreciated	432,492	342,506
Capital assets being depreciated, net	<u>2,658,176</u>	<u>2,581,527</u>
Total Noncurrent Assets	<u>4,893,308</u>	<u>5,172,887</u>
Total Assets	<u>\$ 6,591,309</u>	<u>\$ 6,615,288</u>
LIABILITIES AND NET ASSETS:		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 530,850	\$ 520,806
Deposits and deferred revenues	186,436	184,980
Commercial paper and current portion of bonds, notes and leases payable	631,604	516,970
Compensated absences - current portion	6,525	6,922
Obligations under annuity and life income agreements-current portion	3,303	4,011
Total Current Liabilities	<u>1,358,718</u>	<u>1,233,689</u>
Noncurrent Liabilities:		
Bonds, notes and leases payable	728,641	559,127
Compensated absences	97,056	90,117
Obligations under annuity and life income agreements	35,541	44,887
Refundable advances for Federal Perkins loans	29,907	31,086
Other noncurrent liabilities	55,501	30,681
Total Noncurrent Liabilities	<u>946,646</u>	<u>755,898</u>
Total Liabilities	<u>2,305,364</u>	<u>1,989,587</u>
Net Assets:		
Invested in capital assets, net of related debt	1,730,423	1,847,935
Restricted:		
Nonexpendable	868,466	1,228,922
Expendable	468,122	530,647
Unrestricted	<u>1,218,934</u>	<u>1,018,197</u>
Total Net Assets	<u>4,285,945</u>	<u>4,625,701</u>
Total Liabilities and Net Assets	<u>\$ 6,591,309</u>	<u>\$ 6,615,288</u>

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

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

Years Ended June 30, 2009 and 2008
(In thousands)

	<u>2009</u>	<u>2008</u>
Operating Revenues:		
Student tuition and fees (net of scholarship allowances of \$116,357 and \$107,623, respectively)	\$ 622,857	\$ 616,650
Federal grants and contracts	283,484	275,361
State grants and contracts	76,896	57,251
Local grants and contracts	23,680	23,864
Private grants and contracts	228,958	245,266
Sales and services of educational departments	101,848	94,499
Sales and services of auxiliary enterprises (net of scholarship allowances of \$15,118 and \$13,133, respectively)	194,862	192,071
Sales and services of the OSU Health System (net of charity care of \$164,132 and \$152,061, respectively)	1,578,401	1,460,868
Sales and services of OSU Physicians, Inc., (net of charity care of \$3,182 and \$5,268, respectively)	286,490	256,910
Other operating revenues	59,215	65,205
Total Operating Revenues	<u>3,456,691</u>	<u>3,287,945</u>
Operating Expenses:		
Educational and General:		
Instruction and departmental research	840,697	817,146
Separately budgeted research	392,033	391,987
Public service	120,015	121,565
Academic support	133,655	135,720
Student services	87,993	86,829
Institutional support	177,548	166,172
Operation and maintenance of plant	112,097	115,107
Scholarships and fellowships	69,721	71,260
Auxiliary enterprises	214,807	220,682
OSU Health System	1,407,701	1,295,850
OSU Physicians, Inc.	262,131	230,403
Depreciation	221,894	213,594
Total Operating Expenses	<u>4,040,292</u>	<u>3,866,315</u>
Operating Loss	(583,601)	(578,370)
Non-operating Revenues (Expenses):		
State share of instruction and line-item appropriations	497,601	469,162
Federal non-exchange grants	34,184	31,516
State non-exchange grants	12,783	14,385
Gifts	77,255	78,675
Net investment income (loss)	(435,898)	(141,558)
Interest expense on plant debt	(36,613)	(42,437)
Other non-operating revenues(expenses)	(7,470)	(11,189)
Net Non-operating Revenue (Expense)	<u>141,842</u>	<u>398,554</u>
Income (Loss) before Other Revenues, Expenses, Gains or Losses	(441,759)	(179,816)
State capital appropriations	47,227	72,837
Private capital gifts	18,960	6,754
Additions to permanent endowments	35,816	59,108
Increase (Decrease) in Net Assets	(339,756)	(41,117)
Net Assets - Beginning of Year	<u>4,625,701</u>	<u>4,666,818</u>
Net Assets - End of Year	<u>\$ 4,285,945</u>	<u>\$ 4,625,701</u>

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

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

Years Ended June 30, 2009 and 2008
(In thousands)

	<u>2009</u>	<u>2008</u>
Cash Flows from Operating Activities:		
Tuition and fee receipts	\$ 534,269	\$ 504,871
Grant and contract receipts	626,785	605,653
Receipts for sales and services	2,185,979	1,964,863
Payments to or on behalf of employees	(1,910,303)	(1,771,998)
University employee benefit payments	(523,029)	(464,400)
Payments to vendors for supplies and services	(1,220,643)	(1,177,180)
Payments to students and fellows	(61,826)	(63,814)
Student loans issued	(7,188)	(11,304)
Student loans collected	7,946	8,590
Student loan interest and fees collected	971	974
Other receipts (payments)	51,524	60,168
Net cash provided (used) by operating activities	<u>(315,515)</u>	<u>(343,577)</u>
Cash Flows from Noncapital Financing Activities:		
State share of instruction and line-item appropriations	497,601	469,162
Non-exchange grant receipts	46,967	45,901
Gift receipts for current use	74,043	76,175
Additions to permanent endowments	35,816	59,108
Drawdowns of federal direct loan proceeds	338,500	308,836
Disbursements of federal direct loans to students	(343,000)	(307,919)
Repayment of loans to related organization	1,016	218
Amounts received for annuity and life income funds	647	2,560
Amounts paid to annuitants and life beneficiaries	(4,158)	(4,545)
Agency funds receipts	5,354	5,204
Agency funds disbursements	(5,533)	(5,600)
Net cash provided (used) by noncapital financing activities	<u>647,253</u>	<u>649,100</u>
Cash Flows from Capital Financing Activities:		
Proceeds from capital debt	427,138	10,038
State capital appropriations	51,267	68,374
Gift receipts for capital projects	18,960	6,754
Payments for purchase or construction of capital assets	(380,707)	(311,494)
Principal payments on capital debt and leases	(138,935)	(57,517)
Interest payments on capital debt and leases	(45,257)	(51,398)
Net cash provided (used) by capital financing activities	<u>(67,534)</u>	<u>(335,243)</u>
Cash Flows from Investing Activities:		
Net (purchases) sales of temporary investments	39,941	2,954
Proceeds from sales and maturities of long-term investments	930,588	2,119,208
Investment income, net of related fees	73,652	97,480
Purchases of long-term investments	(982,299)	(2,134,693)
Net cash provided (used) by investing activities	<u>61,882</u>	<u>84,949</u>
Net Increase (Decrease) in Cash	326,086	55,229
Cash and Cash Equivalents - Beginning of Year	<u>386,518</u>	<u>331,289</u>
Cash and Cash Equivalents - End of Year	<u>\$ 712,604</u>	<u>\$ 386,518</u>

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

Reconciliation of Net Operating Loss to Net Cash

Provided (Used) by Operating Activities:		
Operating loss	\$ (583,601)	\$ (578,370)
Adjustments to reconcile net operating loss to net cash provided (used) by operating activities:		
Depreciation expense	221,894	213,594
Changes in assets and liabilities:		
Accounts receivable, net	15,691	(44,611)
Notes receivable, net	(426)	(2,820)
Accrued interest receivable	(425)	(525)
Inventories and prepaid expenses	(260)	3,999
Accounts payable and accrued liabilities	11,383	52,712
Deposits and deferred credits	2,133	(3,816)
Compensated absences	6,542	5,560
Refundable advances for federal Perkins loans	(1,179)	1,677
Other noncurrent liabilities	12,733	9,023
	<hr/>	<hr/>
Net cash provided (used) by operating activities	\$ <u>(315,515)</u>	\$ <u>(343,577)</u>
Non Cash Transactions:		
Equipment	\$ 8,032	\$ 5,097
Capital Lease	(8,032)	(5,097)

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

Notes to Financial Statements – Years Ended June 30, 2009 and 2008
(dollars in thousands)

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Organization

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

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

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

Basis of Presentation

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

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

Two separate statutory entities for which the university has special responsibility

- Ohio Agricultural Research and Development Center
- Ohio Supercomputer Center

Twelve legally independent corporations engaged in activities related to the university

- The Ohio State University Research Foundation
- The Ohio State University Student Loan Foundation, Inc.
- Transportation Research Center of Ohio, Inc.
- Campus Partners for Community Urban Redevelopment, Inc.
- Reading Recovery and Early Literacy, Inc.
- Ohio State University Retirees Association
- OSU Managed Health Care Systems, Inc.
- The Ohio State University Physicians, Inc.

-
- Prologue Research International, Inc.
 - Oval Limited
 - Adria Kravinsky Foundation
 - Dental Faculty Practice Association, Inc.

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

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

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

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

Basis of Accounting

The financial statements of the university have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the GASB. The university is reporting as a special purpose government engaged in business type activities (BTA). Business type activities are those that are financed in whole or in part by fees charged to external parties for goods and services. In accordance with BTA reporting, the university presents Management's Discussion and Analysis; a Consolidated Statement of Net Assets; a Consolidated Statement of Revenues, Expenses and Other Changes in Net Assets; a Consolidated Statement of Cash Flows; and Notes to the Financial Statements.

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

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

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

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

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

Cash and Investments

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

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

sale of investments. The specific identification method is used for purposes of determining gains and losses on the sale of gifted securities.

The university holds investments in limited partnerships, private equity and other investments, which are carried at estimated fair value provided by the management of these funds. The purpose of this alternative investment class is to increase portfolio diversification and reduce risk due to the low correlation with other asset classes. Methods for determining estimated fair values include discounted cash flows and estimates provided by general partners. Because these investments are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed, and such differences could be material. The amount of gain or loss associated with these investments is reflected in the accompanying financial statements using the equity method of accounting. As of June 30, 2009, the university has made commitments to limited partnerships totaling \$368,000 that have not yet been funded. In the prior fiscal year, the university had made commitments to limited partnerships totaling \$158,158 that had not yet been funded as of June 30, 2008.

Investment in real estate is carried at cost, if purchased, or appraised value at the date of the gift. Holdings in real estate investment trusts (REITs) are carried at estimated fair values. The carrying and market values of real estate at June 30, 2009 are \$4,177 and \$14,629, respectively. The carrying and market values of real estate at June 30, 2008 are \$122,907 and \$141,308, respectively.

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

Endowment Policy

All endowments are invested in the university's Long Term Investment Pool, which consists of more than 4,000 named funds. Each named fund is assigned a number of shares in the Long Term Investment Pool based on the value of the gifts, income-to-principal transfers, or transfers of operating funds to that named fund. For donor restricted endowments, the Uniform Prudent Management of Institutional Funds Act, as adopted in Ohio, permits the university's Board of Trustees to appropriate an amount of realized and unrealized endowment appreciation as the Board deems prudent. Net realized and unrealized appreciation, after the spending rule distributions, is retained in the Long Term Investment Pool.

Annual distributions to named funds in the Long Term Investment Pool are computed using the share method of accounting for pooled investments. Annual distributions are based on the average market value per share of the Long Term Investment Pool over the past five years multiplied by a stated rate. For funds established prior to June 30, 2004, the stated rate was 4.5% for fiscal years 2008 and 2009. For funds established after June 30, 2004, the stated rate was 4%. To minimize volatility in the year-to-year distribution amounts, actual distributions are subject to a "collar". The collar limits increases in distributions per share to 3% a year, and it limits decreases to 1% a year. Based on this method,

undistributed gains were transferred from the Long Term Investment Pool to current funds. These transfers total \$92,050 and \$91,218 in fiscal years 2009 and 2008, respectively.

At June 30, 2009, the market value of the University's gifted endowments was \$1,094,849, which is \$44,571 below the historic dollar value of \$1,139,420, due to the unusually adverse market conditions in Fiscal Year 2009.

Gift Pledges Receivable

The university receives pledges and bequests of financial support from corporations, foundations and individuals. Revenue is recognized when a pledge representing an unconditional promise to pay is received and all eligibility requirements have been met. In the absence of such promise, revenue is recognized when the gift is received. In accordance with GASB Statement No. 33, endowment pledges are not recorded as assets until the related gift is received. It should be noted that, unlike other receivables, gift pledges are generally not considered to be legally enforceable and may be rescinded at any time by the donors.

Inventories

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

Capital Assets and Collections

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

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

Interest incurred during the construction of capital assets is included in the cost of the asset when capitalized. \$6,916 and \$5,145 of interest was capitalized in the years ended June 30, 2009 and 2008, respectively. The university does not capitalize works of art or historical treasures that are held for exhibition, education, research and public service. These collections are neither disposed of for financial gain nor encumbered in any way. Accordingly, such collections are not recognized or capitalized for financial statement purposes.

Deferred Revenues

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

Derivative Instruments and Hedging Activities

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

Operating and Non-Operating Revenues

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

Tuition, Room and Board

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

State Support

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

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

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

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

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

Government Grants and Contracts

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

The university generally considers grants, contracts and non-capital appropriations to be exchange transactions. Under these arrangements, the university provides a bargained-for benefit, typically in the form of instruction, research or public service programs, either directly to the funding entity or to its constituents. The overall scope and nature of these program activities is determined by the level of funding and the requirements set forth by these resource providers.

Hospital Revenue

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

OSU Physicians Revenue

Net patient service revenue represents amounts received and the estimated net realizable amounts due from patients and third-party payers for services rendered. OSU Physicians provides care to patients under various reimbursable agreements, including Medicare and Medicaid. These arrangements provide for payment for covered services at agreed-upon

rates and under certain fee schedules and various discounts from charges. Provisions have been made in the consolidated financial statements for estimated contractual adjustments, representing the difference between the customary charges for services rendered and related reimbursement.

Management Estimates

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

Newly Issued Accounting Pronouncements

In June 2007, GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This Statement establishes standards for the capitalization, amortization and financial reporting of intangible assets, including easements, water rights, timber rights, patents, trademarks, and computer software. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009.

University management has not yet determined the impact that implementation of GASB Statement 51 will have on the university's financial statements.

The university early-adopted GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. The effect of the adoption of GASB Statement No. 53 did not have a material effect on the university's financial statements.

Other

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

Certain reclassifications have been made to the 2008 comparative information to conform with the 2009 presentation.

NOTE 2 — CASH AND CASH EQUIVALENTS

At June 30, 2009, the carrying amount of the university's cash and cash equivalents for all funds is \$712,604 as compared to bank balances of \$882,180. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$7,258 is covered by federal deposit insurance and \$874,922 is

uninsured but collateralized by pools of securities pledged by the depository banks and held in the name of the respective banks.

NOTE 3 — INVESTMENTS

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

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

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

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

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

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

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

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

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

Total university investments by major category at June 30, 2009 and 2008 are as follows:

	2009	2008
Temporary Investments	\$ 460,292	\$ 516,401
Long-Term Investment Pool:		
Gifted Endowment - university	746,456	1,009,335
Gifted Endowment – OSU Foundation	348,393	442,853
Operating Endowment:		
Operating Funds Long-Term Component	561,248	598,000
President's Strategic Initiative Fund	-	21,011
Maintenance and Renewal Fund	6,632	4,654
Total Long-Term Investment Pool	1,662,729	2,075,853
Other Long-Term Investments	69,894	102,801
Total Investments	<u>\$ 2,192,915</u>	<u>\$ 2,695,055</u>

Total university investments by investment type at June 30, 2009 are as follows:

	Temporary Investments	Long-Term Investment Pool	Other Long-Term Investments	Total
Common stock	\$ 5	\$ 236,362	\$ 90	\$ 236,457
Equity mutual funds	31,696	251,912	19,013	302,621
U. S. government obligations	25,067	21,366	4,074	50,507
U. S. government agency obligations	107,450	44,867	-	152,317
Repurchase agreements	75,942	-	-	75,942
Corporate bonds and notes	80,295	97,300	274	177,869
Bond mutual funds	116,134	138,772	21,533	276,439
International bonds	7	507	-	514
Real estate	146	-	4,031	4,177
Partnerships and hedge funds	-	723,100	-	723,100
Cash and cash equivalents	-	148,543	-	148,543
Other	23,550	-	20,879	44,429
Total	\$ 460,292	\$ 1,662,729	\$ 69,894	\$ 2,192,915

Total university investments by investment type at June 30, 2008 are as follows:

	Temporary Investments	Long-Term Investment Pool	Other Long-Term Investments	Total
Common stock	\$ 1	\$ 361,014	\$ 334	\$ 361,349
Equity mutual funds	48,505	767,944	25,962	842,411
U. S. government obligations	29,774	21,810	4,929	56,513
U. S. government agency obligations	141,322	37,520	-	178,842
Repurchase agreements	118,359	-	-	118,359
Corporate bonds and notes	38,242	25,596	274	64,112
Bond mutual funds	128,012	110,362	24,633	263,007
International bonds	7	-	-	7
Real estate	146	98,445	24,316	122,907
Partnerships and hedge funds	-	603,742	-	603,742
Cash and cash equivalents	-	49,420	-	49,420
Other	12,033	-	22,353	34,386
Total	\$ 516,401	\$ 2,075,853	\$ 102,801	\$ 2,695,055

Net appreciation in the fair value of investments includes both realized and unrealized gains and losses on investments. During the year ended June 30, 2009, the university realized a net loss of \$274,315 from the sale of investments. The calculation of realized gains and losses is independent of the net appreciation in the fair value of investments held at year-end. Realized gains and losses on investments that had been held for more than one fiscal year and sold in the current year were included as a change in the fair value of investments reported in the prior year and the current year. The net depreciation in the fair value of investments during the year ended June 30, 2009, was \$507,101. This amount includes all changes in fair value, both realized and unrealized, that occurred during the year. The unrealized depreciation during the year on investments was \$232,786.

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

	Interest and Dividends (net)	Net Appreciation (Depreciation) in Market Value of Investments	Net Investment Income (Loss)
Temporary Investments	\$ 26,570	\$ (16,169)	\$ 10,401
Long-Term Investment Pool	44,564	(487,666)	(443,102)
Other Long-Term Investments	69	(3,266)	(3,197)
Total 2009	\$ 71,203	\$ (507,101)	\$ (435,898)
Total 2008	\$ 95,998	\$ (237,556)	\$ (141,588)

Additional Risk Disclosures for Investments

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

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

The maturities of the university's interest-bearing investments at June 30, 2009 are as follows:

	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
U. S. government obligations	\$ 50,507	\$ 22,399	\$ 12,030	\$ 9,075	\$ 7,003
U. S. agency obligations	152,317	13,412	70,888	34,210	33,807
Repurchase agreements	75,942	75,942	-	-	-
Corporate bonds	177,869	3,400	96,700	67,841	9,928
Bond mutual funds	276,439	55,418	107,787	88,376	24,858
International bonds	514	-	7	507	-
Total	\$ 733,588	\$ 170,571	\$ 287,412	\$ 200,009	\$ 75,596

The maturities of the university's interest-bearing investments at June 30, 2008 are as follows:

	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
U. S. government obligations	\$ 56,513	\$ 2,326	\$ 35,790	\$ 15,451	\$ 2,946
U. S. agency obligations	178,842	14,675	91,544	35,447	37,176
Repurchase agreements	118,359	118,359	-	-	-
Corporate bonds	64,112	2,995	41,255	11,886	7,976
Bond mutual funds	263,007	48,429	112,994	73,162	28,422
International bonds	7	-	7	-	-
Total	\$ 680,840	\$ 186,784	\$ 281,590	\$ 135,946	\$ 76,520

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit quality information – as commonly expressed in terms of the credit ratings issued by nationally recognized statistical rating organizations such as Moody's Investors Service, Standard & Poor's, or Fitch Ratings – provides a current depiction of potential variable cash flows and credit risk.

The credit ratings of the university's interest-bearing investments at June 30, 2009 are as follows:

Credit Rating (S&P)	U. S.					
	Total	Government and Agency Obligations	Repurchase Agreements	Corporate Bonds	Bond Mutual Funds	International Bonds
AAA	\$ 526,127	\$ 202,824	\$ 75,942	\$ 32,712	\$ 214,649	-
AA	50,146	-	-	28,948	21,198	-
A	107,529	-	-	78,486	29,043	-
BBB	42,011	-	-	34,870	6,634	\$ 507
BB	4,659	-	-	2,824	1,835	-
B	1,019	-	-	-	1,019	-
CCC	1,777	-	-	-	1,777	-
CC	-	-	-	-	-	-
C	-	-	-	-	-	-
Not Rated	320	-	-	29	284	7
Total	\$ 733,588	\$ 202,824	\$ 75,942	\$ 177,869	\$ 276,439	\$ 514

The credit ratings of the university's interest-bearing investments at June 30, 2008 are as follows:

Credit Rating (S&P)	U. S.					International Bonds
	Total	Government and Agency Obligations	Repurchase Agreements	Corporate Bonds	Bond Mutual Funds	
AAA	\$ 575,822	\$ 234,942	\$ 118,359	\$ 21,233	\$ 201,288	-
AA	38,356	-	-	10,110	28,246	-
A	43,035	-	-	21,036	21,999	-
BBB	16,448	-	-	6,748	9,700	-
BB	729	-	-	699	30	-
B	2,431	-	-	2,431	-	-
CCC	569	-	-	569	-	-
CC	81	-	-	81	-	-
C	-	-	-	-	-	-
Not Rated	3,369	413	-	1,205	1,744	\$ 7
Total	\$ 680,840	\$ 235,355	\$ 118,359	\$ 64,112	\$ 263,007	\$ 7

Foreign currency risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit.

At June 30, 2009, the university's exposure to foreign currency risk is as follows:

Currency	Common Stock	Equity Mutual Funds	Bond Mutual Funds	Corporate Bonds	International Bonds
Australian dollar	\$ 2,942	\$ 6,178	\$ 141	-	-
Brazilian real	2,288	2,622	1,126	-	-
Canadian dollar	7,528	8,049	559	-	-
Chilean peso	-	284	-	-	-
Chinese yuan	-	3,438	-	-	-
Colombian peso	-	79	-	-	-
Czech Republic koruna	-	84	-	-	-
Danish krone	773	734	200	-	-
Egyptian pound	-	100	-	-	-
Euro	39,674	27,253	17,398	\$ 271	-
Great Britain pound sterling	22,074	17,549	1,882	-	-
Hong Kong dollar	7,360	2,033	-	-	-
Hungarian forint	277	108	-	-	-
Indian rupee	-	1,314	-	-	-
Indonesian rupiah	171	290	-	-	-
Israeli shekel	108	534	-	-	-
Japanese yen	26,612	20,351	10,932	-	-
Jordanian dinar	-	-	-	-	-
Malaysian ringgit	334	534	-	-	-
Mexican peso	394	795	-	-	\$ 507
Moroccan dirham	-	71	-	-	-
New Taiwan dollar	3,008	2,077	-	-	-
New Zealand dollar	455	115	1	-	-
Norwegian krone	2,122	620	61	-	-
Peruvian nuevo sol	-	100	-	-	-
Phillippine peso	-	84	-	-	-
Polish zloty	181	216	194	-	-
Russian ruble	-	1,116	-	-	-
Singapore dollar	1,559	1,181	-	-	-
South African rand	2,520	1,306	-	-	-
South Korean won	6,027	2,217	-	-	-
Swedish krona	2,695	2,081	157	-	-
Swiss franc	4,668	6,358	168	-	-
Thailand bhat	1,558	261	-	-	-
Turkish lira	-	245	-	-	-
Other currencies	-	-	-	-	-
Total	\$ 135,328	\$ 110,377	\$ 32,819	\$ 271	\$ 507

At June 30, 2008, the university's exposure to foreign currency risk is as follows:

Currency	Common Stock	Equity Mutual Funds	Bond Mutual Funds	Corporate Bonds	International Bonds
Argentine peso	-	\$ 425	-	-	-
Australian dollar	\$ 4,346	19,695	\$ 133	-	-
Brazilian real	6,610	10,349	-	-	-
Canadian dollar	9,059	29,081	670	-	-
Chilean peso	-	764	-	-	-
Chinese yuan	-	8,333	-	-	-
Czech Republic koruna	-	545	-	-	-
Danish krone	1,590	3,139	471	-	-
Egyptian pound	-	512	-	-	-
Euro	62,775	149,080	15,495	-	-
Great Britain pound sterling	26,363	16,484	2,177	-	-
Hong Kong dollar	10,190	6,477	-	-	-
Hungarian forint	461	522	-	-	-
Indian rupee	-	3,414	-	-	-
Indonesian rupiah	980	970	-	-	-
Israeli shekel	179	1,518	-	-	-
Japanese yen	38,687	62,445	10,741	-	-
Jordanian dinar	-	59	-	-	-
Malaysian ringgit	1,199	1,377	-	-	-
Mexican peso	2,899	2,997	-	-	-
Moroccan dirham	-	207	-	-	-
New Taiwan dollar	5,330	6,463	-	-	-
New Zealand dollar	291	448	-	-	-
Norwegian krone	6,674	3,331	75	-	-
Peruvian nuevo sol	-	453	-	-	-
Phillippine peso	-	188	-	-	-
Polish zloty	377	976	-	-	-
Russian ruble	-	6,735	-	-	-
Singapore dollar	1,717	3,384	-	-	-
South African rand	7,030	3,934	-	-	-
South Korean won	11,259	7,582	-	-	-
Swedish krona	3,842	6,293	188	-	-
Swiss franc	5,439	20,463	179	-	-
Thailand bhat	2,345	822	-	-	-
Turkish lira	396	763	-	-	-
Other currencies	-	91	-	-	-
Total	\$ 210,038	\$ 380,319	\$ 30,129	\$ -	\$ -

NOTE 4 — ACCOUNTS, NOTES AND PLEDGES RECEIVABLE

Accounts receivable at June 30, 2009 and 2008 consist of the following:

	2009	2008
Patient receivables – OSU Health System	\$714,857	\$698,479
Patient receivables – OSU Physicians, Inc.	87,318	83,909
Grant and contract receivables	67,734	79,491
Tuition and fees receivable	39,713	38,360
Receivables for departmental and auxiliary sales and services	64,309	69,992
State and federal receivables	7,098	6,638
	981,029	976,869
Less: Allowances for doubtful accounts	572,490	553,101
	<u>\$408,539</u>	<u>\$423,768</u>

Notes receivable consist primarily of Perkins Loans and are net of an allowance for doubtful accounts of \$17,450 at June 30, 2009 and \$16,700 at June 30, 2008. Federal capital contributions to the Perkins loan programs represent advances which are ultimately refundable to the federal government.

In accordance with GASB Statement No. 33, *Accounting and Reporting for Non-exchange Transactions*, the university has recorded \$41,044 in non-endowment pledges receivable at June 30, 2009 and a related allowance for doubtful accounts of \$6,091. The university recorded \$42,076 in non-endowment pledges receivable and a related allowance for doubtful accounts of \$10,333 at June 30, 2008.

NOTE 5 — CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2009 is summarized as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land	\$ 48,877	\$ 26,077	\$ 836	\$ 74,118
Construction in progress	293,629	64,745	-	358,374
Total non depreciable assets	342,506	90,822	836	432,492
Capital assets being depreciated:				
Improvements other than buildings	269,802	9,930	-	279,732
Buildings and fixed equipment	3,448,422	178,140	18,738	3,607,824
Movable equipment and furniture	845,285	116,039	62,810	898,514
Library books	164,543	3,155	5,363	162,335
Total	4,728,052	307,264	86,911	4,948,405
Less: Accumulated depreciation	2,146,525	221,894	78,190	2,290,229
Total depreciable assets, net	2,581,527	85,370	8,721	2,658,176
Capital assets, net	<u>\$ 2,924,033</u>	<u>\$ 176,192</u>	<u>\$ 9,557</u>	<u>\$ 3,090,668</u>

Capital assets activity for the year ended June 30, 2008 is summarized as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land	\$ 52,053	\$ 3,650	\$ 6,826	\$ 48,877
Construction in progress	281,575	12,054	-	293,629
Total non depreciable assets	333,628	15,704	6,826	342,506
Capital assets being depreciated:				
Improvements other than buildings	257,017	18,863	6,078	269,802
Buildings and fixed equipment	3,247,839	204,841	4,258	3,448,422
Movable equipment and furniture	820,968	90,933	66,616	845,285
Library books	163,767	3,666	2,890	164,543
Total	4,489,591	318,303	79,842	4,728,052
Less: Accumulated depreciation	1,997,391	213,594	64,460	2,146,525
Total depreciable assets, net	2,492,200	104,709	15,382	2,581,527
Capital assets, net	\$ 2,825,828	\$ 120,413	\$ 22,208	\$ 2,294,033

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

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses at June 30, 2009 and 2008 consist of the following:

	2009	2008
Payables to vendors for supplies and services	\$ 175,491	\$ 173,404
Accrued compensation and benefits	118,204	113,256
Retirement system contributions payable	47,514	58,742
Self-insurance accruals:		
Medical malpractice	125,938	116,776
Employee health insurance	22,539	22,318
Current portion of amounts due to third-party payers – OSU Health System	21,988	15,499
Other accrued expenses	19,176	20,811
	\$ 530,850	\$ 520,806

Self-Insurance Programs

The Hospitals have established trustee self-insurance funds for professional medical malpractice liability claims with a \$4 million limit per occurrence with no annual aggregate. The university self-insurance funds have insurance in excess of \$4 million per occurrence through Oval Limited, a blended component unit of the university. Oval Limited provides

coverage with limits of \$55 million per occurrence and in the aggregate. Previous coverage levels for Oval Limited are as follows:

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

The limits are in excess of underlying policies with limits ranging from \$4 million to \$10 million. A portion of the risks written by Oval Limited to date is reinsured by two reinsurance companies. Oval Limited retains 50% of the first \$15 million of risk and cedes the remainder plus the second \$15 million to AIG (rated A by A.M. Best). Above that, Oval Limited cedes the remaining \$10 million of risk to Endurance Specialty Insurance (rated A- by A.M. Best). The estimated liability and the related contributions to the fund are based upon an independent actuarial determination as of June 30, 2009. OSU Physicians, Inc. participates in the university self-insurance fund for professional medical malpractice liability claims. OSU Physicians premiums incurred and paid to the university were \$7,458 and \$9,474 during the years ended June 30, 2009 and 2008, respectively.

The Hospitals' estimate of professional malpractice liability includes provisions for known claims and actuarially determined estimates of incurred but not reported claims and incidents. This liability at June 30, 2009 of the anticipated future payments on gross claims is estimated at its present value of \$86,879 discounted at an estimated rate of 3.0% (university funds) and an additional \$39,059 discounted at an estimated rate of 3.0% (Oval Limited).

Although actual experience upon the ultimate disposition of the claims may vary from this estimate, the self-insurance fund assets of \$143,631 are more than the recorded liability at June 30, 2009, and the surplus of \$17,693 is included in unrestricted net assets.

The university is also self-insured for employee health insurance. As of June 30, 2009, \$22,539 is recorded as a liability relating to both claims received but not paid and estimates of claims incurred but not yet reported.

Changes in the reported liabilities since June 30, 2007 result from the following activities:

	Malpractice		Health	
	2009	2008	2009	2008
Liability at beginning of fiscal year	\$116,776	\$103,447	\$22,318	\$17,216
Current year claims, changes in estimates	11,777	14,087	206,301	186,102
Claim payments	(2,615)	(758)	(206,080)	(181,000)
Balance at fiscal year end	\$125,938	\$116,776	\$22,539	\$22,318

NOTE 7 — DEBT

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

Debt activity for the year ended June 30, 2009 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Commercial Paper:					
Series H	\$80,900	-	\$80,900	-	-
Series I		\$50,000	-	\$50,000	\$50,000
Notes:					
Transportation Research Center - Capital One Funding Corporation, due through 2014	1,687	-	234	1,453	252
OSU Physicians - Fifth Third Note, due through 2008	5,361	-	3,569	1,792	182
OSU Physicians – Fifth Third Note, due through 2019	-	17,964	2,575	15,389	15,389
Campus Partners - ESIC	11,633	-	400	11,233	400
Campus Partners - UDCDE Note A	22,816	-	213	22,603	229
Campus Partners - UDCDE Note B	10,376	-	-	10,376	-
Campus Partners – Mortgage Payable	436	-	12	424	13
Campus Partners – CCF Loan, City of Columbus	125	-	-	125	-
Adria Kravinsky Foundation – Notes Payable	2,540	-	1,842	698	65
Clifton Holding LLC	1,554	172	-	1,726	1,726
General Receipts Bonds – Fixed Rate:					
1999A, due serially through 2029	5,700	-	2,780	2,920	2,920
2002A, due serially through 2031	113,225	-	7,370	105,855	7,745
2003B, due serially through 2033	156,805	-	7,595	149,210	7,695
2005A, due serially through 2035	242,540	-	13,170	229,370	13,730
2008A, due serially through 2028	-	217,595	-	217,595	12,090
General Receipts Bonds – Variable Rate:					
1997, due serially through 2027	30,860	-	1,100	29,760	29,760
1999B1, due serially through 2029	48,900	-	3,700	45,200	45,200
2001, due serially through 2032	76,950	-	-	76,950	76,950
2003C, due serially through 2031	105,615	-	4,085	101,530	101,530
2005B, due serially through 2035	129,990	-	-	129,990	129,990
2008B, due serially through 2028	-	127,770	-	127,770	127,770
Capital Lease Obligations	28,084	8,033	7,841	28,276	7,968
	\$1,076,097	\$421,534	\$137,386	\$1,360,245	\$631,604

Debt activity for the year ended June 30, 2008 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Commercial Paper:					
Series H	\$72,600	\$8,300	-	\$80,900	\$80,900
Notes:					
Transportation Research Center - Capital One Funding Corporation, due through 2014	1,906	-	\$219	1,687	234
OSU Physicians - Fifth Third Note, due through 2008	7,861	-	2,500	5,361	2,372
Campus Partners - ESIC	12,000	-	367	11,633	400
Campus Partners - UDCDE Note A	23,014	2	200	22,816	164
Campus Partners - UDCDE Note B	10,376	-	-	10,376	-
Campus Partners - Mortgage Payable	-	445	9	436	12
Campus Partners - CCF Loan, City of Columbus	-	125	-	125	-
UMC Partners - Notes Payable	4,286	-	4,286	-	-
Adria Kravinsky Foundation - Notes Payable	4,324	-	1,784	2,540	201
Clifton Holding LLC	-	1,554	-	1,554	1,554
General Receipts Bonds - Fixed Rate:					
1999A, due serially through 2029	8,350	-	2,650	5,700	2,780
2002A, due serially through 2031	120,205	-	6,980	113,225	7,370
2003B, due serially through 2033	164,025	-	7,220	156,805	7,595
2005A, due serially through 2035	255,110	-	12,570	242,540	13,170
General Receipts Bonds - Variable Rate:					
1997, due serially through 2027	35,340	-	4,480	30,860	30,860
1999B1, due serially through 2029	52,600	-	3,700	48,900	48,900
2001, due serially through 2032	76,950	-	-	76,950	76,950
2003C, due serially through 2031	109,545	-	3,930	105,615	105,615
2005B, due serially through 2035	129,990	-	-	129,990	129,990
Capital Lease Obligations	29,609	5,097	6,622	28,084	7,903
	\$1,118,091	\$15,523	\$57,517	\$1,076,097	\$516,970

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

	Commercial Paper, Bonds and Notes Payable		Capital Leases and Certificates of Participation	
	Principal	Interest	Principal	Interest
2010	\$ 623,636	\$36,045	\$ 7,968	\$ 1,089
2011	46,165	32,848	5,859	806
2012	59,331	30,796	4,888	575
2013	58,576	27,322	4,386	367
2014	38,829	25,079	2,438	208
2015-2019	180,641	98,495	2,737	257
2020-2024	163,395	58,610	-	-
2025-2029	115,230	24,154	-	-
2030-2034	35,585	3,872	-	-
2033-2038	10,581	175	-	-
	<u>\$ 1,331,969</u>	<u>\$ 337,396</u>	<u>\$ 28,276</u>	<u>\$ 3,302</u>

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

The outstanding bond indentures do not require mandatory reserves for future payment of principal and interest. However, the university has set aside \$88,268 for future debt service which is included in unrestricted net assets.

Variable Rate Demand Bonds

Series 1997, 1999B1, 2001, 2003C, 2005B and 2008B variable rate demand bonds bear interest at rates based upon yield evaluations at par of comparable securities. The maximum interest rate allowable and the effective average interest rate from issue date to June 30, 2009 are as follows:

Series:	Interest Rate Not to Exceed	Effective Average Interest Rate
1997	12%	2.398%
1999 B1	12%	2.186%
2001	12%	1.989%
2003 C	12%	2.169%
2005 B	12%	2.559%
2008 B	12%	1.515%

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

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

Although it is the university's intent to repay its variable rate demand bonds in accordance with the maturities set forth in the bond offering circulars, the university does not have "take-out agreements" in place per the GASB Interpretation No. 1 requirements. Accordingly, the university has classified the total outstanding principal balances on its variable rate demand bonds as current liabilities. The obligations totaled \$511,200 and \$392,315 at June 30, 2009 and 2008, respectively.

Commercial Paper

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

Capital Lease Obligations

Some university equipment items and vehicles are financed as capital leases. The original cost and lease obligations related to these capital leases as of June 30, 2009 are \$61,074 and \$28,275 respectively. The original cost and lease obligations related to these capital leases as of June 30, 2008 are \$53,042 and \$28,084 respectively.

Interest Rate Swap Agreement

On January 6, 2009, OSU Physicians, Inc. (OSUP) entered into an interest rate swap ("the swap") agreement fixing the interest rate on the \$15.5 million Term Loan debt. Under the agreement OSUP pays a fixed rate of 4.625% to the bank and receives 30-day LIBOR rate in effect at the beginning of the month. The transaction is designed to manage OSUP's interest costs and risks associated with the variable interest rate debt. OSUP settles with the bank monthly for the difference between the 4.625% and the 30-day LIBOR rate in effect at the beginning of the month. The estimated fair value of this agreement, based on various factors contained in the related interest rate swap agreement and interest rates including the notional amount of \$15,336, represents an unrealized loss of \$1.3 million included in other liabilities as of June 30, 2009. OSUP records changes in the fair value of the swap

each period through the statements of operations and changes in net assets (\$1.3 million for fiscal year 2009). The swap is settled monthly with net payments or receipts under the swap agreement being reflected as interest expense. The termination date of the swap is September 1, 2018. OSUP did not hold any other position in a derivative instrument and did not have any other hedges outstanding in the current year.

NOTE 8 — OPERATING LEASES

The university leases various buildings, office space, and equipment under operating lease agreements. These facilities and equipment are not recorded as assets on the balance sheet. The total rental expense under these agreements was \$30,818 and \$29,349 for the years ended June 30, 2009 and 2008, respectively.

Future minimum payments for all significant operating leases with initial or remaining terms in excess of one year as of June 30, 2009 are as follows:

Year Ending June 30,	
2010	\$ 19,085
2011	15,442
2012	12,435
2013	9,074
2014	6,826
2015-2019	26,868
2020-2024	18,961
2025-2029	14,290
2030-2034	14
2035-2039	13
2040-2044	13
2045-2049	8
Total minimum lease payments	<u>\$ 123,029</u>

NOTE 9 — COMPENSATED ABSENCES

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

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

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

The university accrues sick leave liability for those employees who are currently eligible to receive termination payments as well as other employees who are expected to become eligible to receive such payments. This liability is calculated using the "termination payment method" which is set forth in Appendix C, Example 4 of the GASB Statement No. 16, *Accounting for Compensated Absences*. Under the termination method, the university calculates a ratio, Sick Leave Termination Cost per Year Worked, that is based on the university's actual historical experience of sick leave payouts to terminated employees. This ratio is then applied to the total years-of-service for current employees.

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

NOTE 10 — NONCURRENT LIABILITIES

Non-current liability activity for the year ended June 30, 2009 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Compensated absences	\$ 97,039	\$ 13,067	\$ 6,525	\$ 103,581
Obligations under annuity and life income agreements	48,898	-	10,054	38,844
Refundable advances for Federal Perkins loans	31,086	-	1,179	29,907
Other non-current liabilities	30,681	24,820	-	55,501
	207,704	\$ 37,887	\$ 17,758	227,833
Less: Current portion	10,933			9,828
	<u>\$ 196,771</u>			<u>\$ 218,005</u>

Non-current liability activity for the year ended June 30, 2008 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Compensated absences	\$ 91,478	\$ 12,483	\$ 6,922	\$ 97,039
Obligations under annuity and life income agreements	55,403	2,560	9,065	48,898
Refundable advances for Federal Perkins loans	29,409	1,677	-	31,086
Other non-current liabilities	22,045	8,636	-	30,681
	198,335	\$ 25,356	\$ 15,987	207,704
Less: Current portion	11,905			10,933
	<u>\$ 186,430</u>			<u>\$ 196,771</u>

Other non-current liabilities at June 30, 2009 and 2008 consist of the following:

	2009	2008
Amounts due to third-party payers - OSU Health System	\$ 22,418	\$ 17,429
Advance payments under exclusivity agreement	6,425	-
Interest rate swap - OSU Physicians	1,320	-
Bond premium	25,338	13,252
	<u>\$ 55,501</u>	<u>\$ 30,681</u>

NOTE 11 — UNRESTRICTED AND RESTRICTED-EXPENDABLE NET ASSETS

Substantially all unrestricted net assets are internally designated for use by university departments to support working capital needs, to fund related academic or research programs, and to provide for unanticipated shortfalls in revenues and deviations in enrollment. Major components of unrestricted net assets at June 30, 2009 and 2008 are as follows:

	2009	2008
Educational and general	\$ 606,937	\$ 613,633
Auxiliary enterprises	11,366	5,056
OSU Health System	363,328	331,488
Loan funds	2,235	-
Unrestricted quasi-endowments	31,515	54,023
Plant	203,553	13,997
	<u>\$ 1,218,934</u>	<u>\$ 1,018,197</u>

Restricted expendable net assets are subject to various purpose or time-based restrictions set forth by donors or granting agencies. Major components of restricted-expendable net assets at June 30, 2009 and 2008 are as follows:

	2009	2008
Current operations	\$ 312,157	\$ 309,652
Loan funds	43,592	44,214
Restricted quasi-endowments	110,441	170,810
Plant	1,932	5,971
	<u>\$ 468,122</u>	<u>\$ 530,647</u>

NOTE 12 – OPERATING EXPENSES BY OBJECT

In accordance with requirements set forth by the Ohio Board of Regents, the university reports operating expenses by functional classification on the Statement of Revenues, Expenses and Other Changes in Net Assets. Operating expenses by object for the years ended June 30, 2009 and 2008 are summarized as follows:

Year Ended June 30, 2009

	Compensation and Benefits	Supplies and Services	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 724,179	\$ 116,518	-	-	\$ 840,697
Separately budgeted research	265,102	126,931	-	-	392,033
Public service	84,250	35,765	-	-	120,015
Academic support	112,803	20,852	-	-	133,655
Student services	62,685	25,308	-	-	87,993
Institutional support	119,827	57,721	-	-	177,548
Operation and maintenance of plant	44,875	67,222	-	-	112,097
Scholarships and fellowships	4,896	2,999	\$ 61,826	-	69,721
Auxiliary enterprises	116,089	98,718	-	-	214,807
OSU Health System	801,357	606,344	-	-	1,407,701
OSU Physicians, Inc.	188,245	73,886	-	-	262,131
Depreciation	-	-	-	\$ 221,894	221,894
Total operating expenses	\$ 2,524,308	\$ 1,232,264	\$ 61,826	221,894	\$ 4,040,292

Year Ended June 30, 2008

	Compensation and Benefits	Supplies and Services	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 691,978	\$ 125,168	-	-	\$ 817,146
Separately budgeted research	260,581	131,406	-	-	391,987
Public service	82,273	39,292	-	-	121,565
Academic support	105,720	30,000	-	-	135,720
Student services	58,212	28,617	-	-	86,829
Institutional support	114,807	51,365	-	-	166,172
Operation and maintenance of plant	38,164	76,943	-	-	115,107
Scholarships and fellowships	4,624	2,822	\$ 63,814	-	71,260
Auxiliary enterprises	108,165	112,517	-	-	220,682
OSU Health System	735,218	560,632	-	-	1,295,850
OSU Physicians, Inc.	170,110	60,293	-	-	230,403
Depreciation	-	-	-	\$ 213,594	213,594
Total operating expenses	\$ 2,369,852	\$ 1,219,055	\$ 63,814	\$ 213,594	\$ 3,866,315

NOTE 13 — RETIREMENT PLANS

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

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

Defined Benefit Plans

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

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

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

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

OPERS currently provides postemployment health care benefits to retirees with ten or more years of qualifying service credit. These benefits are advance-funded on an actuarially determined basis and are financed through employer contributions and investment earnings. OPERS determines the amount, if any, of the associated health care costs that will be absorbed by OPERS. Under Ohio Revised Code (ORC), funding for medical costs paid from the funds of OPERS is included in the employer contribution rate. For the fiscal year ended December 31, 2008, OPERS allocated 7.0% of the employer contribution rate to fund the health care program for retirees.

The actuarial value of assets available for these benefits at December 31, 2007 (the date of the system's latest actuarial review) was \$12.8 billion. There were 363,503 active contributing participants in the OPERS Traditional Pension and Combined Pension plans (i.e. OPERS plans with post employment health coverage) as of December 31, 2008 and 364,076 active contributing participants used in the December 31, 2007 actuarial valuation.

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

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. HCPP incorporates a cafeteria approach, offering a broad range of health care options which allows benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the

excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

STRS Ohio currently provides access to health care coverage to retirees who participated in the deferred benefit or combined plans and their dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Pursuant to ORC, STRS Ohio has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of monthly premiums. Under ORC, medical costs paid from the funds of STRS Ohio are included in the employer contribution rate. For the fiscal year ended June 30, 2008, STRS Ohio allocated employer contributions equal to 1.0% of covered payroll to a Health Care Stabilization Fund (HCSF) from which payments for health care benefits are paid. The balance in the HCSF was \$3.7 billion at June 30, 2008.

STRS Ohio expenditures for postemployment health care benefits during the year ended June 30, 2008 were \$288.9 million. There were 126,506 benefit recipients eligible for postemployment benefits at that date.

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

Defined Contribution Plans

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

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

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

Combined Plans

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

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

Funding Policy

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

	STRS Ohio	OPERS	ARP
Faculty:			
Plan member (entire year)	10.00%		10.00%
university (entire year)	14.00%		14.00%*
Staff:			
Plan member (entire year)		10.00%	10.00%
university (entire year)		14.00%	14.00%**
Law enforcement staff:			
Plan member (entire year)		10.10%	10.10%
university (entire year)		17.40%	17.40%

* Employer contributions include 3.5% paid to STRS Ohio.

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

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

The university's contributions, which represent 100% of required employer contributions, for the year ended June 30, 2009 and for each of the two preceding years are as follows:

Year Ended June 30,	STRS Ohio Annual Required Contribution	OPERS Annual Required Contribution	ARP Annual Required Contribution
2007	\$ 45,252	\$ 110,958	\$ 32,726
2008	\$ 47,516	\$ 122,139	\$ 34,830
2009	\$ 50,227	\$ 132,620	\$ 36,924

OSU Physicians Retirement Plan

Retirement benefits are provided for the employees of OSU Physicians (OSUP) through a tax-sheltered 403(b) and 401(a) program administered by an insurance company. OSUP is required to make nondiscretionary contributions of no less than 7.5% under the Interim Retirement Plan; however, some subsidiaries make an additional discretionary contribution of up to 17.5%, for a range of total employer contributions of 7.5% to 25%. Employees are allowed, but not required, to make contributions to the 403(b) plan. OSUP's share of the cost of these benefits was \$15,598 and \$13,828 for the years ended June 30, 2009 and 2008, respectively.

NOTE 14 — CAPITAL PROJECT COMMITMENTS

At June 30, 2009, the university is committed to future contractual obligations for capital expenditures of approximately \$244,240.

These projects are funded by the following sources:

State appropriations	\$ 28,175
Internal and other sources	216,065
Total	<u>\$ 244,240</u>

NOTE 15 — CONTINGENCIES AND RISK MANAGEMENT

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

The university is self-insured for Hospitals professional malpractice liability, employee health benefits, and employee life, accidental death and dismemberment benefits. Additional details regarding these self-insurance arrangements are provided in Note 6. The university also carries commercial insurance policies for various property, casualty and excess liability risks. Over the past three years, settlement amounts related to these insured risks have not exceeded the university's coverage amounts.

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

NOTE 16 — FUNDS HELD IN TRUST BY OTHERS

The university is the beneficiary of and annually receives income from funds held in trust by other trustees. These funds are administered by outside trustees and are neither in the possession nor under the control of the university. The principal amount of these funds is not determinable at the present time.

NOTE 17 — SUBSEQUENT EVENT

The university issued a preliminary offering statement for \$241,170 in Fixed Rate General Receipts Bonds, Series 2010A, on January 6, 2010. The proceeds of this bond issue will be used to refund existing bond obligations and to pay costs for the issuance of the Series 2010A bonds. The Series 2010A bonds will have annual principal payments until final maturity on December 1, 2020 with an interest rate of 2.69%.

THE OHIO STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2009

Federal Agency	CFDA Number	Sponsor ID Number	Expenditures
Research and Development Cluster — Funds received directly from the following agencies			
Smithsonian Astrophysical Observatory	43.002	30060200	\$ 55,961
Appalachian Regional Commission	23.011	30070100	28,618
Veterans Affairs	64.30170000	30170000	43,489
Nuclear Regulatory Commission	77.006	30220000	179,160
Nuclear Regulatory Commission	77.008	30220000	297,268
Central Intelligence Agency	13.30350100	30350100	11,070
Federal Reserve Bank of Cleveland	18.31050100	31050100	1,005
Federal Reserve Bank of Boston	18.31050200	31050200	28,398
Environmental Protection Agency	66.202	32000000	45,906
Environmental Protection Agency	66.32000000	32000000	198,605
Environmental Protection Agency	66.469	32000000	377
Environmental Protection Agency	66.509	32000000	130,411
Environmental Protection Agency	66.510	32000000	(5,670)
Environmental Protection Agency	66.511	32000000	36,041
Environmental Protection Agency	66.516	32000000	54,023
Environmental Protection Agency	66.808	32000000	553
Nat Aeronautics & Space Admin	43.001	33000000	39,970
Nat Aeronautics & Space Admin	43.002	33000000	163,870
Nat Aeronautics & Space Admin	43.002	33000000	348,188
Nat Aeronautics & Space Admin	43.AAA	33000000	12,564
Langley Research Center	43.002	33000102	272,544
John Glenn Research Center-Lewis Field	43.002	33000104	524,672
John Glenn Research Center-Lewis Field	43.33000104	33000104	392,203
John Glenn Research Center-Lewis Field	43.AAA	33000104	836,114
NASA Headquarters	43.001	33000105	80,237
NASA Headquarters	43.002	33000105	525,739
NASA Headquarters	43.AAA	33000105	328,081
Johnson Space Center	43.002	33000202	170,149
Goddard Space Flight Center	43.001	33000301	27,758
Goddard Space Flight Center	43.002	33000301	1,332,799
Goddard Space Flight Center	43.33000301	33000301	33,236
Goddard Space Flight Center	43.AAA	33000301	26,354
Jet Propulsion Lab	43.002	33000303	273,561
Jet Propulsion Lab	43.33000303	33000303	61,482
National Space Biomedical Research Inst	43.AAA	33000305	199,131

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THE OHIO STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2009

Federal Agency	CFDA Number	Sponsor ID Number	Expenditures
National Endowment For The Humanities	45.163	34000100	\$ 202,042
National Endowment For The Humanities	45.169	34000100	11,286
Nat Science Foundation	47.014	35000000	50,742
Nat Science Foundation	47.041	35000000	441,229
Nat Science Foundation	47.047	35000000	152,840
Nat Science Foundation	47.049	35000000	4,116,670
Nat Science Foundation	47.050	35000000	440,940
Nat Science Foundation	47.070	35000000	429,619
Nat Science Foundation	47.074	35000000	1,332,144
Nat Science Foundation	47.075	35000000	1,623
Nat Science Foundation	47.076	35000000	234,296
Nat Science Foundation	47.078	35000000	73,728
NSF Biological Sciences	47.074	35000100	905,668
NSF Biological Instrumentation & Resources	47.074	35000101	(13,463)
NSF Integrative Organismal Biology	47.074	35000102	925,084
ARRA - NSF Integrative Organismal Biology	47.082	35000102	5,250
NSF Molecular & Cellular Biosciences	47.074	35000103	1,000,735
ARRA - NSF Molecular & Cellular Biosciences	47.082	35000103	12,785
ARRA - National Science Foundation Div of Molecular & Cellular Biosciences	47.082	35000103	331
NSF Environmental Biology	47.074	35000104	641,248
NSF Div Biological & Neural Sciences	47.074	35000105	(745)
NSF Social & Economic Sciences	47.075	35000106	219,256
NSF Biological Infrastructure	47.074	35000107	1,122,243
NSF Div Emerging Frontiers	47.074	35000108	136,021
NSF Computer & Info Sciences & Eng	47.070	35000200	838,196
NSF Div Computer & Computation Research	47.070	35000202	12,807
NSF Div Info Robotics & Intelligent Systems	47.070	35000203	497,205
NSF Div Advanced Scientific Computing	47.070	35000205	45,366
NSF Div of Computer & Network Systems	47.070	35000207	928,141
NSF Div Computing & Communication Fdn	47.070	35000208	724,240
NSF Engineering	47.041	35000300	410,815
NSF Div Engineering Education & Centers	47.041	35000302	3,202,868
NSF Div Chemical & Transport Systems	47.041	35000303	408,750
NSF DIV Elect, Comm, & Cyber Systems	47.041	35000305	515,044
NSF Div Design & Manufacturing Innovation	47.041	35000306	249,339

(Continued)

THE OHIO STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2009

Federal Agency	CFDA Number	Sponsor ID Number	Expenditures
NSF Div Bioengineering & Environmental	47.041	35000307	\$ 347,607
NSF Div Chem, Bioeng, Environ, & Trnsp	47.041	35000309	295,446
NSF Div Civil, Mechanical & Maufact Innv	47.041	35000310	330,876
NSF Industrial Innovation & Partnerships	47.041	35000311	46,519
NSF Div Atmospheric Sciences	47.050	35000401	629,850
NSF Div Earth Sciences	47.050	35000402	484,733
NSF Div Earth Sciences	47.070	35000402	7,011
NSF Div Earth Sciences	47.074	35000402	7,770
NSF Div Earth Sciences	47.082	35000402	838
ARRA - National Science Foundation Div of Earth Sciences	47.050	35000403	42,176
NSF Div Ocean Sciences	47.078	35000404	2,124,536
NSF Office of Polar Programs	47.049	35000501	3,404,490
NSF Div Mathematical Sciences	47.049	35000502	1,387,259
NSF Div Physics	47.049	35000503	1,582,530
NSF Div Chemistry	47.050	35000503	85,992
NSF Div Chemistry	47.082	35000503	245
ARRA - NSF Div Chemistry	47.049	35000504	2,295,057
NSF Div Materials Research	47.049	35000505	959,479
NSF Div Astronomical Sciences	47.076	35000600	697,041
NSF Education & Human Resources	47.076	35000600	9,224
NSF Education & Human Resources	47.070	35000604	51,483
NSF Div of Research Career Development	47.076	35000605	1,370,896
NSF Div Undergraduate Education	47.076	35000606	959,932
NSF Div Human Resource Development	47.076	35000607	2,391
NSF Elementary, Secondary & Informal Educ	47.076	35000611	1,358,981
NSF Div Graduate Educ & Res Development	47.076	35000612	(69)
NSF Div Res, Evaluation & Communication	47.075	35000801	1,741,683
NSF Social, Behavioral & Economic Res	47.075	35000803	67,088
NSF Office of International Science & Eng	47.075	35000804	129,561
NSF Behavioral & Cognitive Sciences	47.041	35001000	492,940
NSF Office of Cyberinfrastructure	47.080	35001000	255,433
NSF Office of Cyberinfrastructure	10.219	40000000	71,986
US Department of Agriculture	10.001	40020000	71,309
USDA Forest Service	10.40020000	40020000	110,110

(Continued)

THE OHIO STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2009

Federal Agency	CFDA Number	Sponsor ID Number	Expenditures
USDA Forest Service	10.652	40020000	\$ 205,128
USDA Forest Service	10.664	40020000	11,321
USDA Forest Service	10.673	40020000	8,736
USDA Forest Service	10.680	40020000	30,686
Agricultural Marketing Service	10.168	40030000	11,021
Coop State Res Educ & Extension Service	10.001	40040100	84,402
Coop State Res Educ & Extension Service	10.200	40040100	2,293,418
Coop State Res Educ & Extension Service	10.206	40040100	2,777,113
Coop State Res Educ & Extension Service	10.207	40040100	22,206
Coop State Res Educ & Extension Service	10.210	40040100	114,139
Coop State Res Educ & Extension Service	10.217	40040100	26,002
Coop State Res Educ & Extension Service	10.220	40040100	27,275
Coop State Res Educ & Extension Service	10.303	40040100	1,727,255
Coop State Res Educ & Extension Service	10.305	40040100	5,052
Coop State Res Educ & Extension Service	10.307	40040100	55,067
Coop State Res Educ & Extension Service	10.309	40040100	51,887
Coop State Res Educ & Extension Service	10.500	40040100	302,083
Coop State Res Educ & Extension Service	10.206	40040103	682,150
Nat Res Init Competitive Grants Program	10.001	40040200	1,084,896
USDA Agricultural Res Service	10.40040200		9,538
USDA Agricultural Res Service	10.001	40060000	16,556
Natural Resources Conservation Service	10.212	40060000	41,132
Natural Resources Conservation Service	10.902	40060000	28,974
Animal & Plant Health Inspection Service	10.025	40070000	214,702
Economic Research Service	10.250	40120000	68,068
Economic Research Service	10.253	40120000	51,315
USDA Rural Development	10.771	40190000	231,023
USDA Foreign Ag Serv	10.960	40200000	39,713
USDA Foreign Ag Serv	10.961	40200000	44,080
USDA Foreign Ag Serv	10.962	40200000	64,209
Nat Oceanic & Atmospheric Admin	11.417	42020000	1,456,455
Nat Oceanic & Atmospheric Admin	11.431	42020000	75,531
Nat Oceanic & Atmospheric Admin	11.432	42020000	21,567
Nat Oceanic & Atmospheric Admin	11.440	42020000	(55)

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THE OHIO STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2009

Federal Agency	CFDA Number	Sponsor ID Number	Expenditures
Nat Inst of Standards & Technology	11.609	42040000	\$ 22,290
US Department of Defense	12.420	50000000	621,054
US Department of Defense	12.50000000	50000000	16,906
Air Force	12.800	50010000	(26,393)
Air Force Materiel Command	12.50010100	50010100	603,337
Air Force Office of Scientific Research	12.300	50010105	437,358
Air Force Office of Scientific Research	12.50010105	50010105	13,054
Air Force Office of Scientific Research	12.630	50010105	1,552,010
Air Force Office of Scientific Research	12.800	50010105	4,738,208
Air Force Research Laboratory	12.50010126	50010126	1,599,698
Air Force Research Laboratory	12.800	50010126	46,067
Air Force Institute of Technology	12.50010201	50010201	163,214
Army	12.420	50020000	226,981
Army	12.50020000	50020000	17,570
Army Corps of Engineers	12.50020100	50020100	224,005
Army Corps of Engineers	84.031	50020100	100,955
Humphreys Engineer Ctr Support Activity	12.50020106	50020106	750,964
Army Research, Development and Eng Cmd	12.431	50020219	(13,005)
Army Research, Development and Eng Cmd	12.50020219	50020219	76,320
Army Medical Research & Materiel Command	12.420	50020301	836,597
Army Research Office	12.300	50020400	96,347
Army Research Office	12.431	50020400	1,360,154
Army Yuma Proving Ground	12.50022600	50022600	136,009
Army Medical Research Acquisition Activity	12.420	50022700	956,780
Navy	12.50040000	50040000	95,990
Naval Air Systems Command	12.50040101	50040101	(2,737)
Space & Naval Warfare Systems Center	12.50040110	50040110	(1,570)
Office of Naval Research	12.300	50040300	4,550,764
Naval Medical Center San Diego	12.50040600	50040600	111,314
Defense Advanced Res Projects Agency	12.431	50060000	131,666
Defense Advanced Res Projects Agency	12.910	50060000	58,085
Nat Geospatial-Intelligence Agency	12.50080000	50080000	30,793
Nat Geospatial-Intelligence Agency	12.630	50080000	836,475

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THE OHIO STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2009

Federal Agency	CFDA Number	Sponsor ID Number	Expenditures
Defense Logistics Agency	12.50130000	50130000	\$ 7,036
National Security Agency	12.50140000	50140000	193,403
National Security Agency	12.901	50140000	113,069
Uniformed Services Univ Health Sciences	12.50190000	50190000	140,464
National Reconnaissance Office	50200000	50200000	72,491
Defense Threat Reduction Agency	12.351	50220000	147,392
Counterintelligence Field Activity	12.50230000	50230000	42,616
US Department of Education	84.031	53000000	393,666
US Department of Education	84.047	53000000	627,403
US Department of Education	84.200	53000000	(1,447)
US Department of Education	84.224	53000000	517,649
US Department of Education	84.305	53000000	688,149
US Department of Education	84.324	53000000	865,556
US Department of Education	84.325	53000000	10,167
US Department of Education	84.327	53000000	268,207
Institute of Education Sciences	84.305	53020000	1,721,728
Institute of Education Sciences	84.324	53020000	36,064
Institute of Education Sciences	84.53020000	53020000	(135,369)
Office of Elementary & Secondary Education	84.350	53030000	18,224
Office of Postsecondary Education	84.015	53040000	663,612
Office of Postsecondary Education	84.047	53040000	265,701
Office of Postsecondary Education	84.220	53040000	354,674
Office of Postsecondary Education	84.229	53040000	259,070
Center for International Education	84.015	53040200	(4,469)
Office of Special Ed & Rehabilitative Svcs	84.325	53050000	185,993
Office of Special Ed & Rehabilitative Svcs	84.53050000	53050000	1,506
Office of Special Education Programs	84.324	53050100	91,063
Office of Special Education Programs	84.325	53050100	7,761
Nat Inst Disability & Rehabilitation Res	84.133	53050300	805,545
Nat Inst Disability & Rehabilitation Res	84.53050300	53050300	23,000
US Department of Energy	81.049	55000000	7,373,690
US Department of Energy	81.086	55000000	136,653
US Department of Energy	81.087	55000000	645,703
US Department of Energy	81.089	55000000	276,892

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THE OHIO STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2009

Federal Agency	CFDA Number	Sponsor ID Number	Expenditures
US Department of Energy	81.112	55000000	\$ 4,897
US Department of Energy	81.114	55000000	1,273
US Department of Energy	81.117	55000000	413,029
US Department of Energy	81.121	55000000	44,952
US Department of Energy	81.55000000	55000000	499,842
Oak Ridge National Lab	81.086	55110000	35,837
Nat Energy Tech Lab	81.057	55130000	3,649
Nat Energy Tech Lab	81.089	55130000	834,944
Nat Energy Tech Lab	81.117	55130000	103,923
Nat Energy Tech Lab	81.55130000	55130000	3,005
US Department of Health & Human Services	93.887	60000000	1,397,085
Agency for Healthcare Res & Quality	93.226	60041200	11,828
Food and Drug Administration	93.62000000	62000000	3,853
National Institutes of Health	93.113	64000000	246,366
National Institutes of Health	93.172	64000000	59,972
National Institutes of Health	93.173	64000000	136,852
National Institutes of Health	93.242	64000000	242,499
National Institutes of Health	93.395	64000000	33,526
National Institutes of Health	93.398	64000000	49,580
National Institutes of Health	93.64000000	64000000	3,263
National Institutes of Health	93.837	64000000	85,450
National Institutes of Health	93.853	64000000	(46,984)
National Institutes of Health	93.855	64000000	444,945
National Institutes of Health	93.856	64000000	217,915
National Institutes of Health	93.859	64000000	665,107
National Cancer Institute	93.393	64000002	8,876,291
National Cancer Institute	93.394	64000002	1,079,876
National Cancer Institute	93.395	64000002	15,082,862
National Cancer Institute	93.396	64000002	9,274,716
National Cancer Institute	93.397	64000002	5,267,441
National Cancer Institute	93.398	64000002	2,472,862
National Cancer Institute	93.399	64000002	1,463,363
National Cancer Institute	93.64000002	64000002	1,981,577
ARRA - National Cancer Institute	93.701	64000002	3,254

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THE OHIO STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2009

Federal Agency	CFDA Number	Sponsor ID Number	Expenditures
ARRA - National Cancer Institute	93.701	64000002	\$ 1,922
ARRA - National Cancer Institute	93.701	64000002	599
ARRA - National Cancer Institute	93.701	64000002	309
ARRA - National Cancer Institute	93.701	64000002	11,130
National Cancer Institute	93.941	64000002	186,435
National Cancer Institute	93.981	64000002	114,080
National Heart, Lung, and Blood Inst	93.64000003	64000003	2,010,283
ARRA - National Heart, Lung, and Blood Inst	93.701	64000003	5,606
ARRA - National Heart, Lung, and Blood Inst	93.701	64000003	4,115
National Heart, Lung, and Blood Inst	93.837	64000003	7,174,085
National Heart, Lung, and Blood Inst	93.838	64000003	3,477,782
National Heart, Lung, and Blood Inst	93.839	64000003	1,179,172
National Heart, Lung, and Blood Inst	96.838	64000003	111,752
ARRA - Nat Inst of Allergy & Infectious Diseases:	93.701	64000004	1,037
Nat Inst of Allergy & Infectious Diseases:	93.701	64000004	438
Nat Inst of Allergy & Infectious Diseases	93.855	64000004	9,502,295
Nat Inst of Allergy & Infectious Diseases	93.856	64000004	1,559,035
ARRA - National Institute of Diabetes and Digestive and Kidney Diseases	93.701	64000005	532
Nat In Diabetes & Digestive & Kidney Diseases	93.847	64000005	1,263,938
Nat In Diabetes & Digestive & Kidney Diseases	93.848	64000005	1,957,758
Nat In Diabetes & Digestive & Kidney Diseases	93.849	64000005	922,702
Nat Inst Child Health & HumanDevelopment	93.64000006	64000006	12,700
Nat Inst Child Health & HumanDevelopment	93.864	64000006	1,471,957
Nat Inst Child Health & HumanDevelopment	93.865	64000006	2,559,101
Nat Inst Gen Medical Sciences	93.929	64000006	(1,974)
Nat Inst Gen Medical Sciences	93.821	64000007	245,512
Nat Inst Gen Medical Sciences	93.859	64000007	9,207,165
Nat Inst Neurological Disorders & Stroke	93.862	64000007	527,701
Nat Inst Neurological Disorders & Stroke	93.310	64000008	32,790
ARRA - National Institute of Neurological Disorders and Stroke	93.64000008	64000008	686,371
Nat Inst Neurological Disorders & Stroke	93.701	64000008	622
Nat Inst Neurological Disorders & Stroke	93.853	64000008	6,549,336
Nat Inst Neurological Disorders & Stroke	95.853	64000008	42,386
ARRA - National Library of Medicine	93.701	64000009	542

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THE OHIO STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2009

Federal Agency	CFDA Number	Sponsor ID Number	Expenditures
Nat Center for Research Resources	93.306	64000010	\$ 113,695
Nat Center for Research Resources	93.389	64000010	7,788,209
ARRA - Nat Center for Research Resources	93.701	64000010	2,671
Nat Center for Research Resources	93.865	64000010	(9,007)
National Eye Institute	93.867	64000011	3,614,394
Nat Inst of Dental & Craniofacial Res	93.121	64000012	1,455,579
Nat Inst of Environ Health Scis	93.113	64000014	2,000,077
ARRA - National Institute on Aging	93.701	64000015	5,881
ARRA - National Institute on Aging	93.701	64000015	1,051
National Institute on Aging	93.866	64000015	2,662,007
John F Fogarty International Center	93.989	64000017	126,390
National Institute of Nursing Research	93.361	64000018	935,982
Nat In Arthritis & Musculoskeletal & Skin Diseases	93.846	64000019	3,093,215
Nat In Deafness & Other Communication Disorders	93.173	64000020	3,025,698
National Institute of Mental Health	93.242	64000021	3,941,444
National Institute of Mental Health	93.282	64000021	(1,667)
National Institute of Mental Health	93.278	64000022	9,545
National Institute on Drug Abuse	93.279	64000022	3,380,573
National Institute on Drug Abuse	93.64000022	64000022	1,040
National Institute on Drug Abuse	93.701	64000022	13,605
ARRA - National Institute on Drug Abuse	93.273	64000023	90,746
Nat Inst on Alcohol Abuse & Alcoholism	93.213	64000027	936,062
Nat Ctr Complementary & Alternatve Med	93.701	64000027	10,871
ARRA - Nat Ctr Complementary & Alternatve Med	93.701	64000027	712
ARRA - National Center for Complementary and Alternative Medicine	93.701	64000027	981
ARRA - Nat Ctr Complementary & Alternatve Med	93.286	64000028	2,501,133
Nat In Biomedical Imaging & Bioengineering	93.701	64000028	10,019
ARRA - Nat In Biomedical Imaging&Bioengineering	93.307	64000029	528,536
Nat Ctr Minority Hlth & Hlth Disparities	93.127	65000000	301,834
Health Resources & Services Admin	93.358	65000000	87,109
Health Resources & Services Admin	93.884	65000000	(2,721)
Health Resources & Services Admin	93.887	65000000	48,246
Bureau of Health Professions	93.964	65000001	10,496
Maternal & Child Health Bureau	93.110	65000005	318,506

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THE OHIO STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2009

Federal Agency	CFDA Number	Sponsor ID Number	Expenditures
Centers for Disease Control & Prevention	93.061	66000000	\$ 27,341
Centers for Disease Control & Prevention	93.262	66000000	405,971
Centers for Disease Control & Prevention	93.283	66000000	1,205,822
Nat Inst Occupational Safety & Health	93.262	66000001	336,340
Nat Inst Occupational Safety & Health	93.66000001	66000001	5,756
Admin Developmental Disabilities	93.956	66000001	36,760
Dept of Housing & Urban Dev	93.632	67000500	509,467
Dept of Housing & Urban Dev	14.506	70000000	16,798
US Fish and Wildlife Service	14.520	70000000	198
US Fish and Wildlife Service	15.228	72030000	40,836
US Fish and Wildlife Service	15.608	72030000	11,418
US Fish and Wildlife Service	15.642	72030000	21,550
US Geological Survey	15.805	72040000	75,682
National Park Service	15.923	72070000	4,192
National Institute of Justice	16.560	74040100	77,012
Bureau of Labor Statistics	17.76050000	76050000	565,954
US Department of Transportation	20.82000000	82000000	589,973
Federal Transit Administration	20.514	82020000	355,446
Federal Aviation Administration	20.108	82030000	646,324
Federal Aviation Administration	20.82030000	82030000	(16,320)
Nat Highway Traffic Safety Admin	20.82040000	82040000	189,194
Nat Highway Traffic Safety Admin	20.931	82040000	527,079
US Department of Homeland Security	97.077	86000000	77,353
			<u>242,044,502</u>

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

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THE OHIO STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2009

Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Sponsor I.D. Number	Pass-Through I.D. Number	Expenses
Research and Development Cluster — Pass-through from other sources:					
US Department of Energy	Eaton Corp	81.55000000	55000000	10010658	\$ 1,431
Nuclear Regulatory Commission	Edison Welding Inst Inc	77.006	30220000	10011218	92,279
DOE Nat Inst for Climatic Change Res	Edison Welding Inst Inc	81.55140000	55140000	10011218	39,214
Defense Advanced Res Projects Agency	AT&T Inc	12.910	50060000	10011298	50,500
Agency for International Development	Development Alternatives Inc	98.30300100	30300100	10011316	45,194
Air Force Research Laboratory	SAIC, Inc	12.50010126	50010126	10011324	68,464
Army	SAIC, Inc	12.50020000	50020000	10011324	102,650
National Cancer Institute	SAIC, Inc	93.64000002	64000002	10011324	1,385,302
US Department of Defense	General Dynamics Advanced Info Systems	12.50000000	50000000	10011383	12,675
Air Force	Universal Tech Corp	12.50010000	50010000	10011471	23,247
Air Force	Universal Tech Corp	12.800	50010000	10011471	1,961
Air Force Materiel Command	Universal Tech Corp	12.50010100	50010100	10011471	110,995
Army Aviation Applied Tech Directorate	Honeywell International Inc	12.630	50020218	10011512	316,803
US Department of Energy	Honeywell International Inc	81.55000000	55000000	10011512	175,848
US Department of Energy	Edison Materials Technology Center	81.087	55000000	10011518	150,038
Nat Inst Neurological Disorders & Stroke	Edison Materials Technology Center	81.55000000	55000000	10011518	51,788
Air Force Research Laboratory	Beth Israel Deaconess Medical Center	93.853	64000008	10011582	168
Nat Reconnaissance Office	Northrop Grumman Corp	12.800	50010126	10011657	241,927
Nat Inst of Standards & Technology	Northrop Grumman Corp	12.50200000	50200000	10011657	63,425
Air Force	General Electric Global Research	11.42040000	42040000	10011744	111,537
Nat Inst Neurological Disorders & Stroke	General Electric Aircraft Engines	12.50010000	50010000	10011756	193,098
Nat Ctr Complementary & Alternative Med	Mount Sinai Medical Center	93.853	64000008	10011783	32,608
Air Force Research Laboratory	Mount Sinai Medical Center	93.64000027	64000027	10011783	2,931
Army	Infoscitex Corporation	12.50010126	50010126	10011833	25,526
Army Natick Res, Dev & Eng Ctr	Infoscitex Corporation	12.50020000	50020000	10011833	94,628
Navy	Infoscitex Corporation	12.50020213	50020213	10011833	7,500
Army	Infoscitex Corporation	12.50040000	50040000	10011833	415
National Cancer Institute	Raytheon Co	12.50020000	50020000	10011847	368,793
Navy	Booz Allen Hamilton Inc	93.64000002	64000002	10011980	116,662
Nat Inst of Allergy & Infectious Diseases	Andro Computational Solutions, LLC	12.50040000	50040000	10011996	24,576
Army	Social & Scientific Systems, Inc	93.64000004	64000004	10012044	54,074
US Department of Energy	Southwest Sciences, Inc	12.50020000	50020000	10012061	4,266
	US Automotive Material Partnership	81.55000000	55000000	10012073	59,487

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THE OHIO STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2009

Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Sponsor I.D. Number	Pass-Through I.D. Number	Expenses
Defense Advanced Res Projects Agency	Celgene Corp	12.50060000	50060000	10012174	\$ 129,122
Air Force Office of Scientific Research	CFD Research Corp	12.630	50010105	10012258	39,289
Nat Science Foundation	OG Technologies, Inc	47.041	35000000	10012262	99,457
NSF Engineering	OG Technologies, Inc	47.041	35000300	10012262	(425)
US Department of Energy	Environ Energy	81.55000000	55000000	10012272	2,749
US Department of Defense	Advanced Tech Inst	12.50000000	50000000	10012322	100,365
Defense Logistics Agency	Advanced Tech Inst	12.50130000	50130000	10012322	148,210
US Department of Energy	Advanced Tech Inst	81.55000000	55000000	10012322	36,788
Nat Science Foundation	BBNT Solutions, LLC	47.070	35000000	10012357	101,294
Air Force Research Laboratory	Arinc Incorporated	12.50010126	50010126	10012359	7,335
US Department of Energy	Makel Engineering, Inc	81.55000000	55000000	10012377	1,657
Air Force Office of Scientific Research	Syntonics LLC	12.50010105	50010105	10012399	13,347
Air Force Research Laboratory	Syntonics LLC	12.50010126	50010126	10012399	6,413
Navy	Syntonics LLC	12.50040000	50040000	10012399	54,686
Naval Air Warfare Ctr Aircraft Div	Syntonics LLC	12.50041600	50041600	10012399	68,018
Air Force	Syntonics LLC	12.50010000	50010000	10012402	270,000
Air Force Materiel Command	General Dynamics Information Technology	12.50010100	50010100	10012402	(685)
Air Force Research Laboratory	General Dynamics Information Technology	12.50010126	50010126	10012402	6,745
Air Force	General Dynamics Information Technology	12.50010000	50010000	10012411	92,396
Army	Applied EM, Inc	12.50020000	50020000	10012411	102,869
Navy	Applied EM, Inc	12.50040000	50040000	10012411	305,101
Naval Air Systems Cmd	Applied EM, Inc	12.50040101	50040101	10012411	339
Defense Advanced Res Projects Agency	Applied EM, Inc	12.50060000	50060000	10012438	238,965
National Institute of Mental Health	Smart Transitions LLC	93.242	64000021	10012485	(120)
Defense Advanced Res Projects Agency	Passive Motion Therapeutics Inc	12.50060000	50060000	10012505	(743)
Air Force Research Laboratory	RNET Technologies	12.50010126	50010126	10012514	19,699
US Department of Energy	Luna Innovations Inc	81.049	55000000	10012514	179
Air Force Research Laboratory	Luna Innovations Inc	12.50010126	50010126	10012523	59,776
Navy	SET Associates Corp	12.50040000	50040000	10012523	33,254
National Institutes of Health	SET Associates Corp	93.64000000	64000000	10012566	(116)
US Department of Energy	Lynntech, Inc	81.55000000	55000000	10012568	417,534
Air Force Research Laboratory	General Atomics	81.049	50010126	10012569	8,717
Air Force Office of Scientific Research	Kitware, Inc	12.50010105	50010105	10012693	29,141
National Cancer Institute	Trilion Quality Systems	93.393	64000002	10012707	18,914
National Institutes of Health	Klein Buendel, Inc	93.64000000	64000000	10012728	41,722
National Eye Institute	Fisher BioServices, Inc	93.64000011	64000011	10012757	10,505
	The EMMES Corp				

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2009

Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Sponsor I.D. Number	Pass-Through I.D. Number	Expenses
Air Force Research Laboratory	SRA International, Inc	12.50010126	50010126	10012759	\$ 168,131
US Department of Defense	Impact Technologies LLC	12.50000000	50000000	10012771	28,673
Defense Advanced Res Projects Agency	Surmet Corporation	12.50060000	50060000	10012790	203,531
Army	Elimtrix	12.50020000	50020000	10012795	53,822
Air Force	Intelligent Fiber Optic Systems	12.50010000	50010000	10012824	37,839
Army Space and Missile Def Cmd	Wang Electro-Opto Corporation	12.50022500	50022500	10012847	28,162
US Department of Energy	Robert C McCune and Associates, LLC	81.049	55000000	10012851	22,968
US Department of Energy	Robert C McCune and Associates, LLC	81.086	55000000	10012851	(5,154)
Nat Science Foundation	Interlaken Technology Corporation	47.35000000	35000000	10012853	34,993
Army Research Office	Alion Science and Technology Corporation	12.50020400	50020400	10012855	827,094
Air Force Research Laboratory	Jacobs Technology Inc	12.50010126	50010126	10012861	37,341
John Glenn Research Center-Lewis Field	ASRC Aerospace Corporation	43.33000104	33000104	10012863	40,313
Air Force	Mandaree Enterprise Corporation	12.50010000	50010000	10012865	291,872
Air Force Office of Scientific Research	Judd Strategic Technologies, LLC	12.50010105	50010105	10012879	108,809
US Department of Energy	SupraMagnetics, Inc	81.049	55000000	10012900	19,966
National Heart, Lung, and Blood Inst	New England Research Institutes	93.64000003	64000003	10012918	1,411
Navy	MARK Resources, Inc	12.50040000	50040000	10012927	2,129
Navy	Coalescent Technologies Corporation	12.50040000	50040000	10012933	43
Air Force	Mesoscribe Technologies, Inc.	12.50010000	50010000	10012940	23,838
National Academy of Sciences	Jacobs Consultancy	0.31020000	31020000	10012956	58,570
Army Natick Res, Dev & Eng Ctr	Appleton	12.50020213	50020213	10012985	17,710
Navy	ATI, Inc	12.50040000	50040000	10012989	25,954
United States Navy	Boulder Nonlinear Systems, Inc.	12.50040000	50040000	10013029	33
Nat Science Foundation	Bioprocessing Innovative Co Inc	47.041	35000000	10020039	(250)
NSF Industrial Innovation & Partnerships	Bioprocessing Innovative Co Inc	47.041	35000311	10020039	33,086
US Department of Agriculture	Bioprocessing Innovative Co Inc	10.40000000	40000000	10020039	(137)
Coop State Res Educ & Extension Service	Bioprocessing Innovative Co Inc	10.212	40040100	10020039	35,456
USDA Agricultural Res Service	Bioprocessing Innovative Co Inc	10.40040200	40040200	10020039	103
NASA Headquarters	Bioprocessing Innovative Co Inc	43.33000105	33000105	10020096	15,813
Air Force	Innovative Scientific Solutions Inc	12.50010000	50010000	10020096	93,104
John Glenn Research Center-Lewis Field	Innovative Scientific Solutions Inc	43.33000104	33000104	10020102	1,178
US Department of Energy	Hyper Tech Res Inc	81.049	55000000	10020102	115
US Department of Energy	Hyper Tech Res Inc	81.55000000	55000000	10020102	229,730
Nat In Biomedical Imaging & Bioengineering	Hyper Tech Res Inc	93.64000028	64000028	10020102	47,433
US Department of Energy	Global Res & Dev Inc	81.049	55000000	10020103	(662)
US Department of Energy	Global Res & Dev Inc	81.55000000	55000000	10020103	20,000

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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Sponsor I.D. Number	Pass-Through I.D. Number	Expenses
Nat Inst Neurological Disorders & Stroke	Oncimmune Ltd	93.853	64000008	10020111	\$ 55,811
Nat Science Foundation	Metamateria Partners, LLC	47.041	35000000	10020129	43,822
US Department of Energy	Metamateria Partners, LLC	81.55000000	55000000	10020129	47,500
Defense Advanced Res Projects Agency	Srico, Inc	12.50060000	50060000	10020134	1,418
US Department of Health & Human Services	EnteraTech, Inc	93.847	60000000	10020162	2,114
Nat Science Foundation	BioLOC, LLC	47.041	35000000	10020164	7,155
National Cancer Institute	Columbus NanoWorks, Inc	93.395	64000002	10020170	178,062
Air Force Research Laboratory	MacAulay-Brown, Inc	12.50010126	50010126	10020184	106,897
Air Force Research Laboratory	RBS Technologies, LLC	12.50010126	50010126	10020203	67,839
Air Force Research Laboratory	Spectral Energies, LLC	12.800	50010126	10020205	19,564
Defense Advanced Res Projects Agency	Arteriocyte, Inc	12.50060000	50060000	10020226	119,665
Nat Heart, Lung, and Blood Inst	Arteriocyte, Inc	93.839	64000003	10020226	86,254
Nat Energy Tech Lab	Tech4Imaging LLC	81.089	55130000	10020227	4,718
NASA Headquarters	BAE Systems	43.33000105	33000105	10030070	47,579
Nat Inst of Allergy & Infectious Diseases	EluSys Therapeutics, Inc.	93.64000004	64000004	10040143	274,532
National Institutes of Health	NanoMed Pharmaceuticals, Inc	93.213	64000000	10040148	90
Agency for Healthcare Res & Quality	Research Institute at Nationwide Childrn	93.226	60041200	20010182	7,246
National Institutes of Health	Research Institute at Nationwide Childrn	93.173	64000000	20010182	204,691
National Institutes of Health	Research Institute at Nationwide Childrn	93.855	64000000	20010182	6,939
National Institutes of Health	Research Institute at Nationwide Childrn	93.865	64000000	20010182	5,940
National Cancer Institute	Research Institute at Nationwide Childrn	93.395	64000002	20010182	39,286
Nat Inst Child Health & Human Development	Research Institute at Nationwide Childrn	93.865	64000006	20010182	8,928
Nat Inst Neurological Disorders & Stroke	Research Institute at Nationwide Childrn	93.853	64000008	20010182	24,160
National Institute of Mental Health	Research Institute at Nationwide Childrn	93.242	64000021	20010182	10,000
Centers for Disease Control & Prevention	Research Institute at Nationwide Childrn	93.262	66000000	20010182	5,275
Nat Inst Occupational Safety & Health	Research Institute at Nationwide Childrn	93.262	66000001	20010182	12,927
National Cancer Institute	Mayo Fdn for Medical Educ & Res	93.395	64000002	20010289	302,212
National Cancer Institute	Mayo Fdn for Medical Educ & Res	93.64000002	64000002	20010289	334
Nat Inst Neurological Disorders & Stroke	Mayo Fdn for Medical Educ & Res	93.853	64000008	20010289	288
Army Medical Res & Materiel Command	Cleveland Clinic Fdn	12.420	50020301	20010421	(7,988)
National Institutes of Health	Cleveland Clinic Fdn	93.395	64000000	20010421	(8,172)
National Institutes of Health	Cleveland Clinic Fdn	93.855	64000000	20010421	253,930
National Cancer Institute	Cleveland Clinic Fdn	93.394	64000002	20010421	131,839
National Cancer Institute	Cleveland Clinic Fdn	93.396	64000002	20010421	28,995
Nat In Biomedical Imaging & Bioengineering	Cleveland Clinic Fdn	93.286	64000028	20010421	44,144
Army Medical Res Acquisition Activity	Henry M Jackson Fdn	12.50022700	50022700	20010473	11,071

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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Sponsor I.D. Number	Pass-Through I.D. Number	Expenses
National Cancer Institute	NSABP Fdn Inc	93.395	64000002	20010527	\$ 47,247
National Cancer Institute	Fdn for the Childrens Oncology	93.395	64000002	20010553	84,930
Nat Science Foundation	The Shodor Educ Fdn, Inc	47.076	35000000	20012131	10,368
Army	Henry M Jackson Fdn for the Advn Mil Med	12.420	50020000	20012161	38,134
Uniformed Services Univ Health Sciences	Henry M Jackson Fdn for the Advn Mil Med	12.50190000	50190000	20012161	121,942
US Department of Defense	Battelle Memorial Inst	12.401	50000000	20020012	61,632
Army Tank Command	Battelle Memorial Inst	12.630	50020204	20020012	187,491
Navy	Battelle Memorial Inst	12.50040000	50040000	20020012	88,707
US Department of Energy	Battelle Memorial Inst	81.089	55000000	20020012	26,987
US Department of Energy	Battelle Memorial Inst	81.55000000	55000000	20020012	171,149
Nat Inst of Allergy & Infectious Diseases	Battelle Memorial Inst	93.855	64000004	20020012	45,475
National Cancer Institute	Gynecologic Oncology Group	93.395	64000002	20020024	101,603
National Heart, Lung, and Blood Inst	Am Lung Assn	93.838	64000003	20020041	190,509
US Election Assistance Commission	Research Triangle Inst	90.30540000	30540000	20020058	9,228
Small Business Administration	Ohio Business Dev Org	59.037	30140000	20020062	29,424
Agency for International Development	American Council on Education	98.012	30300100	20020078	55,177
Army Aviation Applied Tech Directorate	Ctr for Rotorcraft Innovation	12.300	50020218	20020103	187,861
Office of Naval Research	Woods Hole Oceanographic Inst	12.300	50040300	20020744	33,478
Environmental Protection Agency	Health Effects Institute	66.001	32000000	20020758	23,544
NSF Div Atmospheric Sciences	Univ Corp for Atmospheric Research	47.050	35000401	20020793	67,764
NSF Div Mathematical Sciences	Univ Corp for Atmospheric Research	47.049	35000501	20020793	31,958
US Department of Energy	Nat Renewable Energy Lab	81.55000000	55000000	20020800	48,599
National Cancer Institute	American College of Radiology	93.395	64000002	20020917	472
Bureau of Labor Statistics	Nat Opinion Research Center	17.76050000	76050000	20020932	5,625,752
Nat Aeronautics & Space Admin	Space Telescope Sci Inst	43.33000000	33000000	20021006	172,028
NASA Headquarters	Space Telescope Sci Inst	43.33000105	33000105	20021006	12,120
Maternal & Child Health Bureau	Hemophilia Fdn of Michigan	93.110	65000005	20021026	14,863
Centers for Disease Control & Prevention	Hemophilia Fdn of Michigan	93.283	66000000	20021026	24,998
US Department of Agriculture	Great Lakes Commission	10.902	40000000	20021027	16,780
Environmental Protection Agency	Consortium Plant Biotechnology Res Inc	66.500	32000000	20021036	2,110
US Department of Energy	Consortium Plant Biotechnology Res Inc	81.087	55000000	20021036	47,628
Navy	Ohio Aerospace Inst	12.50040000	50040000	20021048	100,231
US Department of Energy	Pacific Northwest National Laboratory	81.121	55000000	20021070	5,667
US Department of Energy	Pacific Northwest National Laboratory	81.55000000	55000000	20021070	101,715
Defense Advanced Res Projects Agency	American Museum of Natural History	12.431	50060000	20021138	349,062
Nat In Deafness & Other Commcnctn Disorders	Childrens Hospital of Pittsburgh	93.173	64000020	20021140	101,783

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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Sponsor I.D. Number	Pass-Through I.D. Number	Expenses
National Institutes of Health	Brigham & Womens Hosp Inc	93.853	64000000	20021152	\$ 680
National Heart, Lung, and Blood Inst	Brigham & Womens Hosp Inc	93.837	64000003	20021152	(671)
National Eye Institute	Brigham & Womens Hosp Inc	93.867	64000011	20021152	34,209
US Department of Energy	Oak Ridge Associated Universities	81.55000000	55000000	20021205	15,028
Nat Inst Child Health & Human Development	Rand Corp	93.865	64000006	20021340	1,032,501
US Department of Education	Rehabilitation Institute Of Chicago	84.133	53000000	20021341	29,399
Centers for Disease Control & Prevention	Assn of Schools of Public Health	93.283	66000000	20021358	684
US Department of Education	Nat Writing Project Corp	84.928	53000000	20021378	78,129
National Eye Institute	Jaeb Center for Health Research	93.867	64000011	20021387	10,383
NSF Div of Research on Learning	Am Educ Res Assn	47.076	35000613	20021421	12,780
National Cancer Institute	Dana-Farber Cancer Inst	93.393	64000002	20021438	15,904
US Department of Education	Carolinas HealthCare System	84.53000000	53000000	20021451	42,959
US Department of Defense	Concurrent Technologies Corp	12.50000000	50000000	20021460	868
US Department of Energy	Universities Res Assn Inc	81.55000000	55000000	20021485	28,674
US Department of Energy	UT-Battelle LLC	81.121	55000000	20021486	7,500
Nat In Diabetes & Digestive & Kidney Diseases	Rhode Island Hosp	93.849	64000005	20021502	144,858
Nat In Arthritis & Musculoskeletal & Skin Diseases	Tufts-New England Medical Ctr	93.846	64000019	20021543	38,550
Nat Inst Disability & Rehabilitation Research	Institute for Rehabilitation & Research	84.224	53050300	20021559	10,094
National Cancer Institute	Roswell Park Cancer Institute	93.395	64000002	20021570	6,646
Public Health Service	Nat Marrow Donor Prog	93.839	60040000	20021576	6,604
Air Force	Wright Brothers Inst, Inc	12.800	50010000	20021585	(28)
Air Force Research Laboratory	Wright Brothers Inst, Inc	12.50010126	50010126	20021585	585,672
National Cancer Institute	Massachusetts General Hospital	93.395	64000002	20021587	311,027
Nat Inst Neurological Disorders & Stroke	Massachusetts General Hospital	93.853	64000008	20021587	200
Agency for Healthcare Res & Quality	Summa Health System	93.226	60041200	20021593	108,095
US Department of Energy	Brookhaven Sci Assoc, LLC	81.55000000	55000000	20021624	122,478
National Cancer Institute	Cincinnati Childrens Hos Med Ctr	93.395	64000002	20021628	2,788
National Heart, Lung, and Blood Inst	Cincinnati Childrens Hos Med Ctr	93.839	64000003	20021628	3,891
US Department of Energy	Battelle Energy Alliance, LLC	81.049	55000000	20021641	138,679
US Department of Energy	Battelle Energy Alliance, LLC	81.55000000	55000000	20021641	102,970
Air Force Office of Scientific Research	Advanced Virtual Engine Test Cell, Inc	12.50010105	50010105	20021654	(6,028)
Air Force Office of Scientific Research	Advanced Virtual Engine Test Cell, Inc	12.800	50010105	20021654	30,000
US Department of Defense	Institute of International Education	12.50000000	50000000	20021662	2,418,640
Agency for International Development	Higher Education for Development	98.012	30300100	20021686	54,469
Agency for Healthcare Res & Quality	Health Research & Educational Trust	93.60041200	60041200	20021687	28,845
Nat Science Foundation	UNAVCO, Inc	47.050	35000000	20021693	45,034

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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Sponsor I.D. Number	Pass-Through I.D. Number	Expenses
National Institutes of Health	Legacy Good Samaritan Devers Eye Inst	93.867	64000000	20021700	\$ 7,660
Nat Science Foundation	Association for Institutional Research	47.076	35000000	20021711	(65)
Nat Oceanic & Atmospheric Admin	Chagrin River Watershed Partners, Inc	11.419	42020000	20021715	22,952
US Department of Energy	Univ of Chicago Argonne, LLC	81.55000000	55000000	20021718	10,986
National Institutes of Health	Fred Hutchinson Cancer Research Center	93.172	64000000	20021734	4,902
National Institute of Mental Health	Sloan-Kettering Institute	93.242	64000021	20021747	68,278
National Park Service	Ohio Historical Society	19.504	72070000	20021752	7,751
US Department of Homeland Security	Battelle National Biodefense Institute	97.86000000	86000000	20021794	31,113
National Heart, Lung, and Blood Inst	Jewish General Hospital	93.837	64000003	20021801	196,535
Centers for Disease Control & Prevention	Assn of Public Health Laboratories	93.283	66000000	20021813	22,960
NSF Div of Research on Learning	The Algebra Project	47.076	35000613	20021829	17,139
US Department of Energy	Alliance for Sustainable Energy, LLC	81.55000000	55000000	20021831	38,956
National Cancer Institute	Weill Cornell Medical College	93.64000002	64000002	20021833	147,771
Nat Inst Gen Medical Scis	Univ of Kansas Center for Research, Inc	93.859	64000007	20021845	29,178
Army Research Office	Massachusetts Inst Tech	12.431	50020400	22000001	74,644
Army Research Office	Massachusetts Inst Tech	12.50020400	50020400	22000001	13,794
US Department of Energy	Massachusetts Inst Tech	81.121	55000000	22000001	229,799
Nat Science Foundation	Purdue Univ	47.070	35000000	22000002	66,092
NSF Div of Computer & Network Systems	Purdue Univ	47.070	35000207	22000002	37,135
US Department of Agriculture	Purdue Univ	10.206	40000000	22000002	(47)
US Department of Agriculture	Purdue Univ	10.217	40000000	22000002	10,213
Coop State Res Educ & Extension Service	Purdue Univ	10.206	40040100	22000002	56,823
Coop State Res Educ & Extension Service	Purdue Univ	10.500	40040100	22000002	(812)
USDA Agricultural Res Service	Purdue Univ	10.303	40040200	22000002	28,697
US Department of Energy	Purdue Univ	81.121	55000000	22000002	72,161
US Department of Energy	Purdue Univ	81.55000000	55000000	22000002	(193)
National Institutes of Health	Purdue Univ	93.173	64000000	22000002	107,464
National Cancer Institute	Purdue Univ	93.393	64000002	22000002	9,895
National Cancer Institute	Purdue Univ	93.399	64000002	22000002	142,282
US Department of Transportation	Purdue Univ	20.701	82000000	22000002	266,106
NSF Div Mathematical Sciences	Rutgers Univ	47.049	35000501	22000003	47,833
US Department of Agriculture	Rutgers Univ	10.303	40000000	22000003	27,310
National Cancer Institute	Rutgers Univ	93.399	64000002	22000003	(1,128)
National Institutes of Health	Univ of Medic & Dentistry of New Jersey	93.879	64000000	22000004	35,744
National Institute of Nursing Research	Univ of Medic & Dentistry of New Jersey	93.361	64000018	22000004	27,509
National Aeronautics and Space Administration	Univ of Michigan	43.002	33000000	22000005	(1,084)

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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Sponsor I.D. Number	Pass-Through I.D. Number	Expenses
NASA Headquarters	Univ of Michigan	43.002	33000105	22000005	\$ 95,486
Nat Science Foundation	Univ of Michigan	47.076	35000000	22000005	33,554
NSF Social, Behavioral & Economic Sci	Univ of Michigan	47.075	35000800	22000005	198
Nat Oceanic & Atmospheric Admin	Univ of Michigan	11.417	42020000	22000005	104,891
Nat Oceanic & Atmospheric Admin	Univ of Michigan	11.432	42020000	22000005	45,509
Air Force Research Laboratory	Univ of Michigan	12.800	50010126	22000005	53,099
Navy	Univ of Michigan	12.50040000	50040000	22000005	119,552
Office of Naval Research	Univ of Michigan	12.300	50040300	22000005	51,547
National Cancer Institute	Univ of Michigan	93.396	64000002	22000005	45,589
Nat In Biomedical Imaging & Bioengineering	Univ of Michigan	93.286	64000028	22000005	130,102
Environmental Protection Agency	Univ of Wisconsin	10.303	32000000	22000006	4,344
US Department of Agriculture	Univ of Wisconsin	10.303	40000000	22000006	66,418
Coop State Res Educ & Extension Service	Univ of Wisconsin	10.200	40040100	22000006	7,160
Coop State Res Educ & Extension Service	Univ of Wisconsin	10.500	40040100	22000006	379
National Institutes of Health	Univ of Wisconsin	93.865	64000000	22000006	131,970
Nat Inst Gen Medical Sciences	Univ of Wisconsin	93.859	64000007	22000006	444
Nat In Deafness & Other Communctn Disorders	Univ of Wisconsin	93.173	64000020	22000006	20,628
Coop State Res Educ & Extension Service	University of Illinois	10.303	40040100	22000009	10,505
USDA Agricultural Res Service	University of Illinois	15.625	40040200	22000009	10,596
Natural Resources Conservation Service	University of Illinois	10.902	40060000	22000009	30,248
Extension Service (USDA)	University of Illinois	10.217	40140000	22000009	1,256
Defense Threat Reduction Agency	University of Illinois	12.351	50220000	22000009	158,621
US Department of Energy	University of Illinois	81.086	55000000	22000009	31,513
National Institutes of Health	University of Illinois	93.859	64000000	22000009	27,092
National Institutes of Health	University of Illinois	93.865	64000000	22000009	15,412
National Cancer Institute	University of Illinois	93.393	64000002	22000009	208,556
Coop State Res Educ & Extension Service	Univ of Tennessee	10.206	40040100	22000010	50,914
National Institutes of Health	Univ of Tennessee	93.849	64000000	22000010	(1,542)
Nat Science Foundation	Univ of California	47.049	35000000	22000011	(14,089)
Office of Naval Research	Univ of California	12.300	50040300	22000011	115,657
US Department of Energy	Univ of California	81.049	55000000	22000011	38,703
US Department of Energy	Univ of California	81.049	55000000	22000011	14,260
Nat Inst of Allergy & Infectious Diseases	Univ of California	81.55000000	55000000	22000011	57,218
Nat Science Foundation	Indiana Univ	93.855	64000004	22000012	12,727
Nat Science Foundation	Univ of California-Davis	47.049	35000000	22000013	12,727
Nat Science Foundation	Univ of California-Davis	47.070	35000000	22000013	37,977
US Department of Agriculture	Univ of California-Davis	10.206	40000000	22000013	3,385

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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Sponsor I.D. Number	Pass-Through I.D. Number	Expenses
Economic Research Service	Univ of California-Davis	10.250	40120000	22000013	\$ 23,649
Nat Science Foundation	Univ of Chicago	47.070	35000000	22000018	5,000
Institute of Education Sciences	Univ of Chicago	84.305	53020000	22000018	98,639
National Institutes of Health	Univ of Chicago	93.395	64000000	22000018	36,442
National Cancer Institute	Univ of Chicago	93.393	64000002	22000018	218
National Cancer Institute	Univ of Chicago	93.394	64000002	22000018	327,353
National Cancer Institute	Univ of Chicago	93.395	64000002	22000018	915,477
National Cancer Institute	Univ of Chicago	93.399	64000002	22000018	102,965
National Cancer Institute	Univ of Chicago	93.64000002	64000002	22000018	475,876
Nat Inst of Allergy & Infectious Diseases	Univ of Chicago	93.855	64000004	22000018	107,131
Nat Inst of Allergy & Infectious Diseases	Univ of Chicago	93.856	64000004	22000018	542,150
Agency for International Development	Virginia Polytechnic Inst	98.001	30300100	22000023	310,822
Agency for International Development	Virginia Polytechnic Inst	98.30300100	30300100	22000023	117
NSF Biological Instrumentation & Resources	Virginia Polytechnic Inst	47.074	35000101	22000023	26,619
Nat Inst Child Health & Human Development	George Washington Univ	93.64000006	64000006	22000025	88,300
Army Aviation Applied Tech Directorate	Pennsylvania State Univ	12.630	50020218	22000030	86,165
Army Research Office	Pennsylvania State Univ	12.431	50020400	22000030	76,572
Office of Naval Research	Pennsylvania State Univ	12.300	50040300	22000030	135,107
US Department of Energy	Pennsylvania State Univ	81.114	55000000	22000030	12,402
National Institutes of Health	Pennsylvania State Univ	93.172	64000000	22000030	13,534
National Institutes of Health	Pennsylvania State Univ	93.279	64000000	22000030	43,280
Nat Inst of Allergy & Infectious Diseases	Pennsylvania State Univ	93.856	64000004	22000030	26,000
Nat In Diabetes & Digestive & Kidney Diseases	Pennsylvania State Univ	93.847	64000005	22000030	5,252
National Cancer Institute	Wayne State Univ	93.64000002	64000002	22000034	144,119
National Institutes of Health	Univ of Pittsburgh	93.837	64000000	22000036	265
National Institutes of Health	Univ of Pittsburgh	93.848	64000000	22000036	68,752
National Heart, Lung, and Blood Inst	Univ of Pittsburgh	93.837	64000003	22000036	13,656
National Heart, Lung, and Blood Inst	Univ of Pittsburgh	93.849	64000003	22000036	35,645
Goddard Space Flight Center	University Of Colorado	43.002	33000301	22000039	1,069
NSF Ofc Polar Programs	University Of Colorado	47.078	35000404	22000039	30,030
US Department of Energy	University Of Colorado	81.049	55000000	22000039	22,648
National Institute of Nursing Research	University Of Colorado	93.361	64000018	22000039	136
Nat In Arthritis & Musculoskeletal & Skin Diseases	Northwestern University	93.846	64000019	22000041	81,263
US Department of Defense	The State University of New York	12.800	50000000	22000042	16,000
NSF Biological Instrumentation & Resources	Michigan State Univ	47.074	35000101	22000044	31,829
US Department of Agriculture	Michigan State Univ	10.200	40000000	22000044	87,255

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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Sponsor I.D. Number	Pass-Through I.D. Number	Expenses
US Department of Agriculture	Michigan State Univ	10.206	40000000	22000044	\$ 52,348
US Department of Agriculture	Michigan State Univ	10.217	40000000	22000044	30,443
Coop State Res Educ & Extension Service	Michigan State Univ	10.200	40040100	22000044	72,560
Coop State Res Educ & Extension Service	Michigan State Univ	10.206	40040100	22000044	121,814
Coop State Res Educ & Extension Service	Michigan State Univ	10.304	40040100	22000044	62,936
USDA Agricultural Res Service	Michigan State Univ	10.001	40040200	22000044	439
USDA Agricultural Res Service	Michigan State Univ	10.200	40040200	22000044	7,799
USDA Agricultural Res Service	Michigan State Univ	10.206	40040200	22000044	61,796
Risk Management Agency (USDA)	Michigan State Univ	10.547	40180000	22000044	7,692
National Institute of Mental Health	Michigan State Univ	93.242	64000021	22000044	5,247
US Department of Agriculture	Iowa State Univ	10.40000000	40000000	22000047	(5,131)
Coop State Res Educ & Extension Service	Iowa State Univ	10.200	40040100	22000047	(18,221)
Coop State Res Educ & Extension Service	Iowa State Univ	10.203	40040100	22000047	638
Coop State Res Educ & Extension Service	Iowa State Univ	10.206	40040100	22000047	12,824
USDA Agricultural Res Service	Iowa State Univ	10.203	40040200	22000047	(3)
Coop State Res Educ & Extension Service	Univ of Maine at Orono	10.200	40040100	22000048	2,369
NSF Integrative Organismal Biology	Miami Univ	47.074	35000102	22000049	12,621
USDA Agricultural Res Service	Miami Univ	10.206	40040200	22000049	(8,826)
Coop State Res Educ & Extension Service	Texas A & M Univ	10.40040100	40040100	22000053	4,130
Nat Oceanic & Atmospheric Admin	Texas A & M Univ	11.417	42020000	22000053	14,035
Nat Aeronautics & Space Admin	California Inst of Tech	43.33000000	33000000	22000054	61,195
Jet Propulsion Lab	California Inst of Tech	43.002	33000303	22000054	58,704
Jet Propulsion Lab	California Inst of Tech	43.33000303	33000303	22000054	52,515
Coop State Res Educ & Extension Service	Southern Illinois Univ	10.200	40040100	22000055	8,015
Coop State Res Educ & Extension Service	Kansas State Univ	10.206	40040100	22000062	13,312
Nat Inst of Allergy & Infectious Diseases	Kansas State Univ	93.855	64000004	22000062	34,687
Nat Science Foundation	Univ of Minnesota	47.041	35000000	22000067	13,317
NSF Div Res, Evaluation & Communication	Univ of Minnesota	47.076	35000612	22000067	3,078
Coop State Res Educ & Extension Service	Univ of Minnesota	10.200	40040100	22000067	66,778
Coop State Res Educ & Extension Service	Univ of Minnesota	10.215	40040100	22000067	31,866
National Institutes of Health	Univ of Minnesota	93.837	64000000	22000067	34,443
National Cancer Institute	Univ of Minnesota	93.395	64000002	22000067	3,550
Nat Inst of Allergy & Infectious Diseases	Univ of Minnesota	93.64000004	64000004	22000067	106,328
Nat In Diabetes & Digestive & Kidney Diseases	Univ of Minnesota	93.849	64000005	22000067	48,264
Nat Science Foundation	Univ of North Dakota	47.079	35000000	22000072	15,756
NSF Integrative Organismal Biology	Univ of Missouri	47.074	35000102	22000073	13,745

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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Sponsor I.D. Number	Pass-Through I.D. Number	Expenses
Coop State Res Educ & Extension Service	Univ of Missouri	10.206	40040100	22000073	\$ 27,976
Coop State Res Educ & Extension Service	Univ of Missouri	10.303	40040100	22000073	17,799
Nat Inst Gen Medical Scis	Univ of Missouri	93.859	64000007	22000073	9,997
Institute Of Museum And Library Services	Univ of Cincinnati	45.310	30510000	22000074	(1,184)
Nat Inst Occupational Safety & Health	Univ of Cincinnati	93.262	66000001	22000074	5,819
Office of Naval Research	Univ of Connecticut	12.300	50040300	22000076	(7,290)
Coop State Res Educ & Extension Service	Cornell University	10.200	40040100	22000081	8,544
National Institutes of Health	Cornell University	93.64000000	64000000	22000081	35,771
Nat Inst Neurological Disorders & Stroke	Cornell University	93.853	64000008	22000081	24
US Department of Transportation	Cornell University	20.761	82000000	22000081	19,143
Agency for International Development	Univ of Nebraska	98.001	30300100	22000085	98,664
NSF Ofc Polar Programs	Univ of Nebraska	47.078	35000404	22000085	147,913
US Department of Agriculture	Univ of Nebraska	10.200	40000000	22000085	1,808
Coop State Res Educ & Extension Service	Univ of Nebraska	10.200	40040100	22000085	27,604
Nat Inst Occupational Safety & Health	Univ of Nebraska	93.262	66000001	22000085	19,848
NSF Div Undergraduate Education	Wright State Univ	47.076	35000605	22000087	18,876
US Department of Education	Wright State Univ	84.133	53000000	22000087	97,416
Nat Inst Neurological Disorders & Stroke	Yale Univ	93.853	64000008	22000088	603
NSF Ofc Polar Programs	Portland State University	47.078	35000404	22000089	203,224
Nat Science Foundation	Louisiana State University	47.50000000	35000000	22000091	10,491
Nat Science Foundation	University Of Houston	47.049	35000000	22000092	10,777
National Institutes of Health	Duke Univ	93.64000000	64000000	22000094	648
National Cancer Institute	Duke Univ	93.395	64000002	22000094	(16,544)
National Heart, Lung, and Blood Inst	Duke Univ	93.64000003	64000003	22000094	9,598
National Heart, Lung, and Blood Inst	Duke Univ	93.837	64000003	22000094	145,544
National Institute on Aging	Duke Univ	93.64000015	64000015	22000094	22,750
Agency for International Development	Oregon State Univ	10.965	30300100	22000103	(4,728)
National Cancer Institute	Oregon State Univ	93.393	64000002	22000103	79,355
National Institutes of Health	Univ of Florida	93.853	64000000	22000108	187
National Heart, Lung, and Blood Inst	Univ of Florida	93.837	64000003	22000108	22
National Eye Institute	Univ of Florida	93.867	64000011	22000108	30,315
US Department of Energy	Arizona State Univ	81.087	55000000	22000109	60,711
NSF Biological Sciences	Colorado State Univ	47.074	35000100	22000110	113,979
Coop State Res Educ & Extension Service	Colorado State Univ	10.217	40040100	22000110	25,470
Coop State Res Educ & Extension Service	Colorado State Univ	10.303	40040100	22000110	20,778
Nat Ctr Minority Hlth & Hlth Disparities	Central State University	93.307	64000029	22000111	46,403

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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Sponsor I.D. Number	Pass-Through I.D. Number	Expenses
Nat Inst Neurological Disorders & Stroke	Loyola Univ of Chicago	93.853	64000008	22000115	\$ 32,347
Air Force Office of Scientific Research	Univ of Arizona	12.800	50010105	22000116	856
Nat Science Foundation	Univ of Maryland	47.074	35000000	22000120	71,370
Coop State Res Educ & Extension Service	Univ of Maryland	10.206	40040100	22000120	393,904
Extension Service (USDA)	Univ of Maryland	10.206	40140000	22000120	21,409
Army Research Office	Univ of Maryland	12.431	50020400	22000120	114,121
Office of Naval Research	Univ of Maryland	12.300	50040300	22000120	51,882
US Department of Energy	Univ of Maryland	81.55000000	55000000	22000120	686
Coop State Res Educ & Extension Service	Texas Tech Univ	10.303	40040100	22000122	8,737
Nat Inst Child Health & Human Development	Ohio University	93.865	64000006	22000130	(244)
Nat Inst Gen Medical Scis	Ohio University	93.859	64000007	22000130	104,978
US Department of Education	Johns Hopkins Univ	84.305	53000000	22000133	61,830
US Department of Energy	Johns Hopkins Univ	81.049	55000000	22000133	(1,092)
National Institutes of Health	Johns Hopkins Univ	93.242	64000000	22000133	(12)
National Institutes of Health	Johns Hopkins Univ	93.855	64000000	22000133	80,266
National Cancer Institute	Johns Hopkins Univ	93.64000002	64000002	22000133	14,474
National Heart, Lung, and Blood Inst	Johns Hopkins Univ	93.837	64000003	22000133	764,376
NSF Social, Behavioral & Economic Res	Johns Hopkins Univ	47.075	35000801	22000135	73,558
Nat Inst Child Health & Human Development	Columbia University	93.864	64000006	22000135	89,952
NSF Biological Infrastructure	North Carolina State Univ	47.074	35000107	22000136	124,837
NSF DIV Elect, Comm, & CyberSystems	North Carolina State Univ	47.041	35000305	22000136	1,498
US Department of Agriculture	North Carolina State Univ	10.303	40000000	22000136	(370)
Coop State Res Educ & Extension Service	North Carolina State Univ	10.206	40040100	22000136	46,956
Coop State Res Educ & Extension Service	North Carolina State Univ	10.500	40040100	22000136	45,022
Defense Threat Reduction Agency	North Carolina State Univ	12.351	50220000	22000136	19,173
Nat Inst of Dental & Craniofacial Res	Univ of Iowa	93.121	64000012	22000137	2,209
Nat Science Foundation	Univ of Delaware	47.074	35000000	22000138	242,101
NSF Biological Instrumentation & Resources	Univ of Delaware	47.074	35000101	22000138	577
National Institutes of Health	Stanford Univ	93.393	64000000	22000142	14,933
Nat Science Foundation	Univ of Kentucky	47.070	35000000	22000143	27,274
Coop State Res Educ & Extension Service	Univ of Georgia	10.206	40040100	22000144	3,068
US Department of Agriculture	Univ of North Carolina	10.206	40000000	22000146	11,748
National Heart, Lung, and Blood Inst	Univ of North Carolina	93.837	64000003	22000146	6,297
Nat Inst of Allergy & Infectious Diseases	Univ of North Carolina	93.855	64000004	22000146	68,648
Nat In Diabetes & Digestive & Kidney Diseases	Univ of North Carolina	93.848	64000005	22000146	2,959
Nat Inst Gen Medical Sciences	Univ of North Carolina	93.859	64000007	22000146	91,691

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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Sponsor I.D. Number	Pass-Through I.D. Number	Expenses
Nat Inst Neurological Disorders & Stroke	Univ of North Carolina	93.853	64000008	22000146	\$ 29
National Institute of Dental and Craniofacial Research	Univ of North Carolina	93.121	64000012	22000146	398
National Institutes of Health	Harvard Univ	93.393	64000000	22000169	23,337
National Heart, Lung, and Blood Inst	Harvard Univ	93.837	64000003	22000169	244
NSF Div Info Robotics & Intelligent Systems	Georgia Inst of Technology	47.070	35000203	22000189	70,036
US Department of Energy	Univ of Rochester	81.55000000	55000000	22000193	98,984
National Institutes of Health	Univ of Rochester	93.172	64000000	22000193	7,543
National Heart, Lung, and Blood Inst	Univ of Rochester	93.837	64000003	22000193	685
National Institute of Neurological Disorders and Stroke	Univ of Rochester	93.853	64000008	22000193	166
NSF Div Civil, Mechanical & Manfact Innv	Univ of Pennsylvania	47.041	35000310	22000195	22,583
National Eye Institute	Univ of Pennsylvania	93.867	64000011	22000195	9,635
Coop State Res Educ & Extension Service	Mississippi State Univ	10.206	40040100	22000196	28,977
USDA Agricultural Res Service	Mississippi State Univ	10.206	40040200	22000196	17,460
US Department of Defense	Mississippi State Univ	12.50000000	50000000	22000196	2,025,812
US Department of Energy	Mississippi State Univ	81.049	55000000	22000196	61,404
US Department of Labor	Mississippi State Univ	17.261	76000000	22000196	9,394
Nat Science Foundation	Lorain County Community College	47.076	35000000	22000199	38,360
Nat Science Foundation	Univ of Virginia	47.049	35000000	22000203	35,498
US Department of Education	Univ of Virginia	84.305	53000000	22000203	17,784
National Cancer Institute	Univ of Virginia	93.393	64000002	22000203	6,038
Air Force Research Laboratory	Univ of Southern California	12.910	50010126	22000206	648,484
National Heart, Lung, and Blood Inst	Univ of Alabama at Birmingham	93.838	64000003	22000207	25,600
Nat Inst Child Health & Human Development	Univ of Alabama at Birmingham	93.865	64000006	22000207	(6,580)
Nat Inst Gen Medical Sciences	Univ of Alabama at Birmingham	93.859	64000007	22000207	305,124
Nat Inst Neurological Disorders & Stroke	Univ of Alabama at Birmingham	93.853	64000008	22000207	675
National Cancer Institute	Washington Univ	93.393	64000002	22000209	50,207
National Cancer Institute	Washington Univ	93.64000002	64000002	22000209	(7)
Nat Inst of Allergy & Infectious Diseases	Washington Univ	93.855	64000004	22000209	33,647
National Eye Institute	Washington Univ	93.867	64000011	22000209	2,874
NASA Headquarters	Univ of Washington	43.002	33000105	22000212	20,063
US Department of Energy	Univ of Washington	81.049	55000000	22000212	81,958
National Institutes of Health	Univ of Washington	93.846	64000000	22000212	68,053
Nat Inst Child Health & Human Development	Univ of Washington	93.846	64000006	22000212	(2,033)
National Institute on Drug Abuse	Univ of Washington	93.279	64000022	22000212	25,109
US Department of Energy	Michigan Technological Univ	81.049	55000000	22000214	26,243
Nat Science Foundation	University Of Kansas	47.078	35000000	22000219	353,187

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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Sponsor I.D. Number	Pass-Through I.D. Number	Expenses
US Department of Education	University Of Kansas	84.324	53000000	22000219	\$ 256,503
Air Force Research Laboratory	Rice University	12.50010126	50010126	22000231	38,120
Army Research Office	Rice University	12.431	50020400	22000231	131,805
US Department of Energy	Case Western Reserve Univ	81.000	55000000	22000238	60,298
National Cancer Institute	Case Western Reserve Univ	93.393	64000002	22000238	50,054
National Heart, Lung, and Blood Inst	Case Western Reserve Univ	93.64000003	64000003	22000238	821,220
National Heart, Lung, and Blood Inst	Case Western Reserve Univ	93.839	64000003	22000238	47,481
National Institute on Aging	Case Western Reserve Univ	93.866	64000015	22000238	2,195
Coop State Res Educ & Extension Service	Univ of Arkansas	10.206	40040100	22000239	75,386
National Institute on Aging	Univ of Arkansas	93.856	64000015	22000239	(4,315)
Goddard Space Flight Center	University at Buffalo	43.002	33000301	22000240	57,973
National Institutes of Health	Eastern Virginia Medical School	93.865	63000000	22000243	45,129
John Glenn Research Center-Lewis Field	Georgia Tech Research Inst	43.001	33000104	22000245	240,719
Nat In Diabetes & Digestive & Kidney Diseases	University of Miami	93.64000005	64000005	22000255	18,033
US Department of Energy	Brigham Young Univ	81.089	55000000	22000260	38,364
Coop State Res Educ & Extension Service	South Dakota State University	10.200	40040100	22000262	2,839
USDA Agricultural Res Service	South Dakota State University	10.203	40040200	22000262	1,001
Air Force Office of Scientific Research	North Dakota State University	12.800	50010105	22000263	(178)
NSF Mathematical & Physical Sciences	Univ of California at Los Angeles	47.049	35000500	22000269	264,509
Nat Inst Gen Medical Scis	Univ of California at Los Angeles	93.859	64000007	22000269	74,653
Nat Aeronautics & Space Admin	Research Corp of the Univ of Hawaii	43.33000000	33000000	22000271	35,037
Coop State Res Educ & Extension Service	Univ of Massachusetts - Amherst	10.206	40040100	22000274	18,850
Environmental Protection Agency	University Of Toledo	66.32000000	32000000	22000277	118
USDA Agricultural Res Service	University Of Toledo	10.254	40040200	22000277	16,872
Air Force Research Laboratory	University Of Toledo	12.50010126	50010126	22000277	84,938
National Heart, Lung, and Blood Inst	Wake Forest Univ	93.837	64000003	22000277	88
National Heart, Lung, and Blood Inst	Wake Forest Univ	93.855	64000003	22000286	4,228
Nat Inst of Allergy & Infectious Diseases	Wake Forest Univ	93.855	64000004	22000286	13,513
National Cancer Institute	Univ of California at San Diego	10.212	64000002	22000288	4,659
National Cancer Institute	Univ of California at San Diego	93.395	64000002	22000288	925,846
National Institute on Aging	Univ of California at San Diego	39.866	64000015	22000288	3,555
National Institute on Aging	Univ of California at San Diego	93.866	64000015	22000288	92,955
Nat Science Foundation	Princeton Univ	47.049	35000000	22000289	59,294
Nat Inst of Allergy & Infectious Diseases	Univ of California at Berkeley	93.855	64000004	22000294	21,872
Nat Inst Child Health & HumanDevelopment	Emory Univ	93.864	64000006	22000295	39,329
Air Force Office of Scientific Research	Vanderbilt Univ	12.630	50010105	22000296	(1,944)

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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Sponsor I.D. Number	Pass-Through I.D. Number	Expenses
Nat In Arthritis & Musculoskeletal & Skin Diseases	Vanderbilt Univ	93.846	64000019	22000296	\$ 3,930
NASA Headquarters	Rensselaer Polytechnic Inst	43.002	33000105	22000298	43,284
National Heart, Lung, and Blood Inst	Univ of Louisville	93.837	64000003	22000299	118,905
Coop State Res Educ & Extension Service	East Carolina Univ	10.303	40040100	22000304	(4,348)
US Department of Education	University of Oregon	84.327	53000000	22000308	9,333
Office of Naval Research	University of California, Santa Barbara	12.300	50040300	22000315	207,368
National Institutes of Health	UT Southwestern Medical Center At Dallas	93.853	64000000	22000316	(171)
National Institutes of Health	Univ of California San Francisco	93.286	64000000	22000317	54,016
Nat Inst of Allergy & Infectious Diseases	Univ of California San Francisco	93.64000004	64000004	22000317	22,027
Nat Inst Gen Medical Scis	Univ of California San Francisco	93.859	64000007	22000317	96,360
Nat In Arthritis & Musculoskeletal & Skin Diseases	Univ of California San Francisco	93.846	64000019	22000317	4,661
US Department of Education	Salus University	84.325	53000000	22000322	1,976
National Institutes of Health	University Of Memphis	93.279	64000000	22000325	59,161
Nat Center for Research Resources	Univ of Texas Medical Branch at Galvestn	93.389	64000010	22000327	57,767
Nat Science Foundation	Northeastern Univ	47.047	35000000	22000329	57,705
Nat Inst Neurological Disorders & Stroke	Univ Of Texas Hlth Sci Ctr - San Antonio	93.853	64000008	22000330	90,715
NSF Ofc Polar Programs	Northern Illinois Univ	47.078	35000404	22000333	55,181
Nat In Diabetes & Digestive & Kidney Diseases	Tufts University	93.849	64000005	22000343	5,355
Air Force Research Laboratory	Wichita State University	12.50010126	50010126	22000353	27,461
US Department of Energy	Carnegie Institution of Washington	81.049	55000000	22000354	31,687
Environmental Protection Agency	Buffalo State University	66.32000000	32000000	22000356	3,331
National Cancer Institute	East Tennessee State Univ	93.393	64000002	22010025	22,181
National Cancer Institute	Thomas Jefferson Univ	93.396	64000002	22010026	7,404
Nat Inst of Allergy & Infectious Diseases	Mount Sinai School of Medicine	93.64000004	64000004	22010031	80,458
US Department of Energy	South Carolina State Univ	81.114	55000000	22010036	12,490
US Department of Energy	Medical Univ of South Carolina	81.114	55000000	22010038	88,824
National Cancer Institute	Univ of Texas M D Anderson Cancer Center	93.393	64000002	22010039	1,420
National Cancer Institute	Univ of Texas M D Anderson Cancer Center	93.395	64000002	22010039	262,096
Kennedy (John F) Space Center	University of Central Florida	43.33000203	33000203	22010046	48,470
US Department of Agriculture	Morgan State University	20.514	40000000	22010050	2,884
Cooperative State Research, Education, and Ext Service	Heidelberg College	10.303	40040100	22010061	9,036
Nat In Diabetes & Digestive & Kidney Diseases	Cleveland Clinic Lerner College of Med	93.849	64000005	22010063	53,625
US Department of Education	California State University, Long Beach	84.116	53000000	22010066	5,547
NSF Education & Human Resources	Fayetteville State University	47.076	35000600	22010068	18,075
Agency for International Development	Calvin College	98.001	30300100	22010072	48,688
US Department of Education	Columbus Public Schools	84.336	53000000	24000022	416,341

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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Sponsor I.D. Number	Pass-Through I.D. Number	Expenses
US Department of Education	Florida Department of Education	84.027	53000000	24000215	\$ 339,751
Environmental Protection Agency	Champaign County Commissioners	66.460	32000000	24000428	(1,795)
Environmental Protection Agency	Miami Conservancy District	66.439	32000000	24000476	78,992
Centers for Disease Control & Prevention	Cleveland Department of Public Health	93.945	66000000	24000482	99,847
US Department of Transportation	OH Dept of Transportation	84.133	82000000	26010000	51,129
Federal Highway Administration	OH Dept of Transportation	20.205	82010000	26010000	110,801
US Department of Education	OH Board of Regents	84.002	53000000	26060000	22,682
US Department of Education	OH Board of Regents	84.215	53000000	26060000	249,151
US Department of Education	OH Board of Regents	84.305	53000000	26060000	67,138
US Department of Education	OH Board of Regents	84.367	53000000	26060000	10,056
US Department of Education	OH Board of Regents	84.53000000	53000000	26060000	(900)
Health Resources & Services Admin	OH Board of Regents	93.887	65000000	26060000	485,503
US Department of Labor	OH Board of Regents	17.267	76000000	26060000	78,298
US Department of Education	OH Dept of Educ	84.027	53000000	26080000	344,639
US Department of Education	OH Dept of Educ	84.051	53000000	26080000	38,120
US Department of Education	OH Dept of Educ	84.173	53000000	26080000	63,257
US Department of Education	OH Dept of Educ	84.213	53000000	26080000	26,079
US Department of Education	OH Dept of Educ	84.366	53000000	26080000	1,091,604
Ofc of Elementary & Secondary Education	OH Dept of Educ	84.298	53030000	26080000	1,203
US Department of Education	OH Div of Career Technical & Adult Ed	84.048	53000000	26080100	36,197
US Department of Education	OH Div of Career Technical & Adult Ed	84.243	53000000	26080100	300,487
US Department of Education	OH Div of Career Technical & Adult Ed	84.243	53060000	26080100	4,029
US Department of Education	OH Office of Exceptional Children	84.027	53000000	26080300	270,633
Maternal & Child Health Bureau	OH Dept of Health	93.994	65000005	26090000	56,099
Centers for Disease Control & Prevention	OH Dept of Health	93.069	66000000	26090000	188,797
Centers for Disease Control & Prevention	OH Dept of Health	93.283	66000000	26090000	3,187
US Fish and Wildlife Service	OH Division of Wildlife	15.605	72030000	26110100	1,427,124
US Fish and Wildlife Service	OH Division of Wildlife	15.611	72030000	26110100	281,015
US Department of Education	OH Rehabilitation Services Commission	84.126	53000000	26120000	2,969
Small Business Administration	OH Department of Development	59.037	30140000	26140000	93,660
US Department of Education	OH Dept Youth Services	84.371	53000000	26200000	293,615
Environmental Protection Agency	OH Environ Protection Agency	66.460	32000000	26340000	29,531
Coop State Res Educ & Extension Service	OH Department Of Agriculture	10.170	40040100	26390000	4,515
USDA Agricultural Res Service	OH Department Of Agriculture	10.156	40040200	26390000	30,434
US Department of Transportation	OH Dept of Public Safety	20.600	82000000	26400000	21,877
Substance Abuse & Mental Health Servs Admin	OH Dept of Mental Health	93.243	60041400	26420000	29,163

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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Sponsor I.D. Number	Pass-Through I.D. Number	Expenses
US Department of Health & Human Services Extension Service (USDA)	OH Developmental Disabilities PING Ctrcl	93.630	60000000	26430100	\$ 8,046
US Department of Health & Human Services	OH Dept of Job & Family Services	10.561	40140000	26630000	(507)
US Department of Health & Human Services	OH Dept of Job & Family Services	93.558	60000000	26630000	233,684
US Department of Health & Human Services	OH Dept of Job & Family Services	93.575	60000000	26630000	138,081
Corp for Nat & Community Service	OH Community Service Council	94.006	31040001	26650000	182,176
Nat Aeronautics & Space Admin	Smithsonian Astrophysical Observatory	43.002	33000000	30060200	52,951
NASA Headquarters	Smithsonian Astrophysical Observatory	43.002	33000105	30060200	900
National Aeronautics and Space Administration	Jet Propulsion Lab	43.33000000	33000000	33000303	1,415
NASA Headquarters	Jet Propulsion Lab	43.002	33000105	33000303	92,601
NASA Headquarters	Jet Propulsion Lab	43.33000105	33000105	33000303	173,625
US Department of Defense	Army Medical Res Acquisition Activity	12.420	50000000	50022700	109,824
National Institutes of Health	Army Medical Res Acquisition Activity	12.420	64000000	50022700	546,320
US Department of Energy	Los Alamos Nat Lab	81.049	55000000	55050000	29,495
US Department of Energy	Los Alamos Nat Lab	81.55000000	55000000	55050000	51,366
US Department of Energy	Oak Ridge Nat Lab	81.55000000	55000000	55110000	62,471
US Department of Energy	SLAC Nat Accelerator Lab	81.55000000	55000000	55160000	74,393

Subtotal pass-through from other sources

54,949,819

Total Research and Development Cluster

296,994,321

(Continued)

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Federal Agency	CFDA Number	Sponsor ID Number	Expenditures
Student Financial Aid Cluster:			
Funds received directly from the following federal agencies:			
U.S. Department of Education:			
Supplemental Education Opportunity Grants	84.007	P007A073341	\$ 1,388,949
Federal Workstudy Program	84.033	P007A073341	4,047,649
Federal Pell Grant Program	84.063	P063P070343	33,104,873
Academic Competitiveness Grants	84.375	P375A070343	1,542,822
Natl Sci & Math Access to Retain Talent	84.376	P376S070343	693,825
Subtotal Student Financial Aid Cluster			40,778,118
U.S. Department of Agriculture			
U.S. Department of Agriculture	10.556		221
U.S. Department of Agriculture	10.559		29,154
Subtotal Child Nutrition Cluster			29,375
Department of Labor			
Subtotal Employment Service Cluster	17.207		1,639
Department of Labor	17.258		1,639
Department of Labor	17.259		50
Subtotal WIA Cluster			1,588
U.S. Department of Education			
U.S. Department of Education	84.027		1,638
Subtotal Special Education Cluster			250
Subtotal Special Education Cluster			250
DHHS — Child Care and Development Block Grant			
Administration for Children and Families	93.575		20,004
U.S. Department of Health and Human Services	93.575		51,532
U.S. Department of Health and Human Services	93.575		61,439
Subtotal CCDF Cluster			132,975
Social Security Disability Insurance			
Subtotal Disability Insurance/SSI Cluster	96.001		900
Subtotal Disability Insurance/SSI Cluster			900
Other Programs:			
Funds received directly from the following federal agencies:			
National Endowment For The Humanities	45.163	34000100	\$ 61,767
NSF Div Ocean Sciences	47.05	35000403	5,707
NSF Div Mathematical Sciences	47.049	35000501	1,096
NSF Social, Behavioral & Economic Res	47.075	35000801	53,047
Coop State Res Educ & Extension Service	10.400401	40040100	17,043
Coop State Res Educ & Extension Service	10.5	40040100	40,593
Animal & Plant Health Inspection Service	10.025	40070000	2,131

(Continued)

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Federal Agency	CFDA Number	Sponsor ID Number	Expenditures
USDA Rural Development	10.446	40190000	\$ 37,657
Air Force Institute of Technology	12.800	50010201	(2,355)
Nat Security Agency	12.501	50140000	2,649
Nat Security Agency	12.901	50140000	71,484
US Department of Education	84.015	53000000	277,359
US Department of Education	84.195	53000000	252,158
US Department of Education	84.350	53000000	1,201,071
Office of Postsecondary Education	84.015	53040000	568,962
Office of Special Ed & Rehabilitative Svcs	84.016	53040000	53,751
Substance Abuse & Mental Health Servs Admir	84.325	53050000	194,022
Health Resources & Services Admin	93.243	60041400	519,233
Health Resources & Services Admin	93.359	65000000	(1,166)
Health Resources & Services Admin	93.884	65000000	(6,130)
Centers for Disease Control & Prevention	93.283	66000000	38,051
USDA — Cooperative Forestry Research	10.202		382,772
USDA — Pmts to Agricult Exp Station	10.203		8,320,273
USDA — Animal Health & Disease Research	10.207		10,897
USDA — Cooperative Extension Service	10.500		12,915,080
USDA — Child and Adult Care Food Program	10.558		96,753
USDA — Forestry Research	10.652		(67)
USDC — Public Telecomm Fac Pimg & Construct	11.550		17,298
HUD — Comm Dev Block Grants/Brownfields Econ Dev Initiative	14.246		284,478
OPM — IPA Mobility Act	27.011		108,954
FCC — Comm Info & Assistance/Invest of Complaints	32.001		986
NEH — Faculty Research Abroad	45.160		156,733
NSF — Education and Human Resources	47.076		(67)
VA — Veterans Outpatient Care	64.011		(21,797)
VA — Vets and Educ Counseling for Veterans	64.125		1,556
DOE — Miscellaneous Federal Assistance Actions	81.502		79,504
USDE — Javits Fellowships	84.170		53,249
USDE — Fund for the Improvement of Education	84.215		89,402
USDE — Child Card Means Pmts in School	84.335		4,976
DHHS — Temporary Assistance for Needy Families	93.558		191,494
DHHS — Social Services Block Grant	93.667		532,474
DHHS — Medical Assistance Program	93.778		74,705
DHS — Public Assistance Grants	97.036		29,996
USDE — Student Research Abroad	84.022A		81,906
USDE — TRIO: Student Support Services	84.042A		471
Subtotal funds received directly from federal agencies			26,820,136

(Continued)

THE OHIO STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2009

Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Sponsor Number	Pass-Through I.D. Number	Expenditures
Pass-through from other sources:					
Defense Advanced Res Projects Agency	Northrop Grumman Corp	12.50060000	50060000	10011657	\$ 28,147
Defense Advanced Res Projects Agency	Raytheon Co	12.50060000	50060000	10011847	4,753
Health Resources & Services Admin	Research Institute at Nationwide Childrn	93.153	65000000	20010182	47,296
Small Business Administration	Ohio Business Dev Org	59.037	30140000	20020062	9,484
Agency for International Development	American Council on Education	98.012	30300100	20020078	88,579
National Endowment For The Arts	Arts Midwest	45.025	34000200	20020844	5,000
Nat Aeronautics & Space Admin	Space Telescope Sci Institute	43.33000000	33000000	20021006	31
Health Resources & Services Admin	The Twin City Hospital Corporation	93.912	65000000	20021726	1,000
Coop State Res Educ & Extension Service	IPM Institute of North America, Inc.	10.303	40040100	20021802	4,522
Centers for Disease Control & Prevention	The Hospital Council of Northwest Ohio	93.069	66000000	20021851	63,501
Coop State Res Educ & Extension Service	University of Illinois	10.303	40040100	22000009	28,621
Agency for International Development	Indiana Univ	98.30300100	30300100	22000012	942,062
Health Resources & Services Admin	Univ of Pittsburgh	93.145	65000000	22000036	201,573
Health Resources & Services Admin	Univ of Pittsburgh	93.249	65000000	22000036	107,732
US Department of Agriculture	Michigan State Univ	10.303	40000000	22000044	35
Coop State Res Educ & Extension Service	Kansas State Univ	10.500	40040100	22000062	132,112
Coop State Res Educ & Extension Service	Univ of Minnesota	10.500	40040100	22000067	17,340
Coop State Res Educ & Extension Service	Univ of Nebraska	10.200	40040100	22000085	34,359
Coop State Res Educ & Extension Service	Univ of Nebraska	10.500	40040100	22000085	39,046
Nuclear Regulatory Commission	Wilberforce University	77.006	30220000	22000119	25,105
National Cancer Institute	Univ of Kentucky	93.393	64000002	22000143	235,156
Centers for Disease Control & Prevention	Univ of Louisville	93.66000000	66000000	22000299	74,207
US Department of Education	Sinclair Community College	84.002	53000000	22000358	1,933
Administration for Children and Families	Hamilton County Job & Family Services	93.674	67000000	24000387	3,391
US Department of Health & Human Services	Defiance County Dept of Job & Family Ser	93.558	60000000	24000516	(273)
Centers for Disease Control & Prevention	Cuyahoga County Board of Health	93.069	66000000	24000524	6,368
Centers for Disease Control & Prevention	Cuyahoga County Board of Health	93.991	66000000	24000524	46,028
US Department of Health & Human Services	Jackson County Job & Family Services	93.558	60000000	24000527	6,589
Dept of Housing & Urban Dev	Cleveland Dept of Community Development	14.218	70000000	24000528	111,084
Administration for Children and Families	Cleveland Dept of Community Development	14.70000000	70000000	24000528	78,155
Centers for Disease Control & Prevention	Morgan County Job & Family Services	93.558	67000000	24000529	27,177
US Department of Agriculture	Summit County Health District	93.069	66000000	24000535	25,476
US Department of Education	OH Dept of Educ	10.40000000	40000000	26080000	2,493
US Department of Education	OH Div of Career Technical & Adult Ed	84.002	53000000	26080100	30,744
Environmental Protection Agency	OH Dept of Natural Resources	66.32000000	32000000	26110000	22,090
US Department of Education	OH Rehabilitation Services Commission	84.126	53000000	26120000	19,160
Office of Justice Programs	OH Dept Youth Services	16.540	74040000	26200000	51,418
Substance Abuse & Mental Health Servs Admin	OH Dept of Mental Health	93.958	60041400	26420000	442,010
US Department of Health & Human Services	OH Dept Alcohol & Drug Addiction Services	93.959	60000000	26530000	86,256

(Continued)

THE OHIO STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2009

Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Sponsor Number	Pass-Through I.D. Number	Expenditures
Substance Abuse & Mental Health Servs Admin	OH Dept Alcohol & Drug Addiction Services	93.959	60041400	265300000	\$ 24,223
US Department of Agriculture	OH Dept of Job & Family Services	10.561	40000000	266300000	2,634,644
Extension Service (USDA)	OH Dept of Job & Family Services	10.561	40140000	266300000	(202)
Corp for Nat & Community Service	OH Community Service Council	94.006	31040001	266500000	70,956
U.S. Department of Agriculture	Ohio Department of Health	10.557			2,800
National Guard Bureau, Department of Defense	Ohio Department of Adjutant General	12.401			75
Department of Housing and Urban Development	Ohio Department of Development	14.228			10,975
Department of the Interior	Ohio Department of Natural Resources	15.250			9
Department of Justice	Ohio Department of Public Safety	16.607			953
Department of Justice	Ohio Department of Public Safety	16.738			10,253
Department of Labor	Ohio Department of Job and Family Services	17.225			9,292
Department of Labor	Ohio Department of Job and Family Services	17.245			37,136
National Endowment for the Arts	Ohio Arts Council	45.025			84
Institute of Museum and Library Services	State Library of Ohio	45.310			156,220
Environmental Protection Agency	Ohio Environmental Protection Agency	66.468			55
Environmental Protection Agency	Ohio Environmental Protection Agency	66.471			360
Environmental Protection Agency	Ohio Department of Agriculture	66.700			163,625
U.S. Department of Education	Ohio Department of Education	84.000			49,900
U.S. Department of Education	Ohio Department of Education	84.048			4,283
U.S. Department of Education	Ohio Department of Rehabilitation and Correction	84.069			1,189,489
U.S. Department of Education	Ohio Board of Regents	84.126			615
U.S. Department of Education	Ohio Rehabilitation Services Commission	84.181			1,400
U.S. Department of Education	eTech Ohio	84.318			5,025
U.S. Department of Education	Ohio Board of Regents	84.367			13,546
U.S. Department of Health and Human Services	Ohio Commission on Minority Health	93.006			100,000
U.S. Department of Health and Human Services	Ohio Department of Health	93.069			121,327
U.S. Department of Health and Human Services	Ohio Department of Health	93.110			22,357
U.S. Department of Health and Human Services	Ohio Department of Health	93.136			75
U.S. Department of Health and Human Services	Ohio Legal Rights Services	93.138			165
U.S. Department of Health and Human Services	Ohio Department of Mental Health	93.243			189,585
U.S. Department of Health and Human Services	Ohio Department of Health	93.283			76,438
U.S. Department of Health and Human Services	Ohio Department of Job and Family Services	93.558			166,538
U.S. Department of Health and Human Services	Ohio Department of Job and Family Services	93.563			5,047
U.S. Department of Health and Human Services	Ohio Department of Development	93.569			2,960
U.S. Department of Health and Human Services	Ohio Secretary of State	93.617			150
U.S. Department of Health and Human Services	Ohio Legal Rights Services	93.630			500

(Continued)

THE OHIO STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2009

Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Sponsor Number	Pass-Through I.D. Number	Expenditures
U.S. Department of Health and Human Services	Ohio Department of Aging	93 630			\$ 75
U.S. Department of Health and Human Services	Ohio Department of Job and Family Services	93 645			43,577
U.S. Department of Health and Human Services	Ohio Department of Job and Family Services	93 658			37,151
U.S. Department of Health and Human Services	Ohio Department of Insurance	93 779			3,175
U.S. Department of Health and Human Services	Ohio Board of Regents	93 887			32,785
U.S. Department of Health and Human Services	Ohio Department of Health	93 917			855
U.S. Department of Health and Human Services	Ohio Department of Health	93 940			1,510
U.S. Department of Health and Human Services	Ohio Department of Health	93 977			1,280
U.S. Department of Health and Human Services	Ohio Department of Health	93 988			250
U.S. Department of Health and Human Services	Ohio Department of Health	93 991			15,543
U.S. Department of Health and Human Services	Ohio Department of Health	93 994			17,710
U.S. Department of Health and Human Services	Ohio Department of Health	94 003			14,080
U.S. Department of Health and Human Services	Ohio Department of Aging	94 007			1,350
Corporation for National and Community Service	Ohio Department of Aging	94 009			24,040
U.S. Department of Homeland Security	Ohio Department of Public Safety	97 036			512,429

Subtotal pass-through from other sources

8,826,428

TOTAL FEDERAL AWARDS

\$373,585,780

(Concluded)

THE OHIO STATE UNIVERSITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation — The accompanying financial schedules include the accounts of the following entities:

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

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

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

Twelve legally independent corporations engaged in activities related to the University:

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

Such financial schedules have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America for state-assisted colleges and universities.

Subrecipient — Certain funds are passed through to subgrantee organizations by the University. Expenditures incurred by the subgrantees and reimbursed by the University are presented in the schedule of expenditures of federal awards.

The University is also the subrecipient of federal funds, which have been reported as expenditures and listed as federal pass-through funds.

2. NONCASH FEDERAL AWARDS

During the year ended June 30, 2009, the University did not receive nonmonetary assistance.

3. FEDERAL LOAN PROGRAMS ADMINISTERED

Total loan advances and disbursements for federal student financial assistance programs are identified below:

	Year Ended June 30, 2009
Perkins Loan Program	\$2,063,100
Health Professions Student Loans (HPSL)	2,266,918
Nursing Student Loans (NSL)	<u>292,947</u>
Total	<u>\$4,622,965</u>

The above expenditures include disbursements and expenditures, such as loans to students and administrative expenditures. During the year ended June 30, 2009, the University disbursed \$343,918,293 in new loans under the William D. Ford Direct Loan Program (which includes Stafford Loans and Parents Loans for Undergraduate Students).

4. REIMBURSEMENT OF FACILITIES AND ADMINISTRATIVE COSTS

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

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

On April 26, 2006, DHHS approved facilities and administrative cost recovery rates effective from July 1, 2006 through June 30, 2009. The facilities and administrative cost rate structure, including the rates submitted within the Certificate, are as follows:

Rate Type	Submitted Within Certificate	Negotiated Rate
Organized Research:		
On-Campus —	55.3%	50.0%
Off-Campus	26.0	26.0
Instruction:		
On-Campus —	57.0	49.5
Off-Campus	26.0	26.0
Other Sponsored Activities:		
On-Campus —	40.1	33.0
Off-Campus —	26.0	24.0

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

* * * * *

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

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

We have audited the consolidated financial statements of The Ohio State University (the "University") as of and for the year ended June 30, 2009, and have issued our report thereon dated October 23, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 09-1, 09-2, 09-3, 09-4, and 09-5 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration on the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

COMPLIANCE AND OTHER MATTERS

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

We noted certain matters that we reported to management of the University in a separate letter dated October 23, 2009.

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

A handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

October 23, 2009

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

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

COMPLIANCE

We have audited the compliance of The Ohio State University (the "University") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

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

In our opinion, the University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 09,-5, 09-6, 09-7, 09-8, 09-9, 09-10, 09-11, and 09-12.

INTERNAL CONTROL OVER COMPLIANCE

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

not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

Our consideration on internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 09-5 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

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

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

Deloitte + Touche LLP

October 23, 2009

THE OHIO STATE UNIVERSITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009

PART I — SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
* Material weaknesses identified	No
* Significant deficiencies identified that are not considered to be material weaknesses	Yes
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
* Material weaknesses identified	No
* Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 501(a) of OMB Circular A-133?	Yes
Identification of major programs:	
<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
Research and Development Cluster	Research and Development Cluster
10.203	Hatch Program
Dollar threshold used to distinguish between type A and type B programs:	\$3,000,000
Auditee qualified as low-risk auditee?	No

PART II — FINANCIAL STATEMENT FINDINGS SECTION

09-1 Treatment of Unapplied Accounts Receivable

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

Observation — The Health System (“Medical Center”) uses The Ohio State University Physicians, Inc. (“OSUP”) and other entities to bill and manage patient accounts receivable for its owned physician practices. The Health System receives cash directly for services provided by its owned practices, but uses these billing entities to post activities to individual patient accounts. Under the processes used by the Medical Center, timely matching and reconciliation of University lockbox receipts to billing entity account postings is required for proper balance sheet classification of cash and accounts receivable.

During the course of the year, the Health System fell behind in this matching and reconciliation process. Additionally, certain information needed from the billing companies was not always provided timely, and the Health System fell behind in assuring timely submission of data. Under the accounting processes used, these two issues caused cash to be understated and accounts receivable to be overstated on the consolidated balance sheet. At June 30, 2009, this misclassification approximated \$7 million, which the Health System corrected through an adjusting journal entry.

Effect — Improper classification could misstate financial statements balances.

Questioned Cost — N/A

Recommendation— We suggest that the Health System reassess the accounting process of reviewing cash receipts and the relevant application to Accounts Receivable.

Views of Responsible Officials — Health System Finance has implemented the following actions to address this issue:

- Effective in the new fiscal year, the same accounting approach and entries used in the hospital accounts receivable have been implemented for physician practices. This change will properly classify cash received, but not yet posted, as a reduction to accounts receivable.
- We have simplified the reconciliation process, which should reduce the backlogs in deposit/receipt matching. We will monitor these backlogs and make strategic use of temporary personnel if the situation dictates.
- Representatives of OSUP are being engaged to help determine a systematic and automated approach to deposit/receipt matching in IDX, similar to current hospital procedures.

The Health System is actively participating in and planning to utilize OSUP’s implementation of automated receipts processing (HERAE, a vendor based system). This system is scheduled to go live in January 2010 and will provide various electronic interfaces of cash postings which will facilitate the reconciliation of unapplied cash.

09-2 AS/400 and Mainframe – Programmer Access

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

Observation— The following observations were noted:

- Programmers have access to modify the Siemens and CA-JobTrac job schedulers.
- Programmers have access to the AS/400 environment and are granted access to update customized Kronos source and object code. It should be noted that the risk is minimized as programmers do not have access to the proprietary source code.
- Programmers have access to the Mainframe to modify SMS code and/or data directly within the production environment.

Programmers having access to production and related programs and source code constitutes an inadequate segregation of duties. The risk of unauthorized changes to system resources in production increases significantly without an adequate segregation of duties in place.

Effect —Lack of segregation of duties could result in the misappropriation of assets.

Questioned Cost — N/A

Recommendation — The Health System should review the current security settings and further limit programmers' update access to production and related programs and source code. If this is not a feasible recommendation, the Health System should consider implementing a procedure to review all program, source code, and data changes for appropriateness once they have been migrated to production.

Views of Responsible Officials — The Health System has reviewed the various levels of access. Risk is mitigated in the AS/400 environment as only Kronos has access to source code. In addition, they are continuing to examine further mitigating steps for the Mainframe environment and SMS system and evaluate the business value. The results of the detailed analysis will be completed by March 31, 2010, and documented by June 30, 2010.

09-3 AS/400 and Mainframe – Application Support and Security Administration Weaknesses

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

Observation — The following observations were noted:

- A system-generated listing is not available for all of the changes administered to the SMS and Kronos applications and related databases. Therefore, we were unable to determine the total population of changes administered during the fiscal year.
- There is no evidence of management’s approval of change requests prior to the testing/development of the changes. In addition, in most cases, evidence of testing documentation is not formally retained.

- There is not a formal review process in place for security violations/incidents/changes or ODBC connections in the AS/400 environment at the application and O/S levels. In addition, there is not a periodic review of users' access for the AS/400 and Mainframe systems; the Health System last completed an i5 user audit in May 2007.
- In the current year, significant progress was made to implement an automated process to provision and de-provision access specifically related to contractor accounts. This is an ongoing effort to be implemented in phases. However, from our testing, we noted that six-month account expiration was enabled only on one account out of the sample of 15.
- D&T noted that e-mail authorization from a manager or supervisor was not found in one out of 15 samples for new user accounts in Kronos.
- In general, access is being assigned by roles; however, management does not have to approve all the levels of access that are being assigned by the defined roles.
- The process for removing temporary and/or contract employee access due to termination is an informal process. In the current year, a contractor termination form was developed to formalize this process; however, it was not operational as of June 30, 2009.
- For certain cases, terminated employee accounts are not being deleted 30 days after the disabled date, as dictated by company policy. Disabled accounts exist on the systems after the 30 days due to an issue with this automated functionality.
- Employee terminations are not being consistently submitted to Human Resources (HR) to enable the timely disabling/removal of user accounts.
- There is not a formalized procedure in place for ensuring transferred employees' access is appropriately modified to reflect their changes in job functions.
- The confidentiality agreements (paper originals) for a sample of 15 vendors, selected for testing, could not be provided by Data Security.

Change controls are necessary to protect the integrity of application systems. Without strong controls over system maintenance and implementation, the risk of implementing new software or changes to existing software that do not meet the needs of the organization increases. In addition, there is a risk of unauthorized changes being implemented into production.

Procedures should be in place to provide reasonable assurance that only appropriate users are established with access to application systems. Where access privileges are not established effectively, data integrity, confidentiality, and availability may be compromised through intentional or unintentional errors. Formal procedures and roles/responsibilities should be in place to provide reasonable assurance that security administrators modify, disable, and/or remove employees from the systems in a timely manner. Without effective and timely modification and/or removal of transferred and/or terminated employees, there will be no assurance that user access privileges remain appropriate or that logical security is effective. Additionally, potential threats and misuse may not be noted timely.

Effect — Insufficient application support and security administration could lead to the misappropriation of assets.

Questioned Cost — N/A

Recommendation — The Health System should consider process improvements to assist in providing reasonable assurance that the change control process, including documentation, approvals, and logging, is adhered to for application support. In addition, security administration processes should be enhanced and formalized to address the identified issues.

Views of Responsible Officials — Kronos iSeries v6 offers extensive auditing capabilities that greatly exceed those found in v4.1, which is our current platform. We will be able to address the issues that have been raised once we are able to take advantage of the advanced auditing features (turning on auditing for modification of configuration items, as well as an audit report for each physical file). The upgrade is planned for fiscal year 2010. Other change control improvements will be considered and a solution will be implemented by March 31, 2010.

Procedures will be developed to review user access on both the AS/400 and Mainframe Systems (RACF and SMS) by January 31, 2010. Security violations for RACF (Mainframe) are reviewed on a daily basis. Similar reports are generated and reviewed for the AS/400 system. Additional process enhancements, training and documentation will be implemented for role-based security and other security administration processes by March 31, 2010.

09-4 Swap Valuation

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

Observation — OSUP entered into an interest rate swap agreement during fiscal year 2009 to fix the interest rate on OSUP’s new \$15.5 million Term Loan over the next 10 years at a rate of 4.625%. However, the fair value of this derivative was not initially estimated or recorded in the general ledger. The estimated fair value of this agreement, based on various factors contained in the related interest rate swap agreement and interest rates, including the notional amount of \$15,335,650 at June 30, 2009, resulted in an audit adjustment for the unrealized loss of \$1.3 million.

Effect — Improper valuation could misstate the financial statements.

Questioned Cost — N/A

Recommendation — We recommend OSUP management estimate and adjust the fair value of their interest rate swap agreement on a periodic basis defined by management but at minimum on an annual basis.

Views of Responsible Officials — Management is currently implementing procedures to adjust fair value on the interest rate swap agreement on an interim and annual basis.

09-5 Payroll Controls

Criteria — OMB Circular A-133 defines internal control as it relates to the compliance requirement of Federal Programs as a “process effected by an entity’s management and other personnel designed to provide reasonable assurance regarding the achievement of the following objectives for Federal

Programs: (1) Transactions are properly recorded and accounted for to: (i) Permit the preparation of reliable financial statements and Federal reports; (ii) Maintain accountability over assets; and (iii) Demonstrate compliance with laws, regulations, and other compliance requirements.”

Observation — The University payroll internal control structure operates in a decentralized environment, with the majority of the responsibility surrounding the establishment and monitoring of the internal control environment residing at the individual college department. Central Payroll has established general procedures in the form of a checklist that each college or department is required to follow. The checklist identifies specific procedures that must be completed for each payroll distribution. The procedures are designed to ensure that all payroll expenditures are valid, complete, disbursed to the correct individual and reconciled to the PeopleSoft general ledger. This checklist was made mandatory starting in fiscal year 2008 for each pay period. Further, a payroll certification was made mandatory for all pay periods beginning in fiscal year 2007 wherein a manager asserts that all employees in their area of responsibility were valid employees who worked for that pay period and were paid a reasonable amount. The certification process was implemented as a control to determine that payroll payments are being made only to active employees. During fiscal year 2008, the Office of Human Resources implemented a quarterly department assessment that includes items such as retroactive job data actions, late terminations, direct deposit card, employees not paid in 90 days, off-cycle checks, returned checks, autosys approval of time cards, overpayment, and segregation of duties. Based on the assessments, all departments are ranked as blue, green, yellow, or red. The senior fiscal officer and the senior human resource official of the department are notified of the results.

During our testing we noted the following issues:

- Fifteen different organizational units were selected from different colleges or units with the University to observe the performance of payroll controls. Four units partially completed the payroll checklist. Five units either maintained no documentation or partial documentation of payroll checklist procedures.
- The Office of Business and Finance performed two reviews of payroll certifications and in one such review noted that six departments out of 200 tested needed to improve procedures to have valid certifications or did not complete the certification.
- A University Internal Audit report found that during calendar year 2008, there were 26,062 terminations processed in the Human Resources system. Based on analysis of these terminations, 6,051 (23%) of the terminations were processed a significant number of days ranging from 30 to 3,607 days after employment ended.
- Four user profiles were identified with having the ability to enter and approve time. Granting users the ability to perform all aspects of time reporting can potentially lead to the processing of unauthorized or fraudulent transactions. In addition, the lack of Row-Level security increases the risks associated with the excessive access rights, as not only do the individuals have access to sensitive functions within their respective department, they have access to all departments within the University.
- Twenty-two user profiles were identified with having access to human resource and payroll functionality. Granting numerous users the ability to perform HR and Payroll functions can potentially lead to the processing of unauthorized or fraudulent transactions. In addition, the lack of Row-Level security increases the risks associated with the excessive access rights, as not only do the individuals have access to sensitive functions within their respective department, they have access to all departments within the University.

- For the HCOSU (HR/Payroll) instance, it was identified that access to Process Scheduler has been granted to an excessive number of user profiles (97). The PeopleSoft Process Scheduler is a powerful tool used to create and/or modify processes (i.e. jobs). Some examples of these processes include calculating payroll deductions, initiating payroll print-outs, or the generation and transferring of reports using such applications as FTP. Access to the PeopleSoft Process Scheduler should be highly restricted based on need.
- Nine hundred and ninety-three user profiles were identified with having correction mode access to selected sensitive pages. Correction access allows the operator to view, change, insert, and delete rows of data regardless of the effective date. Therefore, this level of access can be used to alter data leading to degradation of data integrity. This access should be restricted based on business need, as it can be used to change history and compromise audit trail.
- One graduate student employee was paid for three months after the position ended.
- The OSUMC Payroll Office staff reviews a printed BRIO Report, which is a summary of all new and revised employee records that were entered in the prior month to ensure that only authorized changes were made. Currently, this report is only printed and not reviewed. The Internal Auditors investigated this lack of review and held discussions with Campus Leadership to determine if other OSUMC processes in place would satisfy the Payroll Controls during fiscal year 2009. Internal Audit concluded that during fiscal year 2009, OSUMC did not have adequate processes in place that matched University policies.

The University's PeopleSoft payroll system has been customized extensively to respond to various requests for human resource capabilities since inception of the system and over the years and has taken a very "customer service" approach in the system design. Some of the consequences of this approach have been that automated controls built in PeopleSoft HR system are not enabled within the system. In response to control concerns over the years, the University has added manual controls to the payroll process which in essence resulted in a payroll process that has numerous "bolt-on" controls. However, these manual controls are difficult to monitor. In addition, the University operates in a decentralized environment with varying complexities and size of departments processing payroll, in an often cumbersome and time consuming process. Fundamentally, the University relies on the knowledge and diligence of the department-level payroll personnel to ensure that payroll is processed correctly. This creates inconsistent application of controls and has the potential to cause financial misstatement without appropriate entity-level controls being implemented.

Effect — The inconsistent internal control structure could lead to the misuse of federal funds.

Question Cost — N/A

Recommendation — In order to effectively assess how to enhance the control environment or simplify the process without jeopardizing key components of the internal control structure, the University should perform an assessment of the entire payroll process including complete documentation of all manual and systematic controls that exist in the current PeopleSoft HRMS system. Since the current system has been so highly customized, upgrades are very complex and inherent systematic controls are not activated. A comprehensive understanding of the customized payroll process will enable better decision making capabilities in determining process changes for either efficiencies, increased consistent sustainable process implementation across the University or future system upgrades.

Views of Responsible Officials — University management agrees with these recommendations. In November 2009, the Payroll Office began reporting to the Office of the Controller. As part of this organizational change, Controller, Business & Finance, and Office of Information Technology staff will be performing an end-to-end review of university payroll processes and will seek to significantly reduce the number of departmental users with direct access to the PeopleSoft HRMS system.

PART III — FEDERAL AWARD FINDING AND QUESTIONED COST SECTION

09-5 Payroll Controls

For a complete version of this finding please refer to Part II – Financial Statement Finding Section.

Grantor — All programs, except the Student Financial Aid Cluster

Sponsor Identification Number — All programs, except the Student Financial Cluster

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

Observation —The University payroll internal control structure operates in a decentralized environment, with the majority of the responsibility surrounding the establishment and monitoring of the internal control environment residing at the individual college department. The University relies on the knowledge and diligence of the department level personnel to ensure that payroll is processed correctly. This creates an inconsistent application of controls and has to potential to cause financial misstatement without the appropriate entity-level controls being implemented.

Effect —The inconsistent internal control structure could lead to the misuse of federal funds.

Question Cost — N/A

Recommendation — In order to effectively assess how to enhance the control environment or simplify the process without jeopardizing key components of the internal control structure, the University should perform an assessment of the entire payroll process including complete documentation of all manual and systematic controls that exist in the current PeopleSoft HRMS system. Since the current system has been so highly customized, upgrades are very complex and inherent systematic controls are not activated. A comprehensive understanding of the customized payroll process will enable better decision making capabilities in determining process changes for either efficiencies, increased consistent sustainable process implementation across the University or future system upgrades.

Views of Responsible Officials — University management agrees with these recommendations. In November 2009, the Payroll Office began reporting to the Office of the Controller. As part of this organizational change, Controller, Business & Finance, and Office of Information Technology staff will be performing an end-to-end review of university payroll processes and will seek to significantly reduce the number of departmental users with direct access to the PeopleSoft HRMS system.

09-6 Compilation of Schedule of Expenditures of Federal Awards

Grantor — All programs in the Research and Development Cluster

Sponsor Identification Number — All programs in the Research and Development Cluster

Project Number — All programs in the Research and Development Cluster

Criteria — OMB Circular A-133, Subpart C, §__.310 (b)(3) states:

“The auditee shall also prepare a schedule of expenditures of federal awards for the period covered by the auditee’s financial statements. At a minimum, the schedule shall provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.”

Observation — The schedule of expenditures of federal awards contained 35 projects that were either overrun or closed projects which will eventually be transferred back to departments for a total of \$122,575. This represents amounts that the schedule of expenditures of federal awards was overstated.

Effect — Expenditures on the schedule of expenditures of federal awards may not accurately reflect federal expenditures of that particular fiscal year.

Questioned Cost — N/A

Recommendation — The Research Foundation should review the schedule of expenditures of federal awards for projects that are overrun and will eventually be transferred back to departments to ensure they are in compliance with all the OMB Circular A-133 Compliance requirements.

Views of Responsible Officials — We agree. For fiscal year 2010, we will post adjustments to the A-133 report.

09-7 University Oversight of Grants external of the Research Foundation

CFDA	Grantor
10.202	USDA - Cooperative Forestry Research
10.207	USDA - Animal Health and Disease Research
10.556	USDA - Special Milk Program for Children
10.557	USDA - Special Supplemental Nutrition Program for Women, Infants and Children
10.558	USDA - Child and Adult Care Food Program
10.559	USDA - Summer Food Program for Children
10.652	USDA - Forestry Research
11.550	DC — Public Telecommunications Facilities Planning and Construction
12.401	DOD - National Guard Bureau
14.228	HUD - Community Development Block Grant
14.246	HUD - Community Development Block Grant
15.250	DI - Lewis and Clark Rural Water System
16.607	DOJ - Bulletproof Vest Partnership
16.738	DOJ - Edward Byrne Memorial Formula Grant Program
17.207	DOL - Employment Service/Wagner-Peyser Funded Activities
17.225	DOL - Unemployment Insurance
17.245	DOL - Trade Adjustment Assistance
17.258	DOL - WIA Adult Program
17.259	DOL - WIA Youth Program
27.011	OPM - Intergovernmental Personnel Act (IPA) Mobility Program
32.001	FCC - Communications Information and Assistance and Investigation of Complaints
45.025	NEA - Promotion of the Arts Partnership Agreements
45.310	Institute of Museum and Library Services - Grants to States
45.160	NEA - Promotion of the Humanities Fellowships and Stipends
47.076	NSF - Education and Human Resources
64.011	VA - Veterans Dental Care
64.125	VA - Vocational and Educational Counseling for Servicemembers and Veterans
66.468	EPA - Capitalization Grants for Drinking Water State Revolving Funds
66.471	EPA - State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs
66.700	EPA - Consolidated Pesticide Enforcement Cooperative Agreements
81.502	DOE - Miscellaneous Federal Assistance Items
84.000	US Department of Education
84.027	DOED - Special Education Grants
84.048	DOED - Career and Technical Education -- Basic Grants to States
84.069	US Department of Education - Ohio Board of Regents
84.126	DOED - Rehabilitation Services_Vocational Rehabilitation Grants to States
84.170	USDE - Javits Fellowships
84.181	DOED - Special Education-Grants for Infants and Families
84.215	DOED - Fund for the Improvement of Education
84.318	DOED - Education Technology State Grants
84.335	DOED - Child Care Access Means Parents in School
84.367	DOED - Improving Teacher Quality State Grants
93.006	DHHS - State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program
93.069	DHHS - Public Health Emergency Preparedness -
93.110	DHHS - Maternal and Child Health Federal Consolidated Programs
93.136	DHHS - Injury Prevention and Control Research and State and Community Based Programs

CFDA	Grantor
93.138	DHHS - Protection and Advocacy for Individuals with Mental Illness
93.243	DHHS - Substance Abuse and Mental Health Services Projects of Regional and National Significance
93.283	DHHS - Centers for Disease Control and Prevention Investigations and Technical Assistance
93.558	DHHS - Temporary Assistance for Needy Families
93.563	DHHS - Child Support Enforcement
93.569	DHHS - Community Services Block Grant
93.575	DHHS - Child Care & Development Block Grant
93.617	DHHS - Voting Access for Individuals with Disabilities Grants to States
93.630	DHHS - Developmental Disabilities Basic Support and Advocacy Grants
93.645	DHHS - Child Welfare Services State Grants
93.658	DHHS - Foster Care Title IV-E
93.667	DHHS - Social Services Block Grant
93.778	DHHS - Medical Assistance Program
93.779	DHHS - Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations
93.887	DHHS - Health Care and Other Facilities
93.917	DHHS - HIV Care Formula Grants
93.977	DHHS - Preventive Health Services Sexually Transmitted Diseases Control Grants
93.988	DHHS - Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems
93.991	DHHS - Preventive Health and Health Services Block Grant
93.994	DHHS - Maternal and Child Health Services Block Grant to the States
94.003	CNCS - State Commissions
94.007	CNCS - Planning and Program Development Grants
94.009	CNCS - Training and Technical Assistance
96.001	SSA - Social Security Disability Insurance
97.036	DHS - Disaster Grants - Public Assistance (Presidentially Declared Disasters)
84.022A	USDE - Student Research Abroad
84.042A	USDE - Trio: Student Support Services

Criteria — The OMB Circular A-133 describes the non-Federal entity’s responsibilities for managing Federal assistance programs (§___.300) and the auditor’s responsibility with respect to the scope of audit (§___.500).

Finding — The University administers federal grants that are separate from the Research Foundation. These grants are administered by many different departments and individuals across the University. Unless the department or individual has established their own process, the University does not have controls or procedures in place to ensure that the administrators of these grants are aware of the federal requirements. Further, there is no monitoring or oversight of these various grant administrators by the University.

Effect — Federal funds could be improperly administered.

Questioned Cost — N/A

Recommendation — The University should implement central monitoring and controls to make sure those managing University grants, which are not under the Research Foundation, understand the compliance requirements. Additionally, the University should provide formal, mandatory A-133 compliance training for those individuals who administer grants that are not under the Research Foundation.

Views of Responsible Officials — Currently, the bulk of federal funds flow through three areas: the Office of Student Financial Aid, the OSU Research Foundation, and the Ohio Agricultural Research and Development Center with relatively small amounts administered outside of these areas. However, we concur with the recommendation and will take steps to either centralize the administration of these grants

or require mandatory A-133 compliance training for those areas that retain administrative control over federal funds.

09-8 Suspension and Debarment — Hatch

Grantor — USDA – CFDA #: 10.203 – funding year FY09

Criteria — The OMB Circular A-133 *Compliance Supplement Part 3, Compliance Requirements, Procurement and Suspension and Debarment*, states that:

“Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Under rules in effect prior to November 26, 2003, covered transactions included procurement contracts for goods or services equal to or in excess of \$100,000. A change in the nonprocurement suspension and debarment rule took effect on November 26, 2003. As of that date only those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria are considered “covered transactions.” §__.220 of the governmentwide nonprocurement debarment and suspension common rule contains those additional limited circumstances. All nonprocurement transactions (i.e., subawards to subrecipients) are considered covered transactions—this was the case before November 26, 2003, and was not changed by the revised rules.

“Under rules in effect prior to November 26, 2003, contractors receiving individual awards for \$100,000 or more and all subrecipients must certify that the organization and its principals are not suspended or debarred. Effective November 26, 2003, when a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the *Excluded Parties List System (EPLS)* maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity (§__.300).. The information contained in the EPLS is available in printed and electronic formats. The printed version is published monthly. Copies may be obtained by purchasing a yearly subscription from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402, or by calling the Government Printing Office Inquiry and Order Desk at (202) 783-3238. The electronic version can be accessed on the Internet (<http://epls.arnet.gov>).”

Finding — There were two vendors, out of seven selections with transactions greater than \$25,000 that the OARDC Fiscal Office did not ensure were not on the Federal Suspension and Debarment list.

Effect — The administrators of the Hatch Program could have unknowingly used Federal money to purchase goods and services from vendors who were on the Excluded Parties List.

Questioned Cost — N/A

Recommendations — The OARDC Fiscal Office should develop a process for identifying all expenditures greater than \$25,000 and review those expenditures to ensure they are verifying those vendors are not on the Federal Suspension and Debarment list prior to issuance. The office should also communicate this procedure to all departments that receive funding through the Hatch Program. This would ensure that all vendors from whom the University purchases goods and services with federal dollars are not on the Excluded Parties List.

Views of Responsible Officials — OARDC uses the federal Hatch funds exclusively for paying salaries and benefits. During the years reviewed in this audit, OARDC received a one-time additional allocation in the Hatch program to compensate for the loss of earmarks in that year. This prompted OARDC to use the funds on expenditures other than salary. In total seven purchases were made in which two were not checked against the federal suspension and debarment list. We have not used our federal funds for anything other than salaries and benefits since this occurrence and nor do expect to in the future, but will put a process in place to ensure the PO's are reviewed internally should a similar situation occur.

09-9 Compliance With Grant Reporting Requirements — Progress Report Submission — Hatch

Grantor — USDA – CFDA #: 10.203 – funding year FY09

Criteria — OMB Control No. 0524-0042 requires grantees to submit annual and summary progress reports via NIFA's Current Research Information System (CRIS).

Finding — Of the 156 projects within the HATCH program, five did not submit annual progress reports.

Effect — Noncompliance with reporting requirements could result in inappropriate use of federal funds and insufficient oversight of programs.

Questioned Cost — N/A

Recommendations — The OARDC Fiscal Office should ensure that this reporting requirement is met by improving accountability of project investigators. Additional attention should be paid to those projects that do not readily submit progress reports so that all reports will be submitted timely.

Views of Responsible Officials — The OARDC director's office is responsible for obtaining the progress reports each year. During fiscal year 2009, the director's office deployed a website which contained a dashboard to track annual CRIS reporting. Department Chairs have the ability to access this site and determine which faculty members have not submitted their annual report. Further, the director's office implemented a financial penalty for each report not completed by the requested due date. These actions have significantly improved our annual reporting compliance and we expect this to improve to 100%. We believe that our submission rate of near 97% in this audit year would rate near the top of all reporting institutions.

09-10 Subrecipient Monitoring — Hatch

Grantor — USDA – CFDA #: 10.203 – funding year FY08

Project Number — N/A

Criteria — The OMB Circular A-133 Subpart D, §____.400 (c) states:

“(c) Federal awarding agency responsibilities. The Federal awarding agency shall perform the following for the Federal awards it makes:

(1) Identify Federal awards made by informing each recipient of the CFDA title and number, award name and number, award year, and if the award is for R&D. When some of this information is not available, the Federal agency shall provide information necessary to clearly describe the Federal award.

- (2) Advise recipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements.
- (3) Ensure that audits are completed and reports are received in a timely manner and in accordance with the requirements of this part.
- (4) Provide technical advice and counsel to auditees and auditors as requested.
- (5) Issue a management decision on audit findings within six months after receipt of the audit report and ensure that the recipient takes appropriate and timely corrective action.
- (6) Assign a person responsible for providing annual updates of the compliance supplement to OMB.”

Finding — The Hatch program has not historically utilized subrecipients in the achievement of grant objectives. However, in fiscal years 2008 and 2009 amounts were disbursed to outside organizations. While most of the required functions above were accomplished, the administrators of the Hatch Program were not aware of item (5) and the implicit review to conclude on audit findings was not completed until the deficiency was identified. The subrecipients of Federal funds were required by the grant documents to obtain audits and there were no findings pursuant to Hatch expenditures.

Effect — The administrators of the Hatch Program could have unknowingly disbursed funds to a subrecipient that was deficient in internal control or program compliance which were not corrected.

Questioned Cost — N/A

Recommendations — The OARDC Fiscal Office should review requirements of OMB Circular A-133 when evaluating program compliance requirements and sufficiency of internal controls.

Views of Responsible Officials — This particular audit year included one-time additional funding which prompted OARDC to spend this on items other than salary and benefits. Given that this was not our normal process the audit finding requirement was missed until prompted by the audit team but was completed within the time frame allowed by the USDA.

09-11 Payroll Cutoff

Grantor — Research and Development Cluster

Sponsor Identification Number — Research and Development Cluster

Project Number — Research and Development Cluster

Criteria — OMB Circular A-110 defines internal control as it relates to the compliance requirement of Federal Programs as “a process-effected by an entity’s management and other personnel-designed to provide reasonable assurance regarding the achievement of the following objectives for Federal programs: (1) Transactions are properly recorded and accounted for to: (i) permit the preparation of reliable financial statements and Federal reports; (ii) Maintain accountability over assets; and (iii) Demonstrate compliance with law, regulations, and other compliance requirements.”

Observation — One of the payroll selections out of 32 was not recorded in the proper period and was not certified. Upon further investigation, this was Quarter Off Duty (QOD) time for a professor which was erroneously recorded in June 2009 as opposed to July 2009. This resulted in a cutoff error of \$13,605

during fiscal year 2009 and the professor receiving his QOD pay a month in advance. A query was run in order to determine if there were any other similar issues in FY 2009 and one other individual was identified with a similar issue. The total amount of this error was \$19,237.

Effect — Payroll expenditures may not be recorded in the correct accounting period which would lead to incorrect amounts being reported on the schedule of federal awards.

Questioned Cost — \$32,842 in expenses were charged to projects in the incorrect period.

Recommendation — We recommend that the University add an edit to the University payroll system so that these “exceptions” can be detected and investigated each month to prevent from occurring in the future.

Views of Responsible Officials — We agree. We will work with the University to create the edit to prevent this error from happening in the future. Please note that we ran queries against University payroll data for the fiscal years 2009, 2008, and 2007. We found no instances of the error in 2007 and 2008. However, as mentioned above, we found one additional individual that was affected in 2009 in the amount of \$19,237 (not paid in error, but paid early). This brought the total questioned cost to \$32,842 out of \$193.5 million of total payroll. While the edit is being developed and tested, we will continue to run queries on a monthly basis and work with department HR personnel to monitor this process. Additionally, we have already retrained the two data entry personnel that posted the payroll entries in question.

09-12 Cost Share Calculation & Reporting

Grantor — National Oceanic & Atmospheric Administration

Award Number — NA05NOS4201035

Sponsor Identification Number —42020000

Project Number — 60004416

Criteria — OMB Circular A-110 defines internal control as it relates to the compliance requirement of Federal Programs as “a process-effected by an entity’s management and other personnel-designed to provide reasonable assurance regarding the achievement of the following objectives for Federal programs: (1) Transactions are properly recorded and accounted for to: (i) permit the preparation of reliable financial statements and Federal reports; (ii) Maintain accountability over assets; and (iii) Demonstrate compliance with law, regulations, and other compliance requirements.”

Observation — One of the 25 cost share selections that was made related to a project (60004416) which was closed prior to year-end and the cost share expenses per PeopleSoft/PI Portal (\$14,682) were less than the cost share required under the award (\$25,716). These insufficient cost share expenses were reported to the sponsor at the end of the award period. After further investigation, it was determined that the F&A rate entered into the PI Portal was incorrect (the result of human error). Once entered correctly, the actual cost share (which should have been reported) was \$33,347. As this amount was above the requirement of \$25,716, the Research Foundation complied with the cost share requirement. However, the cost share amount erroneously reported to the sponsor (\$14,682) did not reflect correctly calculated cost sharing.

Effect — The report submitted to the sponsor included incorrect cost share amounts.

Questioned Cost — None

Recommendation —Project information (e.g. budget, F&A rate, project period, etc.) should be reviewed when the project is set up in PeopleSoft to assure that the information is all accurate.

Views of Responsible Officials — We agree. Currently, all new projects are reviewed and approved by the New Award Review Committee before the contract is activated for billing, revenue recognition, and receivables processing. This committee is comprised of senior-level staff in the Office of Grants and Contracts; oversight is provided by Associate Directors in OGC in conjunction with the Fiscal Services managers. Once the award setup is approved, the award is forwarded to staff in Fiscal Services for contract activation. This project was set up before the review committee was formed (in 2007).

It is incumbent on all Office of Sponsored Programs staff to review awards whenever a modification is made or a fiscal report is submitted. The program officers will be reminded that they should review cost-share activity, as well as sponsor activity, in the project budgets as awards are modified, regardless of the type of modification being made to the award.

PART IV — SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Number	Finding	Status	Contact
08-1	PeopleSoft Business Process - Segregation of Duties - Financial Closing and Reporting	Corrected	Greta Russell, Controller
08-2	PeopleSoft Business Process - Excessive Access - Financial Closing and Reporting	Corrected	Greta Russell, Controller
08-3	PeopleSoft Business Process - Segregation of Duties - Expenditure	Corrected	Greta Russell, Controller
08-4	PeopleSoft Business Process - Excessive Access - Expenditure	Corrected	Greta Russell, Controller
08-5	Payroll Controls	Repeated as finding 09-5	Greta Russell, Controller
08-6	Monitoring Alternative Investments	Corrected	Greta Russell, Controller
08-7	Asset Management	Corrected	Greta Russell, Controller
08-8	Compilation of Schedule of Expenditures of Federal Awards	Repeated as finding 09-6	Greta Russell, Controller
08-9	University Oversight of Grants external to the Research Foundation	Repeated as finding 09-7	Greta Russell, Controller
08-10	Reporting of Expenditures in the Proper Period	Corrected	Greta Russell, Controller

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The Ohio State University

*Independent Accountants' Report on
Agreed-Upon Procedures Performed on the
Intercollegiate Athletic Department as
Required by NCAA Bylaw 6.2.3.1 for the
Year Ended June 30, 2009*



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

E. Gordon Gee, President
The Ohio State University

We have performed the procedures below, which were agreed to by the administration of The Ohio State University (the "University"), with respect to the accounting records of the University as of June 30, 2009, solely to assist you in evaluating whether the accompanying statement of revenues and expenditures ("statement") is in compliance with the National Collegiate Athletic Association's (the "NCAA") Bylaw 6.2.3.1 for the year ended June 30, 2009. The Ohio State University's management is responsible for the statement and the statement's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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

The procedures that we performed are as follows:

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

- We compared and agreed, on a test basis, each operating revenue and expense category reported in the statement during the reporting period to supporting schedules provided by the administration of the University. No exceptions were noted.
- We compared and agreed a sample of operating revenue receipts and expenses obtained from the operating revenues and expenses supporting schedules to supporting documentation provided by the administration of the University. No exceptions were noted.
- We compared each major revenue and expense account to prior period amounts and budget estimates provided by the administration of the University. No exceptions were noted. We obtained and documented an understanding of any significant variations on a test basis.

Operating Revenues

Ticket Sales– We compared, on a test basis, tickets sold during the reporting period, complimentary tickets provided during the reporting period, and unsold tickets to the related revenues reported by the University in the statement and the related attendance figures. We recalculated totals. No exceptions were noted.

Away Game Sales and Guarantees– We selected a sample of settlement reports for away games during the reporting period and agreed each selection to the University’s general ledger and/or the statement. We selected a sample of contractual agreements pertaining to revenues derived from guaranteed contests during the reporting period and compared and agreed each selection to the University’s general ledger and/or the statement. We recalculated totals. No exceptions were noted.

Contributions– On a test basis, we obtained and reviewed supporting documentation for contributions of moneys, goods, or services received directly by the intercollegiate athletics program from any affiliated or outside organization, agency, or group of individuals not included (e.g., contributions by corporate sponsors) that constituted 10% or more of all contributions received for intercollegiate athletics during the reporting periods. No exceptions were noted.

Third-Party Support– We obtained a summary of cash balances for affiliated and outside organizations, selected a sample of funds, and compared and agreed each selection to supporting documentation, the University’s general ledger, and/or the summary. No exceptions were noted.

NCAA/Conference Distributions Including All tournaments– We obtained and inspected agreements related to the University’s NCAA and conference distributions received during the reporting period to gain an understanding of the relevant terms and conditions. We compared and agreed the related revenues to the University’s general ledger and/or the statement on a test basis. We recalculated totals. No exceptions were noted.

Broadcast, Television, Radio, and Internet Rights– We obtained and inspected agreements related to the University’s participation revenues from broadcast, television, radio, and Internet rights to gain an understanding of the relevant terms and conditions. We compared and agreed related revenues to the University’s general ledger and/or the statement. We recalculated totals. No exceptions were noted.

Program Sales, Concessions, Novelty Sales, and Parking– We compared and agreed concession revenue reported in the statement during the reporting period to supporting schedules provided by the University. We compared and agreed related revenues to the University’s general ledger and/or the statement. We performed minimum agreed-upon procedures referenced for all revenue categories for program sales, novelty sales and parking revenues. We recalculated totals. No exceptions were noted.

Royalties, Advertisements, and Sponsorships– We obtained and inspected on a test basis agreements related to the University’s revenues from royalties, advertisements, and sponsorships during the reporting period to gain an understanding of the relevant terms and conditions. We compared and agreed the related revenues to the University’s general ledger and/or the statement on a test basis. We recalculated totals. No exceptions were noted.

Sports-Camp Revenues– We inspected sports-camp contracts between the University and persons conducting institutional sports-camps or clinics during the reporting period and obtained an understanding of the University’s methodology for recording revenues from sports-camps. We obtained schedules of camp participants. We selected a sample of individual camp participant cash receipts from the schedule of sports-camp participants and agreed each selection to the University’s general ledger and/or the statement. We recalculated totals. No exceptions were noted.

Endowment and Investment Income– We obtained and inspected endowment agreements to gain an understanding of the relevant terms and conditions. We obtained market values and recalculated totals.

We were unable to verify that the use of endowment investment income was consistent with the use specified in the endowment agreement. Endowment earnings for all endowment funds are transferred in a lump amount in support of all athletic program scholarships granted. There is not a specific fund to verify expenditures against any particular endowment fund income earnings. Although it appears the costs of scholarships awarded far exceeds the revenues generated from the Athletic program endowment funds, the process does not provide a means to demonstrate those restricted dollars complied with the endowment’s restriction.

Other- We performed minimum agreed-upon procedures referenced for all revenue categories and recalculated totals. No exceptions were noted.

Operating Expenses

Athletic Student Aid– We selected a sample of students from the listing of institutional student aid recipients during the reporting period. We obtained individual student account detail for each selection and compared total aid allocated from the related aid award letter to the student’s account. We recalculated totals. No exceptions were noted.

Guarantees– We obtained and inspected contractual agreements pertaining to expenses recorded by the University from guaranteed contests during the reporting period on a test basis. We compared and agreed related amounts expensed by the University to the University’s general ledger and/or the statement on a test basis. We recalculated totals. No exceptions were noted.

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

Although the University does obtain W-2 and 1099 documentation paid by third parties, that information has not been summarized and recorded in the University’s Statement of Revenues and Expenditures.

Coaching Other Compensation and Benefits Paid by a Third-Party- We obtained and inspected a listing of coaches employed by third-parties during the reporting period. We compared and agreed the financial terms and conditions of each selection to the related coaching other compensation and benefits paid by a third-party. We obtained and inspected the Annual Outside Income and Employment Condition Forms for each selection.

Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by the University and Related Entities– We selected a sample of support staff/administrative personnel employed by the University and related entities during the reporting period. We obtained and inspected W-2’s or 1099’s for each selection. We compared and agreed related W-2’s or 1099’s to the related support staff/administrative salaries, benefits, and bonuses paid by the University and related entities expense recorded by the University in the statement during the reporting period on a test basis. We recalculated totals. No exceptions were noted.

Support Staff/Administrative Other Compensation and Benefits Paid by a Third-Party- We selected a sample of support staff/administrative personnel employed by the third parties during the reporting period. We obtained and inspected the Annual Outside Income and Employment Condition Forms for each selection.

Although the University does obtain W-2 and 1099 documentation paid by third parties, that information has not been summarized and recorded in the University’s Statement of Revenues and Expenditures.

Severance Payments- We noted that there were no severance payments made during FY2009.

Recruiting and Team Travel– We obtained and documented an understanding of the University’s recruiting and team travel expense policies. We compared and agreed to the existing University and NCAA related policies.

During our testing, we noted one exception. There was one instance where the required form for filing expenditures by the student host could not be located. The form is normally filed to substantiate expenses incurred out of the \$60 advance provided the student during an official visit.

Equipment, Uniforms and Supplies- We performed minimum agreed-upon procedures referenced for all expense categories. We recalculated totals. No exceptions were noted.

Game Expenses- We performed minimum agreed-upon procedures referenced for all expense categories. We recalculated totals. No exceptions were noted.

Fund Raising, Marketing and Promotion- We performed minimum agreed-upon procedures referenced for all expense categories. We recalculated totals. No exceptions were noted.

Sports Camp Expenses- We performed minimum agreed-upon procedures referenced for all expense categories. We recalculated totals. No exceptions were noted.

Direct Facilities, Maintenance and Rental- We performed minimum agreed-upon procedures referenced for all expense categories. We recalculated totals. No exceptions were noted.

Spirit Groups- We performed minimum agreed-upon procedures referenced for all expense categories. We recalculated totals. No exceptions were noted.

Indirect Facilities and Administrative Support- We obtained and documented an understanding of the University's methodology for allocating indirect facilities support. We compared and agreed Indirect Facilities and Administrative Support reported by the University in the statement to the corresponding revenue category reported by the institution in the statement. We recalculated totals. No exceptions were noted.

Medical Expenses and Medical Insurance- We performed minimum agreed-upon procedures referenced for all expense categories. We recalculated totals. No exceptions were noted.

Memberships and Dues- We performed minimum agreed-upon procedures referenced for all expense categories. We recalculated totals. No exceptions were noted.

Other Operating Expenses- We performed minimum agreed-upon procedures referenced for all expense categories. We recalculated totals. No exceptions were noted.

Capitalized Assets

- We obtained a schedule of total intercollegiate athletics capitalized assets, additions, and improvements of facilities, and agreed on a test basis to the University's general ledger. No exceptions were noted.
- We obtained an understanding of the University policies and procedures for acquiring, approving, depreciating, and disposing of intercollegiate athletics related assets.
- On a test basis, we obtained and reviewed supporting documentation for significant capitalized additions that constituted 10% or more of all capitalized additions made by intercollegiate athletics during the reporting period. No exceptions were noted.

Booster Organizations

- We obtained from the management of The Ohio State University a list of outside organizations and their related financial activities for the year ended June 30, 2009, as they relate to the Intercollegiate Athletics Programs of the University. We agreed total revenues and expenses, or total cash receipts and disbursements, of all booster organizations for the year ended June 30, 2009, with amounts obtained from the official responsible for each respective booster organization. In addition, we performed procedures to determine whether proper reporting and monitoring procedures are in place and being followed.

We noted the following exceptions:

- **During fiscal year 2009, the financial activities of the booster organizations were only provided as part of the agreed-upon procedures examination process. The NCAA regulations require the University to exercise oversight of the activities of the booster organizations. Part of the oversight responsibility is to review the financial activities of the various organizations. Procedurally, the regulations specify that the booster organization report its financial activities to the University. The University is then responsible for accumulating and reporting the organization's financial activities.**
- **We noted organizations were missing required membership compliance forms for many of their members based on their membership rosters. We also noted two organizations whose constitution and bylaws did not contain proper language. The Compliance Office requires that all group officers and members sign Certification of Compliance forms annually, certifying their compliance with NCAA, Big Ten Conference, and University policy and procedures.**
- **We noted that the University was not requiring booster organizations to obtain approvals for fund raising activities or expenditures exceeding \$1,000. University policy requires booster organizations to obtain approval of the Athletic Compliance Office for fund raising activities and all support group expenditures exceeding \$1,000.**

Agreed-Upon Procedure Related to the Internal Control Over Compliance

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

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

Our procedures and results are as follows:

- Certain inquiries were made of the Controller's Office and Intercollegiate Athletic Department personnel relating to the procedures and internal accounting controls unique to the Intercollegiate Athletic Department, specifically, departmental organization, control consciousness of staff, use of internal auditors in the department, competency of personnel, adequate safeguarding and control of records and assets, and controls over interaction with the information technology department. No exceptions were noted.

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

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

Farms & Company, LLC

December 29, 2009

THE OHIO STATE UNIVERSITY INTERCOLLEGIATE ATHLETICS DEPARTMENT

EXHIBIT A

STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2009 (UNAUDITED)

	Football	Men's Basketball	Women's Basketball	Other Sports Men	Other Sports Women	Nonprogram Specific	Total
Operating Revenues:							
Ticket Sales	\$ 33,740,811	4,727,399	313,010	521,694	54,548	452,028	\$ 39,809,490
Post Season Event	3,663,053	2,456,939	-	-	-	244,916	6,364,908
Program Sales	339,004	27,460	7,923	-	-	20,752	395,139
Novelty Sales	-	-	-	-	-	1,849,237	1,849,237
Radio and T.V. Rights	10,639,867	5,872,868	(8,430)	(3,372)	-	-	16,500,933
Concessions	1,632,569	458,075	68,266	174,558	27,852	337,591	2,698,911
Gifts:							-
Restricted	118,045	64,711	1,887	152,666	30,309	1,893,037	2,260,655
Grant-in-Aid	2,788,102	427,384	505,217	3,938,252	5,959,249	-	13,618,204
Parking	1,318,809	102,574	43,960	-	-	320	1,465,663
Investment Income:							-
Unrestricted	-	-	-	-	-	533,762	533,762
Endowment Income:							-
Restricted	-	-	-	-	-	-	-
Postage\Service Charges	818,301	112,683	15,049	16,582	206	3,776	966,597
Advertising	-	-	-	-	-	5,049,977	5,049,977
Entry Fees	-	-	-	-	-	3,208,271	3,208,271
Facility Rentals	-	-	-	-	-	307,542	307,542
Miscellaneous	(82)	288,693	148,969	145,762	16,806	2,789,625	3,389,773
Golf Course	-	-	-	-	-	2,541,021	2,541,021
Ice Rink	-	-	-	-	-	390,739	390,739
Total Operating Revenues	55,058,479	14,538,786	1,095,851	4,946,142	6,088,970	19,622,594	101,350,822
Operating Expenditures:							
Coaches' Salaries	3,870,425	1,475,639	1,158,958	3,086,395	3,028,768	11,351,160	23,971,345
Other Salaries	669,032	332,885	185,176	344,938	232,279	14,167,590	15,931,900
Travel:							-
Team and other	2,474,914	547,089	442,804	1,173,121	1,392,229	986,174	7,016,331
Recruiting	342,027	114,065	94,606	218,678	272,539	4,037	1,045,952
Guarantees-net	2,914,194	26,882	93,665	48,626	35,776	83,468	3,202,611
Financial Aid	2,788,102	427,384	505,217	3,938,252	5,959,249	-	13,618,204
Maintenance\General	1,785,050	508,526	249,847	1,071,621	1,310,723	16,007,914	20,933,681
Equipment Purchases	103,800	75,020	33,540	49,766	19,633	489,106	770,865
Advertising	-	-	-	-	-	297,525	297,525
Insurance	-	-	-	-	-	75,258	75,258
Telephone	60,587	24,254	18,198	67,829	61,814	435,287	667,969
Food	658,116	32,810	14,022	90,247	115,785	834,291	1,745,271
Lodging	215,465	-	504	8,484	24,228	73,494	322,175
Indirect Overhead	-	-	-	-	-	5,063,218	5,063,218
Physical Facilities	-	-	-	-	-	406,517	406,517
Total Operating Expenditures	15,881,712	3,564,554	2,796,537	10,097,957	12,453,023	50,275,039	95,068,822
Excess (Deficiency) of Revenues over Expenditures	\$ 39,176,767	10,974,232	(1,700,686)	(5,151,815)	(6,364,053)	(30,652,445)	\$ 6,282,000

**THE OHIO STATE UNIVERSITY
INTERCOLLEGIATE ATHLETIC DEPARTMENT**

**NOTES TO STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2009**

1. SUMMARY OF PRESENTATION POLICIES

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

2. OTHER SPORTS

Other sports include baseball, cross country, fencing, field hockey, pistol, rifle, softball, synchronized swimming, wrestling, men's and women's track and field, men's and women's golf, men's and women's gymnastics, men's and women's ice hockey, men's and women's lacrosse, women's rowing, men's and women's soccer, men's and women's swimming and diving, men's and women's tennis, and men's and women's volleyball.

3. GIFTS

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

There were no individual contributions in excess of 10% of all contributions received for the Intercollegiate Athletic Department for the year ended June 30, 2009.

4. OTHER FORMS OF COMPENSATION

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

**THE OHIO STATE UNIVERSITY
INTERCOLLEGIATE ATHLETIC DEPARTMENT**

NOTES TO STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2009

5. PROPERTY, PLANT AND EQUIPMENT

Intercollegiate athletics-related assets are accounted for consistent with the University's policies for property, plant and equipment. Property, plant and equipment valued at \$5,000 or more are recorded at cost at date of acquisition or, if acquired by gift, at estimated fair value at date of gift. Additions to plant assets are capitalized, while maintenance and minor renovations are charged to operations. Property, plant and equipment assets are reflected net of accumulated depreciation calculated on a straight-line basis over the estimated useful lives ranging from 3 to 100 years.

	Balance June 30, 2008	Additions	Transfers In (Out)	Disposals	Balance June 30, 2009
Capital assets not being depreciated:					
Construction in progress	\$ 2,432,220	2,572,654	(2,730,879)	-	\$ 2,273,995
Total capital assets not being depreciated	2,432,220	2,572,654	(2,730,879)	-	2,273,995
Capital assets being depreciated:					
Buildings	314,279,124	7,794,594	-	-	322,073,718
Capital improvements	22,854,316	3,714,498	-	-	26,568,814
Machinery and equipment	7,259,183	358,675	12,065	(446,139)	7,183,784
Total capital assets being depreciated	344,392,623	11,867,767	12,065	(446,139)	355,826,316
Total capital assets	346,824,843	14,440,421	(2,718,814)	(446,139)	358,100,311
Less accumulated depreciation:					
Buildings	82,599,330	9,931,065	-	-	92,530,395
Capital improvements	8,696,351	1,380,715	-	-	10,077,066
Machinery and equipment	4,658,805	408,110	(24,888)	(377,228)	4,664,799
Total accumulated depreciation	95,954,486	11,719,890	(24,888)	(377,228)	107,272,260
Total capital assets being depreciated, net	248,438,137	147,877	36,953	(68,911)	248,554,056
Capital assets - net	\$ 250,870,357	\$ 2,720,531	\$(2,693,926)	\$ (68,911)	\$ 250,828,051

The Ohio State University

*Independent Accountants' Report on the
Application of Agreed-Upon Procedures to
Statements and Records of Booster Organizations'
Expenditures for or on Behalf of the
University's Department of Athletics for
the Year Ended June 30, 2009*



**INDEPENDENT ACCOUNTANTS' REPORT ON
THE APPLICATION OF AGREED-UPON PROCEDURES TO
STATEMENTS AND RECORDS OF BOOSTER ORGANIZATIONS'
EXPENDITURES
FOR OR ON BEHALF OF THE UNIVERSITY DEPARTMENT OF ATHLETICS**

E. Gordon Gee, President
The Ohio State University

We have performed the procedures below, which were agreed to by the administration of The Ohio State University (the "University"), with respect to the accounting records of the University and the related booster organizations, referred to below, in connection with activities of the Department of Athletics of the University. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures that we performed and our findings are as follows:

- A. We obtained a list of booster organizations and a schedule of receipts/revenues and disbursements/expenses (the "Schedule") for the year ended June 30, 2009, from the Director of Athletics. The Schedule is included as the Exhibit to this report.
- B. We agreed total revenues and expenditures or total cash receipts and cash disbursements of all booster organizations for the year ended June 30, 2009, listed on the Schedule with amounts obtained from the official responsible for each respective booster organization.
- C. We received a representation letter signed by the Director of Athletics and all of the head coaches that the booster organizations, as listed in the Exhibit, are the only booster organizations that support the Department of Athletics as defined in the National Collegiate Athletic Association ("NCAA") Financial Audit Guidelines dated August 2009.

- D. We obtained a summary of contributions to or in behalf of the Department of Athletics from the booster organizations and compared such summary to the revenues recorded in the University's accounting records. The in-kind contributions and donated goods or services were not recorded in the University's accounting records. It is an institutional policy not to reflect these contributions in the University's financial statements. The contributions reported by the booster groups were credited to the applicable groups in The Ohio State University Development Fund's records in accordance with the University's and the Athletic Department's policies.
- E. The NCAA regulations require the University to exercise oversight of the activities of the booster organizations. Part of the oversight responsibility is to review the financial activities of the various organizations. Procedurally, the regulations specify that the booster organization report its financial activities to the University. The University is then responsible for accumulating and reporting the organization's financial activities.

We noted the following exceptions:

- **During fiscal year 2009, the financial activities of the booster organizations were only provided as part of the agreed-upon procedures examination process. The NCAA regulations require the University to exercise oversight of the activities of the booster organizations. Part of the oversight responsibility is to review the financial activities of the various organizations. Procedurally, the regulations specify that the booster organization report its financial activities to the University. The University is then responsible for accumulating and reporting the organization's financial activities.**
- **We noted organizations were missing required membership compliance forms for many of their members based on their membership rosters. We also noted two organizations whose constitution and bylaws did not contain proper language. The Compliance Office requires that all group officers and members sign Certification of Compliance forms annually, certifying their compliance with NCAA, Big Ten Conference, and University policy and procedures.**
- **We noted that the University was not requiring the booster organizations to obtain approvals for fund raising activities or expenditures exceeding \$1,000. University policy requires the booster organizations to obtain the approval of the Athletic Compliance Office for fund raising activities and all support group expenditures exceeding \$1,000.**
- **The University is not performing the monitoring procedures envisioned by the regulations. In addition, we experienced difficulties obtaining the financial information from several of the booster organizations. The**

examination process is to perform tests on the information accumulated by the University as part of their oversight functions. It is not a substitute for the monitoring procedures specified within the regulations.

- **Procedures were not in place to allow financial activities of booster organizations to be obtained and reviewed throughout the fiscal year. We were informed during the prior year examination that the Compliance Office was in the process of revamping procedures for the Booster Organizations. However, these procedures were not in place during the current year's examination.**

We were not engaged to perform an audit, the objective of which would be the expression of an opinion on the accounts of the booster organizations or items referred to above. Accordingly, we do not express such an opinion. Had we been engaged to perform additional procedures, other matters might have come to our attention that would have been reported to you. Nor, were we engaged to perform an examination, the objectives of which would be the expression of an opinion on management's assertions about the effectiveness of the internal control structure over financial reporting. Accordingly, we do not express such an opinion. Had we been engaged to perform additional procedures, other matters might have come to our attention that would have been reported to you.

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

Farms & Company, LLC

December 29, 2009

**THE OHIO STATE UNIVERSITY
DEPARTMENT OF ATHLETICS**

Exhibit

**OUTSIDE ORGANIZATIONS ACTING IN BEHALF OF THE DEPARTMENT OF
ATHLETICS RECEIPTS/REVENUES AND DISBURSEMENTS/EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009**

Organizations reporting on a cash receipts and disbursements basis for the year ended June 30, 2009, are as follows:

Organization	Beginning Cash Balance	Cash Receipts	Cash Disbursements		Ending Cash Balance
			Contributions To or In Behalf of Program	Other	
The Buckeye Diamond Club	\$ 122,097	279,197	123	194,701	\$ 206,470
The Buckeye Sideliners	4,395	30,869	10,000	24,602	662
The Ohio State Men's Swimming and Diving Boosters Club	8,686	8,042	1,334	5,620	9,774
The Rebounders Club	7,878	54,036	25,500	29,732	6,682
Varsity "O" Women	56,244	53,838	2,345	29,227	78,510

Organizations reporting revenues and expenditures for the year ended June 30, 2009, are as follows:

Organization	Revenues	Expenditures/ Contributions		Net Income (Loss)
		To or In Behalf of Program	Other	
Buckeye Boosters, Inc.	\$ 173,049	302,250	94,100	\$ (223,301)
Center Ice Club	10,553	-	11,009	(456)
OSU Varsity Rifle Team Booster Club	1,558	-	1,068	490
The Varsity "O" Alumni	138,063	82,237	58,169	(2,343)

**THE OHIO STATE UNIVERSITY
TRAUMATIC BRAIN INJURY NETWORK**

**Independent Accountants' Report
on Agreed-Upon Procedures Performed
As Specified By**

**The Ohio Department of Alcohol, Drug Addiction
and Mental Health Services
(UPID Number 6707)**

and

ADAMH Services Board of Franklin County

For The Year Ended June 30, 2009



**THE OHIO STATE UNIVERSITY
TRAUMATIC BRAIN INJURY NETWORK**

**AGREED-UPON PROCEDURES
PERFORMED ON THE ACTUAL UNIT COST REPORT**

For the Year Ended June 30, 2009

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**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

The Ohio State University
Traumatic Brain Injury Network

We have performed the procedures as enumerated on pages 2 through 7 which were agreed to by the Ohio Department of Alcohol and Drug Addiction Services (ODADAS) solely to assist you in evaluating the accompanying Actual Uniform Cost Reports (FIS-047) prepared by The Ohio State University Traumatic Brain Injury Network for the year ended June 30, 2009, in accordance with the criteria contained in ODADAS Administrative Rule Number 3793:2-1-10. The Ohio State University Traumatic Brain Injury Network's management is responsible for the Actual Uniform Cost Reports. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purposes.

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

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

Parms & Company, LLC

December 18, 2009

THE OHIO STATE UNIVERSITY			
TRAUMATIC BRAIN INJURY NETWORK			
REPORT ON APPLICATION OF AGREED-UPON PROCEDURES ON UNIFORM COST REPORT			
For the Year Ended June 30, 2009			
Number	Area Tested	Test Procedure(s)	Test Result(s)
1	Procedure One – Mathematical Accuracy Testing		
1 (a)		Obtain a reconciliation of the total costs reported on the AUCR to the general ledger and/or the independently audited financial statements for the year ended June 30, 2009. Compare the amounts listed on the reconciliation to the amounts listed on the general ledger and/or independently audited financial statements for the SFY being verified. Identify and document any material variances (greater than plus or minus two percent) and obtain management's explanation of the material variance(s) for inclusion in the AUCR AUP report.	Reconciled costs reported on the AUCR with the OSU's general ledger accounts for the TBI Network.
1 (b)		For and by each service with costs being reported on the AUCR:	
1 (b) i		Sum the values reported in columns 4 and 5 to verify the result is equal to the value reported in the corresponding column 6;	Amounts are totaled correctly.
1 (b) ii		Sum the values reported in columns 6 and 7 to verify the result is equal to the value reported in the corresponding column 8;	Amounts are totaled correctly.
1 (b) iii		Verify the value reported in column 9 is equal to the result of dividing the value in column 8 by the value in column 2;	Amounts are calculated correctly.
1 (b) iv		Verify the valued reported in column 11 is equal to the result of subtracting the value in column 10 from the value in column 8;	Amounts are totaled correctly.
1 (b) v		Verify the value reported in column 12 is equal to the result of dividing the value in column 11 by the value in column 2;	Amounts are calculated correctly.

THE OHIO STATE UNIVERSITY
TRAUMATIC BRAIN INJURY NETWORK
REPORT ON APPLICATION OF AGREED-UPON PROCEDURES ON UNIFORM COST REPORT
For the Year Ended June 30, 2009

Number	Area Tested	Test Procedure(s)	Test Result(s)
1 (b) vi		Verify the values reported in the "Total MH Services" or the "Totals for AOD Services" are equal to the sum of the values reported in the corresponding column;	Amounts are totaled correctly.
1 (b) vii		Verify the values reported in the "Agency Total"/"Total for Agency" are equal to the sum of the values reported in the corresponding column.	Amounts in total/total for agency equal total in corresponding column.
2	Personnel Costs Verification		
2 (a)		Compare the personnel costs reported in column 4 of the AUCR to the salaries, wages and fringe benefits reported on the independently audited financial statements or Federal Internal Revenue Service Employer Form 941 for the SFY. Identify and document any material variances (greater than plus or minus two percent) and obtain management's explanation of the material variance(s) for inclusion in the AUCR AUP report.	TBI Network is a department within The Ohio State University. We traced personnel costs to the general ledger accounts applicable to the TBI Network and agreed reported salaries for the department to salary listings per the Human Resource department of the University.
2 (b) i		Compare the costs for allowability and unallowability as defined in Ohio Administrative Code 5122-26-19 sections (1) and (2) of paragraph (H) or Ohio Administrative Code 3793:2-1-09 paragraphs (H)(1) and (H)(2);	Amounts are correctly reported on cost report.
2 (b) ii		Compare the allocation methods used to determine whether the costs are documented as direct service (column 4a) or support service (column 4b) costs;	Allocation methods appear to be appropriate.

THE OHIO STATE UNIVERSITY
TRAUMATIC BRAIN INJURY NETWORK
REPORT ON APPLICATION OF AGREED-UPON PROCEDURES ON UNIFORM COST REPORT
For the Year Ended June 30, 2009

Number	Area Tested	Test Procedure(s)	Test Result(s)
2 (b) iii		Compare the allocation method or methods used to determine which service personnel costs have been allocated to;	Allocation methods appear to be appropriate.
2 (b) vi		Verify any unallowable costs are allocated in the same manner they were originally allocated and are documented in the appropriate service row of column 10 of the AUCR;	There were no unallowable costs.
2 (b) v		Identify and document any material variances (greater than plus or minus two percent) and obtain management's explanation of the material variance(s) for inclusion in the AUCR AUP report.	There were no variances greater than plus or minus two percent.
3	Non-Personnel Costs Verification		
3 (a)		From the non-personnel costs reported in column 5 of the AUCR, select a haphazard sample (as defined in the American Institute of Certified Public Accountants audit sampling guide) of checks and/or electronic funds transfer (EFT) disbursements, equal to twenty percent or forty checks and/or EFT disbursements, whichever is less. Perform the following procedures on each selected check or EFT disbursement:	Due to the size and limited number of transactions of the TBI Network, we reviewed 20 percent of the transactions.
3 (a) i		Compare the costs the check or EFT disbursement is for to the appropriate allowability or unallowability criteria listed in Ohio Administrative Code 5122-26-19 sections (1) and (2) of paragraph (H) or Ohio Administrative Code 3793:2-1-09 paragraphs (H)(1) and (H)(2);	There were no unallowable costs.

THE OHIO STATE UNIVERSITY			
TRAUMATIC BRAIN INJURY NETWORK			
REPORT ON APPLICATION OF AGREED-UPON PROCEDURES ON UNIFORM COST REPORT			
For the Year Ended June 30, 2009			
Number	Area Tested	Test Procedure(s)	Test Result(s)
3 (a) ii		Verify the allocation method or methods used for the sampled non-personnel costs have been made in accordance with the procedures outlined in the Ohio Administrative Code rule 5122-26-19, Appendix or Ohio Administrative Code 3793:2-1-09, Appendix A;	Allocation method used is in accordance with the Ohio Administrative Code.
3 (a) iii		Verify any unallowable costs are allocated in the same manner they were originally allocated and are documented in the appropriate service row of column 10 of the AUCR;	There were no unallowable costs.
3 (a) vi		Identify and document any material variances (greater than plus or minus two percent) and obtain management's explanation of the material variance(s) for inclusion in the AUCR AUP report.	There were no material variances greater than plus or minus two percent.
4	Administrative Overhead Costs Verification		
4 (a)		From the administrative overhead costs reported in column 7 of the AUCR, select a haphazard sample (as defined in the American Institute of Certified Public Accountants audit sampling guide) of checks and/or electronic funds transfer (EFT) disbursements, equal to 10 percent or 20 checks and/or EFT disbursements, whichever is less. Perform the following procedures on each selected check or EFT disbursement:	Due to the size and limited number of transactions of the TBI Network, we reviewed 10 percent of the transactions.

THE OHIO STATE UNIVERSITY			
TRAUMATIC BRAIN INJURY NETWORK			
REPORT ON APPLICATION OF AGREED-UPON PROCEDURES ON UNIFORM COST REPORT			
For the Year Ended June 30, 2009			
Number	Area Tested	Test Procedure(s)	Test Result(s)
4 (a) i		Compare the costs the check or EFT disbursement is for to the appropriate allowability or unallowability criteria listed in Ohio Administrative Code 5122-26-19 sections (1) and (2) of paragraph (H) or Ohio Administrative Code 3793:2-1-09 paragraphs (H)(1) and (H)(2);	There were no unallowable costs.
4 (a) ii		Determine if the administrative overhead costs were allocated using only one of the allowable methods described in the Ohio Administrative Code rule 5122-26-19, Appendix or Ohio Administrative Code 3793:2-1-09, Appendix A;	Allocation method used is in accordance with the Ohio Administrative Code.
4 (a) iii		Verify any unallowable costs are allocated in the same manner they were originally allocated and are documented in the appropriate service row of column 10 of the AUCR;	There were no unallowable costs.
4 (a) iv		Identify and document any material variances (greater than plus or minus two percent) and obtain management's explanation of the material variance(s) for inclusion in the AUCR AUP report.	There were no material variances greater than plus or minus two percent.
5	Units of Service Verification		
5 (a)		From and by each service with costs reported on the AUCR, select a haphazard sample (as defined by the American Institute of Certified Public Accountants audit sampling guide) of the reported units of service, equal to 20 percent or 40 total units, whichever is less. Perform the following procedures on the selected units:	Due to the size and limited number of transactions of the TBI Network, we reviewed at least 20 percent of the units of services provided.

THE OHIO STATE UNIVERSITY			
TRAUMATIC BRAIN INJURY NETWORK			
REPORT ON APPLICATION OF AGREED-UPON PROCEDURES ON UNIFORM COST REPORT			
For the Year Ended June 30, 2009			
Number	Area Tested	Test Procedure(s)	Test Result(s)
5 (a) i		Verify documentation exists in client records to support the number of units selected;	There was documentation to support reported units of services.
5 (a) ii		Compare the type of service selected to determine if it is reported in the appropriate service line of column 2;	Services were reported in the appropriate service line.
5 (a) iii		Identify and document any material variances (greater than plus or minus two percent) and obtain management's explanation of the material variance(s) for inclusion in the AUCR AUP report.	There were no material variances greater than plus or minus two percent.
6	First BUCR to AUCR comparison		
6 (a)		Compare the first BUCR to the AUCR and verify the methods of cost reporting selected are the same as the methods used when completing the AUCR.	No differences noted in the methods of cost reporting between the BUCR and AUCR.

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

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

Fiscal Year Budget: FY 2009-reconciliation
MACSIS UPI: 6707
Agency Telephone Number: 614-691-6010
Owner Federal Tax I.D. Number: 316023966

1. Type of Service	HCPCS / Procedure Code	Unit Definition	2. # of Units	3. Number of FTE Asslan		4. Personnel Costs		5. Service Non-Personnel Costs	6. Service Total Costs	7. Allocation of Admn. Overhead	8. Total Costs	9. Cost Per Unit	10. Unallowable Costs	11. Total Allowable Costs	12. Allowable Cost Per Unit
				Direct Service	Support Service	Direct Service	Support Service								
TREATMENT SERVICES															
Acute Hospital Detoxification	H0003	24 hour													
Ambulatory Detoxification	H0014	24 hour													
Assessment	H0001	60 minutes	454.8	0.437	0.179	\$20,731.22	\$9,241.62	\$13,787.76	\$42,760.59	\$2,663.19	\$45,023.79	\$100.32		\$45,023.79	\$100.32
Case Management	H0006	60 minutes	3,690.3	3.548	0.769	\$173,445.20	\$39,648.85	\$97,184.52	\$310,278.57	\$21,058.67	\$331,337.24	\$89.79		\$331,337.24	\$89.79
Crisis Intervention	H0007	60 minutes	4.9	0.005	0.002	\$226.32	\$213.50	\$159.97	\$599.87	\$43.47	\$643.34	\$131.74		\$643.34	\$131.74
Family Counseling	H0005	15 minutes													
Group Counseling	H0005	15 minutes	13,940	0.957	0.627	\$46,676.80	\$39,974.73	\$35,699.12	\$122,350.35	\$8,563.17	\$130,913.52	\$9.39		\$130,913.52	\$9.39
Individual Counseling	H0004 001	15 minutes	1,728	0.415	0.140	\$19,305.80	\$9,947.76	\$12,521.39	\$40,774.96	\$2,792.11	\$43,567.07	\$25.22		\$43,567.07	\$25.22
Intensive Outpatient	H0015	24 hour													
Laboratory Urinalysis	H0003	1 screen													
Medical Somatic	H0016	60 minutes													
Methadone Administration	H0020	1 dose													
Sub Acute Detoxification	H0012	24 hour													
23 Hour Observation Bed	99236	24 hour													
Urine Dip Screen	A0780	1 screen													
COMMUNITY RESIDENTIAL TREATMENT (includes Room & Board costs)															
Med. Comm. Residential TX - Hospital Set	A1210	24 hour													
Med. Comm. Residential TX - Non-Hospital	A0230	24 hour													
Non-Hospital Community Residential TX	A1220	24 hour													
BH COMMUNITY RESIDENTIAL TREATMENT (includes Room & Board costs)															
BH Med. Comm. Residential TX - Hospital	H0017	24 hour													
BH Med. Comm. Residential TX - Non-Hospital	H0019	24 hour													
COMMUNITY SERVICES															
Consultation	A0560	60 minutes													
Intervention	H0022	60 minutes													
Referral and Information	A0510	60 minutes													
Training	H0021	60 minutes													
PREVENTION SERVICES															
Alternatives	A0660	60 minutes													
Community-Based Process	A0630	60 minutes													
Education	A0620	60 minutes													
Information Dissemination	A0610	60 minutes													
Problem Identification and Referral	A0650	60 minutes													
ADDUCTIVE ALCOHOL AND DRUG SERVICES															
Child Care	I1009	60 minutes													
Room and board transportation	A0780	24 hour													
ADU Services for Offenders Classified	H0047	60 minutes													
DRIVER INTERVENTION PROGRAMS															
Non-Residential Dip	N/A	1 unit													
Residential Dip	N/A	1 unit													
OTHER															
Administrative Overhead						0.243	\$20,542.88	\$14,777.73	\$35,320.62						
Mental Health Services															
Title IV-E Services															
Non ADD/MH/Title IV-E Services						0.760	\$49,666.30	\$49,666.30	\$49,666.30		\$49,666.30			\$49,666.30	
TOTALS															
TOTALS FOR ADD SERVICES			19,817.6	1.709		\$20,385.04	\$97,026.54	\$159,352.76	\$519,764.34	\$35,320.62	\$552,084.96		\$0.00	\$552,084.96	
TOTALS FOR AGENCY						\$363	2.712	\$20,385.04	\$167,235.73	\$174,130.49	\$601,751.26		\$35,320.62	\$601,751.26	\$0.00

I certify that this UCR and all supporting documentation have been completed in accordance with OAC 3793.2-1-09

Name/Title: J. S. Craig, Director
Date: 12/16/09



Mary Taylor, CPA
Auditor of State

THE OHIO STATE UNIVERSITY

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
FEBRUARY 4, 2010