

The Ohio State University Research Foundation

(A Component Unit of
The Ohio State University)

Report on Federal Awards in Accordance With OMB
Circular A-133 for the Year Ended June 30, 2007



Mary Taylor, CPA

Auditor of State

Board of Directors
The Ohio State University Research Foundation
1960 Kenny Road
Columbus, Ohio 43210

We have reviewed the *Independent Auditors' Report* of The Ohio State University Research Foundation, Franklin County, prepared by Deloitte & Touche LLP, for the audit period July 1, 2006 through June 30, 2007. 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 Research Foundation is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

January 25, 2008

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THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION
(A Component Unit of the Ohio State University)

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THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2007

Federal Agency/Pass-Through Grantor	CFDA No.	Sponsor ID	Expenditures
Research and Development Cluster — Pass-through from The Ohio State University			
Smithsonian Astrophysical Observatory	43.002	30060200	\$ 60,209
Nuclear Regulatory Commission	81.30220000	30220000	651,705
Agency for International Development	98.30300100	30300100	(270)
Central Intelligence Agency	13.30350100	30350100	75,465
Institute of Museum and Library Services	45.30510000	30510000	16,908
Corporation for National and Community Service	94.005	31040001	94,208
Environmental Protection Agency	66.202	32000000	115,740
Environmental Protection Agency	66.32000000	32000000	108,972
Environmental Protection Agency	66.469	32000000	4,624
Environmental Protection Agency	66.500	32000000	93,146
Environmental Protection Agency	66.509	32000000	91,212
Environmental Protection Agency	66.510	32000000	4,434
Environmental Protection Agency	66.511	32000000	17,835
Environmental Protection Agency	66.512	32000000	126,038
Environmental Protection Agency	66.515	32000000	(424)
Environmental Protection Agency	66.516	32000000	9,117
Environmental Protection Agency	66.714	32000000	21,056
Environmental Protection Agency	66.951	32000000	(11)
National Aeronautics and Space Administration	43.001	33000000	229,022
National Aeronautics and Space Administration	43.002	33000000	119,293
National Aeronautics and Space Administration	43.33000000	33000000	56,403
Langley Research Center	43.002	33000102	45,238
Ames Research Center	43.33000103	33000103	161,654
John Glenn Research Center-Lewis Field	43.001	33000104	51,040
John Glenn Research Center-Lewis Field	43.002	33000104	2,126,635
John Glenn Research Center-Lewis Field	43.33000104	33000104	83,424
National Aeronautics and Space Administration Headquarters	43.001	33000105	119,372
National Aeronautics and Space Administration Headquarters	43.002	33000105	993,765
National Aeronautics and Space Administration Headquarters	43.33000105	33000105	217,795
Marshall Space Flight Center	43.002	33000201	50,425
Johnson Space Center	43.002	33000202	243,968
Goddard Space Flight Center	43.002	33000301	2,007,004
Goddard Space Flight Center	43.33000301	33000301	26,988
Jet Propulsion Lab	43.002	33000303	26,521
Jet Propulsion Lab	43.33000303	33000303	127,666

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THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2007

Federal Agency/Pass-Through Grantor	CFDA No.	Sponsor ID	Expenditures
NASA Dryden Flight Research Center	43.002	33000304	\$ 27,569
National Endowment for the Humanities	45.149	34000100	(561)
National Endowment for the Humanities	45.161	34000100	(6,309)
National Endowment for the Humanities	45.163	34000100	69,379
National Endowment for the Arts	45.024	34000200	34,995
National Science Foundation	47.014	35000000	21,678
National Science Foundation	47.041	35000000	555,919
National Science Foundation	47.049	35000000	3,997,180
National Science Foundation	47.050	35000000	681,182
National Science Foundation	47.070	35000000	785,112
National Science Foundation	47.074	35000000	1,252,914
National Science Foundation	47.075	35000000	34,627
National Science Foundation	47.076	35000000	240,908
National Science Foundation	47.078	35000000	27,564
National Science Foundation Directorate for Biological Sciences	47.074	35000100	703,878
National Science Foundation Div of Biological Instrumentation & Resources	47.074	35000101	245,921
National Science Foundation Div of Integrative Organismal Biology	47.074	35000102	919,386
National Science Foundation Div of Molecular & Cellular Biosciences	47.074	35000103	1,579,442
National Science Foundation Div of Environmental Biology	47.074	35000104	766,302
National Science Foundation Div of Biological & Neural Sciences	47.074	35000105	77,906
National Science Foundation Div of Social & Economic Sciences	47.075	35000106	170,999
National Science Foundation Div of Biological Infrastructure	47.074	35000107	153,057
National Science Foundation Div of Emerging Frontiers	47.074	35000108	114,711
National Science Foundation Directorate for Computer & Info Sciences & Eng	47.070	35000200	974,040
National Science Foundation Div of Computer & Computation Research	47.070	35000202	174,124
National Science Foundation Div of Info Robotics & Intelligent Systems	47.070	35000203	702,889
National Science Foundation Div of Advanced Scientific Computing	47.070	35000205	223,168
National Science Foundation Div of Computer and Network Systems	47.070	35000207	810,837
National Science Foundation Div of Computing & Communication Foundations	47.070	35000208	68,930
National Science Foundation Directorate for Engineering	47.041	35000300	442,092
National Science Foundation Directorate for Engineering	47.049	35000300	98,366
National Science Foundation Directorate for Engineering	47.070	35000300	26,256
National Science Foundation Div of Engineering Education and Centers	47.041	35000302	2,981,220
National Science Foundation Div of Chemical & Transport Systems	47.041	35000303	402,027

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THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2007

Federal Agency/Pass-Through Grantor	CFDA No.	Sponsor ID	Expenditures
National Science Foundation Div of Civil & Mechanical Structures	47.041	35000304	\$ (311)
National Science Foundation Div of Electrical, Communications and CyberSys	47.041	35000305	454,753
National Science Foundation Div of Design & Manufacturing Innovation	47.041	35000306	495,256
National Science Foundation Div of Bioengineering & Environmental Systems	47.041	35000307	482,804
National Science Foundation Div of Atmospheric Sciences	47.050	35000401	713,764
National Science Foundation Div of Earth Sciences	47.050	35000402	505,628
National Science Foundation Div of Earth Sciences	47.070	35000402	112,367
National Science Foundation Div of Earth Sciences	47.074	35000402	52,883
National Science Foundation Div of Ocean Sciences	47.050	35000403	(4,191)
National Science Foundation Office of Polar Programs	47.050	35000404	3,399
National Science Foundation Office of Polar Programs	47.078	35000404	2,220,875
National Science Foundation Div of Mathematical Sciences	47.049	35000501	4,428,720
National Science Foundation Div of Physics	47.049	35000502	1,282,917
National Science Foundation Div of Physics	47.070	35000502	45,799
National Science Foundation Div of Chemistry	47.050	35000503	1,362,110
National Science Foundation Div of Materials Research	47.049	35000504	995,649
National Science Foundation Div of Astronomical Sciences	47.049	35000505	175,012
National Science Foundation Div of Research Career Development	47.050	35000604	46,219
National Science Foundation Div of Research Career Development	47.070	35000604	80,650
National Science Foundation Div of Undergraduate Education	47.046	35000605	7,176
National Science Foundation Div of Undergraduate Education	47.076	35000605	798,917
National Science Foundation Div of Human Resource Development	47.076	35000606	686,651
National Science Foundation Div of Elementary, Secondary & Informal Educ	47.076	35000607	112,704
National Science Foundation Div of Graduate Educ & Res Development	47.076	35000611	1,670,811
National Science Foundation Div of Research, Evaluation & Communication	47.076	35000612	(9,023)
National Science Foundation Div of Social, Behavioral & Economic Sciences	47.075	35000800	8,921
National Science Foundation Div of Social, Behavioral & Economic Research	47.075	35000801	1,649,220
National Science Foundation Office of International Science & Eng	47.045	35000803	746
National Science Foundation Office of International Science & Eng	47.075	35000803	5,853
National Science Foundation Div of Behavioral & Cognitive Sciences	47.074	35000804	73,381
National Science Foundation Div of Behavioral & Cognitive Sciences	47.075	35000804	61,539
National Science Foundation Office of Cyberinfrastructure	47.041	35001000	173,714
US Department of Agriculture	10.219	40000000	25,025

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THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2007

Federal Agency/Pass-Through Grantor	CFDA No.	Sponsor ID	Expenditures
USDA Forest Service	10.40020000	40020000	\$ 46,571
USDA Forest Service	10.652	40020000	259,703
USDA Forest Service	10.664	40020000	69,033
USDA Forest Service	10.670	40020000	(762)
USDA Forest Service	10.673	40020000	16,858
Cooperative State Research, Education, and Extension Service	10.200	40040100	2,640,928
Cooperative State Research, Education, and Extension Service	10.206	40040100	2,453,457
Cooperative State Research, Education, and Extension Service	10.207	40040100	26,650
Cooperative State Research, Education, and Extension Service	10.210	40040100	37,778
Cooperative State Research, Education, and Extension Service	10.217	40040100	198,911
Cooperative State Research, Education, and Extension Service	10.219	40040100	109,774
Cooperative State Research, Education, and Extension Service	10.302	40040100	4,132
Cooperative State Research, Education, and Extension Service	10.303	40040100	1,345,460
Cooperative State Research, Education, and Extension Service	10.305	40040100	11,347
Cooperative State Research, Education, and Extension Service	10.307	40040100	20,672
Cooperative State Research, Education, and Extension Service	10.500	40040100	487,534
North Central Region Integrated Pest Management Program	10.200	40040102	(21,533)
National Research Initiative Competitive Grants Program	10.206	40040103	451,954
Initiative for Future Agriculture and Food Systems	10.302	40040104	388,334
USDA Agricultural Research Service	10.001	40040200	1,243,125
Natural Resources Conservation Service	10.40060000	40060000	(139)
Natural Resources Conservation Service	10.902	40060000	15,734
Animal and Plant Health Inspection Service	10.025	40070000	119,465
Office of International Cooperation and Development	10.960	40100000	65,575
Economic Research Service	10.250	40120000	8,159
Food Safety and Inspection Service	10.40130000	40130000	98,017
Food Safety and Inspection Service	10.475	40130000	7,094
USDA Risk Management Agency	10.450	40180000	202
USDA Rural Development	10.771	40190000	299,070
USDA Foreign Agricultural Service	10.960	40200000	747
USDA Foreign Agricultural Service	10.961	40200000	72,257
USDA Foreign Agricultural Service	10.962	40200000	1,030
National Oceanic & Atmospheric Administration	11.400	42020000	(109,156)

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THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2007

Federal Agency/Pass-Through Grantor	CFDA No.	Sponsor ID	Expenditures
National Oceanic & Atmospheric Administration	11.417	42020000	\$ 1,314,098
National Oceanic & Atmospheric Administration	11.431	42020000	26,859
National Oceanic & Atmospheric Administration	11.432	42020000	54,335
National Oceanic & Atmospheric Administration	11.440	42020000	127,848
National Geodetic Survey	11.42020400	42020400	33,715
US Department of Defense	12.420	50000000	112,285
US Department of Defense	12.50000000	50000000	66,287
United States Air Force	12.50010000	50010000	265,898
United States Air Force	12.800	50010000	117,532
Air Force Materiel Command	12.800	50010100	5,735,221
Air Force Office of Scientific Research	12.630	50010105	2,546,011
Air Force Office of Scientific Research	12.800	50010105	2,987,899
Air Force Office of Scientific Research	12.910	50010105	(629)
Air Force Research Laboratory	12.50010126	50010126	271,631
Air Force Research Laboratory	12.800	50010126	203,291
Air Force Institute of Technology	12.50010201	50010201	185,521
United States Army	12.420	50020000	4,428
Army Corps of Engineers	12.50020100	50020100	13,946
Humphreys Engineer Center Support Activity	12.50020106	50020106	385,914
Army Tank Command	12.50020204	50020204	931
Army Natick Research, Development and Engineering Center	12.50020213	50020213	7,852
Army Research, Development and Engineering Command	12.50020219	50020219	3,884
Army Medical Command	12.420	50020300	(9,816)
Army Medical Research and Materiel Command	12.420	50020301	403,983
Army Research Office	12.300	50020400	453,073
Army Robert Morris Acquisition Center	12.431	50022400	549,793
Army Robert Morris Acquisition Center	12.50022400	50022400	(391)
Army Yuma Proving Ground	12.50022600	50022600	328,475
Army Medical Research Acquisition Activity	12.420	50022700	643,618
Army Medical Research Acquisition Activity	12.50022700	50022700	19,243
United States Navy	12.50040000	50040000	536,771
Naval Air Systems Command	12.50040101	50040101	251,141
Navy Research Lab	12.300	50040301	3,523,869

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THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2007

Federal Agency/Pass-Through Grantor	CFDA No.	Sponsor ID	Expenditures
Navy Research Lab	12.50040301	50040301	\$ 70,024
Naval Air Warfare Center Aircraft Division	12.50041600	50041600	(225)
Defense Advanced Research Projects Agency	12.431	50060000	12,765
Defense Advanced Research Projects Agency	12.50060000	50060000	(8,025)
National Geospatial-Intelligence Agency	12.630	50080000	558,917
Defense Logistics Agency	12.50130000	50130000	23,352
National Security Agency	12.50140000	50140000	290,107
National Security Agency	12.901	50140000	135,399
Uniformed Services University of the Health Sciences	12.50190000	50190000	290,811
National Reconnaissance Office	12.50200000	50200000	200,524
Defense Threat Reduction Agency	12.50220000	50220000	286,291
US Department of Education	84.047	53000000	292,693
US Department of Education	84.184	53000000	47,707
US Department of Education	84.305	53000000	177,139
US Department of Education	84.325	53000000	32,322
US Department of Education	84.327	53000000	899
US Department of Education	84.333	53000000	4,015
US Department of Education	84.53000000	53000000	1,455,651
Institute of Education Sciences	84.305	53020000	27,083
Institute of Education Sciences	84.53020000	53020000	626,723
Fund Improvement Postsecondary Education	84.116	53020300	102,798
Office of Elementary and Secondary Education	84.53030000	53030000	433,807
Office of Postsecondary Education	84.042	53040000	(14,573)
Office of Postsecondary Education	84.220	53040000	285,705
Office of Postsecondary Education	84.229	53040000	110,858
Office of Postsecondary Education	84.53040000	53040000	188,769
Center for International Education	84.015	53040200	179,148
Center for International Education	84.53040200	53040200	118,481
Office of Special Education and Rehabilitative Services	84.324	53050000	(3,100)
Office of Special Education and Rehabilitative Services	84.325	53050000	88,281
Office of Special Education Programs	84.324	53050100	167,822
Office of Special Education Programs	84.325	53050100	303,995
Rehabilitation Services Administration	84.129	53050200	(2,174)

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THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2007

Federal Agency/Pass-Through Grantor	CFDA No.	Sponsor ID	Expenditures
National Institute on Disability and Rehabilitation Research	84.133	53050300	\$ 364,543
National Institute on Disability and Rehabilitation Research	84.224	53050300	(2,089)
National Institute on Disability and Rehabilitation Research	84.53050300	53050300	176,739
US Department of Energy	81.049	55000000	6,283,458
US Department of Energy	81.086	55000000	(330,530)
US Department of Energy	81.087	55000000	(28)
US Department of Energy	81.089	55000000	177,585
US Department of Energy	81.112	55000000	151,650
US Department of Energy	81.114	55000000	181,454
US Department of Energy	81.115	55000000	87
US Department of Energy	81.117	55000000	415,937
US Department of Energy	81.123	55000000	42,717
US Department of Energy	81.55000000	55000000	544,294
Oak Ridge National Laboratory	81.55110000	55110000	7,155
National Energy Technology Laboratory	81.064	55130000	(3,237)
National Energy Technology Laboratory	81.086	55130000	(125)
National Energy Technology Laboratory	81.089	55130000	325,553
National Energy Technology Laboratory	81.117	55130000	162,821
National Energy Technology Laboratory	81.55130000	55130000	(27,246)
US Department of Health & Human Services	93.887	60000000	1,655
Public Health Service	93.137	60040000	107,696
Agency for Healthcare Research and Quality	93.226	60041200	89,835
Food and Drug Administration	93.62000000	62000000	32,625
National Institutes of Health	93.113	64000000	364,166
National Institutes of Health	93.172	64000000	20,001
National Institutes of Health	93.173	64000000	165,705
National Institutes of Health	93.213	64000000	128,758
National Institutes of Health	93.389	64000000	499,900
National Institutes of Health	93.394	64000000	(1,221)
National Institutes of Health	93.395	64000000	87,719
National Institutes of Health	93.398	64000000	29,478
National Institutes of Health	93.64000000	64000000	(5,539)
National Institutes of Health	93.848	64000000	259,169

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THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2007

Federal Agency/Pass-Through Grantor	CFDA No.	Sponsor ID	Expenditures
National Institutes of Health	93.849	64000000	\$ 19,830
National Institutes of Health	93.853	64000000	265,018
National Institutes of Health	93.855	64000000	284,456
National Institutes of Health	93.856	64000000	381,094
National Institutes of Health	93.859	64000000	377,642
National Cancer Institute	93.393	64000002	6,252,615
National Cancer Institute	93.394	64000002	1,564,056
National Cancer Institute	93.395	64000002	14,926,786
National Cancer Institute	93.396	64000002	7,019,211
National Cancer Institute	93.397	64000002	5,182,983
National Cancer Institute	93.398	64000002	1,938,234
National Cancer Institute	93.399	64000002	2,065,322
National Cancer Institute	93.64000002	64000002	1,783,148
National Cancer Institute	93.981	64000002	149,636
National Heart, Lung, and Blood Institute	93.64000003	64000003	331,295
National Heart, Lung, and Blood Institute	93.837	64000003	7,587,344
National Heart, Lung, and Blood Institute	93.838	64000003	2,070,311
National Heart, Lung, and Blood Institute	93.839	64000003	411,545
National Heart, Lung, and Blood Institute	93.846	64000003	1,414,252
National Heart, Lung, and Blood Institute	96.838	64000003	156,221
National Institute of Allergy and Infectious Diseases	93.855	64000004	5,732,139
National Institute of Allergy and Infectious Diseases	93.856	64000004	5,009,839
National Institute of Diabetes and Digestive and Kidney Diseases	93.847	64000005	1,498,517
National Institute of Diabetes and Digestive and Kidney Diseases	93.848	64000005	1,387,624
National Institute of Diabetes and Digestive and Kidney Diseases	93.849	64000005	833,706
National Institute of Child Health and Human Development	93.864	64000006	316,224
National Institute of Child Health and Human Development	93.865	64000006	3,629,550
National Institute of Child Health and Human Development	93.929	64000006	73,242
National Institute of General Medical Sciences	93.821	64000007	622,940
National Institute of General Medical Sciences	93.859	64000007	7,206,396
National Institute of General Medical Sciences	93.862	64000007	998,351
National Institute of Neurological Disorders and Stroke	93.310	64000008	155,122
National Institute of Neurological Disorders and Stroke	95.853	64000008	6,761,911

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THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2007

Federal Agency/Pass-Through Grantor	CFDA No.	Sponsor ID	Expenditures
National Center for Research Resources	93.306	64000010	\$ (2,071)
National Center for Research Resources	93.333	64000010	(1,151)
National Center for Research Resources	93.389	64000010	5,032,072
National Center for Research Resources	93.865	64000010	485,667
National Eye Institute	93.867	64000011	4,698,940
National Institute of Dental and Craniofacial Research	93.121	64000012	3,170,071
National Institute of Environmental Health Sciences	93.113	64000014	1,605,127
National Institute on Aging	93.866	64000015	1,526,087
John F Fogarty International Center	93.934	64000017	(1,759)
John F Fogarty International Center	93.989	64000017	82,575
National Institute of Nursing Research	93.361	64000018	836,914
National Institute of Arthritis and Musculoskeletal and Skin Diseases	93.846	64000019	1,300,412
National Institute on Deafness and Other Communication Disorders	93.173	64000020	3,170,927
National Institute of Mental Health	93.242	64000021	3,244,784
National Institute of Mental Health	93.281	64000021	(6,147)
National Institute of Mental Health	93.282	64000021	220,150
National Institute on Drug Abuse	93.277	64000022	133,157
National Institute on Drug Abuse	93.278	64000022	16,619
National Institute on Drug Abuse	93.279	64000022	3,193,191
National Institute on Alcohol Abuse and Alcoholism	93.273	64000023	671,522
National Human Genome Research Institute	93.172	64000026	519,985
National Center for Complementary and Alternative Medicine	93.213	64000027	381,811
National Institute of Biomedical Imaging and Bioengineering	93.286	64000028	2,968,383
Health Resources and Services Administration	93.191	65000000	34,509
Health Resources and Services Administration	93.358	65000000	90,809
Health Resources and Services Administration	93.359	65000000	275,554
Health Resources and Services Administration	93.884	65000000	255,148
Health Resources and Services Administration	93.887	65000000	1,350,211
Health Resources and Services Administration	93.888	65000000	84,300
Bureau of Health Professions	93.884	65000001	95,933
Bureau of Health Professions	93.964	65000001	15,309
Maternal & Child Health Bureau	93.110	65000005	480,627
Centers for Disease Control and Prevention	93.136	66000000	234,734

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THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2007

Federal Agency/Pass-Through Grantor	CFDA No.	Sponsor ID	Expenditures
Centers for Disease Control and Prevention	93.262	66000000	\$ 84,132
Centers for Disease Control and Prevention	93.283	66000000	1,302,439
Centers for Disease Control and Prevention	93.66000000	66000000	66,275
National Institute for Occupational Safety and Health	93.262	66000001	851,444
National Institute for Occupational Safety and Health	93.956	66000001	617,630
National Center for Infectious Diseases	93.283	66000003	31,977
Administration on Children, Youth and Families	93.632	67000100	523,907
US Department of Housing and Urban Development	14.506	70000000	14,157
US Department of Housing and Urban Development	14.512	70000000	45,483
US Department of Housing and Urban Development	14.516	70000000	18,670
US Department of Housing and Urban Development	14.520	70000000	108,941
US Fish and Wildlife Service	15.228	72030000	97,481
US Fish and Wildlife Service	15.608	72030000	16,641
US Fish and Wildlife Service	15.635	72030000	28,523
US Fish and Wildlife Service	15.637	72030000	273
US Fish and Wildlife Service	15.72030000	72030000	4,357
US Geological Survey	15.72040000	72040000	134
US Geological Survey	15.805	72040000	86,636
US Geological Survey	15.808	72040000	(5,114)
National Park Service	15.72070000	72070000	24,954
Office of Surface Mining Reclamation and Enforcement	15.253	72090000	(238)
National Institute of Justice	16.560	74040100	79,341
Bureau of Justice Statistics	16.734	74040200	71,975
Occupational Safety & Health Administration	17.502	76020000	(209)
Bureau of Labor Statistics	17.76050000	76050000	14,643,152
Bureau of Educational and Cultural Affairs	19.405	80020100	78,417
US Department of Transportation	20.82000000	82000000	242,373
Federal Highway Administration	20.215	82010000	34,228
Federal Transit Administration	20514	82020000	83,721
Federal Aviation Administration	20.108	82030000	65,057
Federal Aviation Administration	20.82030000	82030000	322,873
National Highway Traffic Safety Administration	20.82040000	82040000	<u>610,795</u>
Sub-total pass-through from The Ohio State University			<u>239,242,379</u>

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2007

Federal Agency Sponsor	Sponsor	CFDA No.	Sponsor ID	Pass-Through ID No.	Expenditures
Research and Development Cluster — Pass-through from other sources					
National Aeronautics and Space Administration Headquarters	The Boeing Co	43.33000105	33000105	10010013	\$ 4,392
US Department of Defense	Lockheed Martin Corp	12.50000000	50000000	10010042	17,655
US Department of Defense	General Dynamics Corp	12.50000000	50000000	10010725	(2,175)
United States Air Force	General Dynamics Corp	12.50010000	50010000	10010725	6,270
Air Force Office of Scientific Research	CeramPhysics, Inc	12.50010105	50010105	10011166	68,516
US Department of Energy	Sandia Corp	81.55000000	55000000	10011170	97,655
DOE National Institute for Climatic Change Research	Edison Welding Inst Inc	81.55140000	55140000	10011218	48,969
Air Force Research Laboratory	AT&T Inc	12.50010126	50010126	10011298	5,880
National Institute of Standards and Technology	Owens Corning Corp	11.42040000	42040000	10011306	(120)
Agency for International Development	Development Alternatives Inc	98.30300100	30300100	10011316	(3,044)
Air Force Research Laboratory	Sci Applications Intl Corp	12.50010126	50010126	10011324	(21)
Defense Advanced Research Projects Agency	Sci Applications Intl Corp	12.50060000	50060000	10011324	113,193
National Cancer Institute	Sci Applications Intl Corp	93.64000002	64000002	10011324	160,525
National Institute of Neurological Disorders and Stroke	Sci Applications Intl Corp	93.64000008	64000008	10011324	(33,089)
US Department of Defense	General Dynamics Advanced Info Systems	12.50000000	50000000	10011383	(284)
United States Air Force	General Dynamics Advanced Info Systems	12.50010000	50010000	10011383	(859)
Air Force Research Laboratory	General Dynamics Advanced Info Systems	12.50010126	50010126	10011383	11,215
United States Air Force	Universal Tech Corp	12.50010000	50010000	10011471	59,453
Air Force Research Laboratory	Universal Tech Corp	12.50010126	50010126	10011471	(1,168)
US Department of Energy	Honeywell International Inc	81.55000000	55000000	10011512	(3,606)
National Institute of Standards and Technology	Edison Materials Tech Ctr	11.42040000	42040000	10011518	(6,561)
Agency for International Development	Chemonics Intl	98.30300100	30300100	10011565	(907)
Air Force Research Laboratory	Northrop Grumman Corp	12.800	50010126	10011657	148,821
Defense Advanced Research Projects Agency	Northrop Grumman Corp	12.50060000	50060000	10011657	(3,455)
National Reconnaissance Office	Northrop Grumman Corp	12.50200000	50200000	10011657	133,823
National Institute of Standards and Technology	Ford Motor Company	11.42040000	42040000	10011724	809
National Institute of Neurological Disorders and Stroke	Mount Sinai Medical Center	93.853	64000008	10011783	46,956
National Center for Complementary and Alternative Medicine	Mount Sinai Medical Center	93.64000027	64000027	10011783	4,848
US Department of Defense	Systran Corp	12.50000000	50000000	10011833	1,581
United States Army	Systran Corp	12.50020000	50020000	10011833	32,034
United States Navy	Raytheon Co	12.50040000	50040000	10011847	21,549
National Cancer Institute	Booz Allen Hamilton Inc	93.64000002	64000002	10011980	1,416,479
Air Force Office of Scientific Research	Physical Sciences, Incorporated	12.50010105	50010105	10012027	38,005
National Institute of Standards and Technology	Imation Corp	11.42040000	42040000	10012042	(1,062)

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Federal Agency Sponsor	Sponsor	CFDA No.	Sponsor ID	Pass-Through ID No.	Expenditures
National Institute of Allergy and Infectious Diseases	Social & Scientific Systems, Inc	93.64000004	64000004	10012044	\$ 43,338
US Department of Defense	Harris Corp	12.50000000	50000000	10012071	1,178
US Department of Energy	US Automotive Material Partnership	81.55000000	55000000	10012073	(1,324)
Defense Advanced Research Projects Agency	Pratt & Whitney Engines	12.50060000	50060000	10012090	(523)
US Department of Energy	Ashman Technologies	81.087	55000000	10012227	(2,960)
US Department of Energy	Ashman Technologies	81.55000000	55000000	10012227	(26,314)
US Department of Energy	Bechtel Bettis, Inc	81.55000000	55000000	10012230	44,301
National Aeronautics and Space Administration Headquarters	CFD Research Corp	43.33000105	33000105	10012258	24,389
Air Force Office of Scientific Research	CFD Research Corp	12.50010105	50010105	10012258	39,977
National Science Foundation	OG Technologies, Inc	47.35000000	35000000	10012262	22,450
National Science Foundation Directorate for Engineering	OG Technologies, Inc	47.041	35000300	10012262	3,565
National Institute of Standards and Technology	OG Technologies, Inc	11.42040000	42040000	10012262	(25,879)
United States Army	EOIR Technologies	12.50020000	50020000	10012263	37,303
US Department of Agriculture	Environ Energy	10.40000000	40000000	10012272	40,243
US Department of Energy	Environ Energy	81.55000000	55000000	10012272	30,507
United States Army	Ansoft Corp	12.50020000	50020000	10012311	9,293
Army Research Office	Micro Analysis & Design	12.50020400	50020400	10012320	1,022,765
US Department of Defense	Advanced Tech Inst	12.50000000	50000000	10012322	(3,418)
Defense Logistics Agency	Advanced Tech Inst	12.50130000	50130000	10012322	207,147
US Department of Energy	Advanced Tech Inst	81.55000000	55000000	10012322	189,061
United States Army	ARINC Incorporated	12.50020000	50020000	10012359	38,479
Air Force Office of Scientific Research	Monopole Res	12.800	50010105	10012374	(2)
United States Air Force	S & K Technologies Inc	12.50010000	50010000	10012375	(8,261)
NSF Directorate Mathematical & Physical Sciences	Makel Engineering, Inc	47.041	35000500	10012377	1,453
US Department of Energy	Makel Engineering, Inc	81.55000000	55000000	10012377	51,865
US Department of Defense	Syntonics LLC	12.50000000	50000000	10012399	8,785
Air Force Office of Scientific Research	Syntonics LLC	12.50010105	50010105	10012399	73,102
United States Navy	Syntonics LLC	12.50040000	50040000	10012399	64,415
Air Force Research Laboratory	General Dynamics Information Technology, Inc	12.50010126	50010126	10012402	133,670
US Department of Energy	Supergenics LLC	81.049	55000000	10012405	70,435
US Department of Energy	Supergenics LLC	81.55000000	55000000	10012405	(109)
United States Army	APPLIED EM, Inc.	12.50020000	50020000	10012411	1,943
United States Navy	APPLIED EM, Inc.	12.50040000	50040000	10012411	350,608
Naval Air Systems Command	APPLIED EM, Inc.	12.50040101	50040101	10012411	3,617
National Cancer Institute	Molecules for Health Inc	93.64000002	64000002	10012414	(4,713)
United States Army	ESA Environ Specialists Inc	12.50020000	50020000	10012415	(309,570)
National Institutes of Health	Cancervax	93.64000000	64000000	10012419	377
Defense Advanced Research Projects Agency	Smart Transitions LLC	12.50060000	50060000	10012438	454,748

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Federal Agency Sponsor	Sponsor	CFDA No.	Sponsor ID	Pass-Through ID No.	Expenditures
National Institute of Mental Health	Passive Motion Therapeutics Inc	93.242	64000021	10012485	\$ (5,487)
National Science Foundation	RNET Technologies	47.041	35000000	10012505	21,837
Air Force Research Laboratory	RNET Technologies	12.800	50010126	10012505	115,944
National Institutes of Health	Space Hardware Optimization Technology	93.64000000	64000000	10012510	15,242
National Heart, Lung, and Blood Institute	Space Hardware Optimization Technology	93.64000003	64000003	10012510	(2,985)
Air Force Office of Scientific Research	Princeton Scientific Instruments Inc	12.50010105	50010105	10012513	66,343
National Science Foundation	Luna Innovations Inc	47.041	35000000	10012514	(194)
United States Air Force	SET Associates Corp	12.50010000	50010000	10012523	30,098
Defense Advanced Research Projects Agency	SET Associates Corp	12.50060000	50060000	10012523	98,640
United States Air Force	Wyle Laboratories	12.50010000	50010000	10012528	54,497
Air Force Research Laboratory	MetroLaser Inc	12.50010126	50010126	10012538	84,586
Air Force Materiel Command	SI2 Technologies, Inc.	12.50010100	50010100	10012543	92,616
United States Army	SI2 Technologies, Inc.	12.50020000	50020000	10012543	7,926
Naval Air Warfare Center Aircraft Division	SI2 Technologies, Inc.	12.50041600	50041600	10012543	19,943
Defense Advanced Research Projects Agency	Kaman Aerospace Corp	12.50060000	50060000	10012550	3,489
US Department of Energy	General Atomics	81.55000000	55000000	10012568	445,635
US Department of Energy	Kitware, Inc	81.55000000	55000000	10012569	19,714
Air Force Research Laboratory	Ball Aerospace & Technologies Corp	12.50010126	50010126	10012578	(2,092)
National Institutes of Health	Biopraxis Inc	93.64000000	64000000	10012596	120,386
US Department of Defense	Intelligent Automation, Inc	12.50000000	50000000	10012597	92,287
Office of Naval Research	Intelligent Automation, Inc	12.50040300	50040300	10012597	103,329
Defense Advanced Research Projects Agency	Boston Micromachines Corp	12.50060000	50060000	10012599	(4,367)
United States Army	VaxDesign Corp	12.50020000	50020000	10012607	(12,935)
Air Force Research Laboratory	ITN Energy Systems, Inc	12.50010126	50010126	10012614	11,124
US Department of Defense	ATK Missile Systems Co	12.50000000	50000000	10012668	41,053
United States Air Force	Trillion Quality Systems	12.50010000	50010000	10012693	(115)
Air Force Office of Scientific Research	Trillion Quality Systems	12.50010105	50010105	10012693	44,187
United States Air Force	Geneva Aerospace, Inc	12.50010000	50010000	10012700	25,699
National Cancer Institute	Klein Buendel, Inc	93.393	64000002	10012707	126,920
National Institute of Neurological Disorders and Stroke	Perfusion Technology, LLC	93.64000008	64000008	10012726	15,450
National Institutes of Health	Fisher BioServices, Inc	93.64000000	64000000	10012728	59,670
National Eye Institute	The EMMES Corp	93.64000011	64000011	10012757	1,501
Air Force Research Laboratory	SRA International, Inc	12.50010126	50010126	10012759	175,538
National Institutes of Health	SRA International, Inc	93.64000000	64000000	10012759	5,427
National Oceanic & Atmospheric Administration	Advanced Resource Technologies, Inc	11.42020000	42020000	10012764	83,178
National Aeronautics and Space Administration Headquarters	InnoSense LLC	43.33000105	33000105	10012779	366
United States Army	Elintrix	12.50020000	50020000	10012795	73,725
Army Corps of Engineers	Sky Research, Inc	12.50020100	50020100	10012799	15,593

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Federal Agency Sponsor	Sponsor	CFDA No.	Sponsor ID	Pass-Through ID No.	Expenditures
United States Navy	Epitaxial Technologies, LLC	12.50040000	50040000	10012800	\$ 21,637
United States Army	ANP Technologies, Inc	12.50020000	50020000	10012802	27,170
Agency for International Development	Nexant, Inc	98.30300100	30300100	10012822	8,448
US Department of Energy	Robert C McCune and Associates, LLC	81.55000000	55000000	10012851	4,300
United States Air Force	Jacobs Technology Inc	12.50010000	50010000	10012861	21,286
National Science Foundation	Bioprocessing Innovative Co Inc	47.041	35000000	10020039	41,408
National Science Foundation Div of Design & Manufacturing Innovation	Bioprocessing Innovative Co Inc	47.041	35000306	10020039	11,638
US Department of Agriculture	Bioprocessing Innovative Co Inc	10.40000000	40000000	10020039	15,402
USDA Agricultural Research Service	Bioprocessing Innovative Co Inc	10.40040200	40040200	10020039	32,657
National Institutes of Health	BIOMECH, Inc	93.64000000	64000000	10020062	20,912
National Aeronautics and Space Administration Headquarters	Innovative Scientific Solutions Inc	43.33000105	33000105	10020096	(951)
United States Air Force	Innovative Scientific Solutions Inc	12.50010000	50010000	10020096	165,860
Air Force Office of Scientific Research	Innovative Scientific Solutions Inc	12.50010105	50010105	10020096	400
Air Force Research Laboratory	Innovative Scientific Solutions Inc	12.50010126	50010126	10020096	89,354
National Aeronautics and Space Administration Headquarters	Hyper Tech Res Inc	43.33000105	33000105	10020102	21,120
Air Force Office of Scientific Research	Hyper Tech Res Inc	12.50010105	50010105	10020102	16,393
United States Navy	Hyper Tech Res Inc	12.50040000	50040000	10020102	4,917
US Department of Energy	Hyper Tech Res Inc	81.049	55000000	10020102	66,681
US Department of Energy	Hyper Tech Res Inc	81.55000000	55000000	10020102	(746)
National Institutes of Health	Hyper Tech Res Inc	93.286	64000000	10020102	101,195
National Institute of Biomedical Imaging and Bioengineering	Hyper Tech Res Inc	93.64000028	64000028	10020102	7,388
US Department of Energy	Global Res & Dev Inc	81.049	55000000	10020103	36,702
United States Army	SOFCo-EFS Holdings LLC	12.50020000	50020000	10020150	553
US Department of Defense	Spectral Systems Inc	12.50000000	50000000	10020159	53,710
National Institutes of Health	EnteraTech, Inc	93.64000000	64000000	10020162	27,600
National Science Foundation	BioLOC, LLC	47.041	35000000	10020164	1,610
National Cancer Institute	Columbus NanoWorks, Inc	93.396	64000002	10020170	(236)
National Institutes of Health	FutureCom Technologies, Inc	93.64000000	64000000	10020175	1,025
Office of Naval Research	DJW Technology, LLC	12.50040300	50040300	10020182	39,165
Air Force Research Laboratory	MacAulay-Brown, Inc	12.50010126	50010126	10020184	269,468
Army Research Office	BAE Systems	12.50020400	50020400	10030070	10,737
United States Army	Pharmacia & Upjohn Inc	12.50020000	50020000	10040004	(239)
US Department of Energy	Sibtech Inc	81.55000000	55000000	10040112	(3,992)
National Cancer Institute	Cancer & Leukemia Group B Fdn	93.64000002	64000002	20010031	9,403
Army Medical Research and Materiel Command	Childrens Research Institute (Columbus)	12.50020301	50020301	20010182	124
US Department of Health & Human Services	Childrens Research Institute (Columbus)	93.60000000	60000000	20010182	5,460
National Institutes of Health	Childrens Research Institute (Columbus)	93.173	64000000	20010182	188,638

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Federal Agency Sponsor	Sponsor	CFDA No.	Sponsor ID	Pass-Through ID No.	Expenditures
National Institutes of Health	Childrens Research Institute (Columbus)	93.853	64000000	20010182	\$ 26,503
National Institutes of Health	Childrens Research Institute (Columbus)	93.865	64000000	20010182	17,368
National Cancer Institute	Childrens Research Institute (Columbus)	93.395	64000002	20010182	61,133
National Cancer Institute	Mayo Foundation for Medical Education and Research	93.395	64000002	20010289	383,447
National Institute of Neurological Disorders and Stroke	Mayo Foundation for Medical Education and Research	93.853	64000008	20010289	26,236
National Science Foundation Div of Chemical & Transport Systems	Cleveland Clinic Fdn	47.041	35000303	20010421	(206)
Army Medical Research and Materiel Command	Cleveland Clinic Fdn	12.420	50020301	20010421	4,123
National Institutes of Health	Cleveland Clinic Fdn	93.395	64000000	20010421	113,117
National Heart, Lung, and Blood Institute	Cleveland Clinic Fdn	93.837	64000003	20010421	(36,412)
National Institute of Diabetes and Digestive and Kidney Diseases	Cleveland Clinic Fdn	93.849	64000005	20010421	56,912
Army Medical Research Acquisition Activity	Henry M Jackson Fdn	12.420	50022700	20010473	28,054
National Cancer Institute	NSABP Fdn Inc	93.395	64000002	20010527	41,122
National Cancer Institute	Fdn for the Children's Oncology Group	93.395	64000002	20010553	77,410
National Science Foundation	The Shodor Educ Fdn, Inc	47.076	35000000	20012131	64,093
United States Army	H M Jackson Foundation for the Advanced Military Medicine	12.420	50020000	20012161	385,289
Uniformed Services University of the Health Sciences	H M Jackson Foundation for the Advanced Military Medicine	12.50190000	50190000	20012161	1,100
United States Army	Battelle Memorial Inst	12.50020000	50020000	20020012	3,215
Army Tank Command	Battelle Memorial Inst	12.50020204	50020204	20020012	72,067
US Department of Energy	Battelle Memorial Inst	81.089	55000000	20020012	55,209
US Department of Energy	Battelle Memorial Inst	81.55000000	55000000	20020012	193,789
National Energy Technology Laboratory	Battelle Memorial Inst	81.55130000	55130000	20020012	(397)
National Cancer Institute	Gynecologic Oncology Group	93.395	64000002	20020024	42,573
National Heart, Lung, and Blood Institute	Am Lung Assn	93.838	64000003	20020041	143,325
Agency for International Development	Am Cncl on Educ	98.012	30300100	20020078	425,718
Agency for International Development	Am Cncl on Educ	98.30300100	30300100	20020078	134,382
National Aeronautics and Space Administration Headquarters	Ctr for Rotorcraft Innovation	43.33000105	33000105	20020103	(6,865)
US Department of Defense	Academy for Educational Dev	81.087	50000000	20020666	46,682
National Science Foundation Div of Chemistry	Woods Hole Oceanographic Inst	47.049	35000503	20020744	(1,139)
Office of Naval Research	Woods Hole Oceanographic Inst	12.300	50040300	20020744	6,909
National Cancer Institute	Cancer Therapy & Res Fdn of South Texas	93.399	64000002	20020745	(410)
National Aeronautics and Space Administration	University Corporation for Atmospheric Research	43.002	33000000	20020793	101,929
National Science Foundation Div of Atmospheric Sciences	University Corporation for Atmospheric Research	47.050	35000401	20020793	303,800
US Department of Energy	National Renewable Energy Lab	81.55000000	55000000	20020800	5,979
National Aeronautics and Space Administration Headquarters	Universities Space Res Assoc	43.002	33000105	20020887	(4,995)
National Cancer Institute	American College of Radiology	93.395	64000002	20020917	7,218
Bureau of Labor Statistics	Nat Opinion Research Center	17.76050000	76050000	20020932	33,068
National Aeronautics and Space Administration	Space Telescope Science Institute	43.002	33000000	20021006	18,989
Maternal & Child Health Bureau	Hemophilia Fdn of Michigan	93.65000005	65000005	20021026	16,591

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Federal Agency Sponsor	Sponsor	CFDA No.	Sponsor ID	Pass-Through ID No.	Expenditures
Centers for Disease Control and Prevention	Hemophilia Fdn of Michigan	93.283	66000000	20021026	\$ 310
US Department of Agriculture	Great Lakes Commission	10.902	40000000	20021027	4,223
USDA Agricultural Research Service	Great Lakes Commission	10.802	40040200	20021027	76,815
National Oceanic & Atmospheric Administration	Great Lakes Commission	11.417	42020000	20021027	7,006
Environmental Protection Agency	Consortium Plant Biotechnology Res Inc	66.500	32000000	20021036	12,766
US Department of Energy	Consortium Plant Biotechnology Res Inc	81.087	55000000	20021036	150,778
National Aeronautics and Space Administration Headquarters	Ohio Aerospace Inst	43.001	33000105	20021048	(11,220)
US Department of Energy	Pacific Northwest National Laboratory	81.55000000	55000000	20021070	76,008
National Oceanic & Atmospheric Administration	National Fish & Wildlife Foundation	11.42020000	42020000	20021134	(778)
National Science Foundation	Am Museum of Natural History	47.070	35000000	20021138	9,963
Defense Advanced Research Projects Agency	Am Museum of Natural History	12.431	50060000	20021138	105,308
National Institutes of Health	Brigham & Women's Hosp Inc	93.853	64000000	20021152	199
National Heart, Lung, and Blood Institute	Brigham & Women's Hosp Inc	93.837	64000003	20021152	19,960
National Institute of Neurological Disorders and Stroke	Brigham & Women's Hosp Inc	93.853	64000008	20021152	38,544
National Cancer Institute	Inst for Cancer Prevention	93.393	64000002	20021179	381
National Cancer Institute	Inst for Cancer Prevention	93.64000002	64000002	20021179	(6,513)
US Department of Agriculture	Midwest Advanced Food Manufact Alliance	10.200	40000000	20021278	(257)
US Department of Education	Educational Development Center Inc	93.647	53000000	20021328	19,689
National Institute of Child Health and Human Development	Rand Corp	93.865	64000006	20021340	1,451,144
National Institute on Aging	Rand Corp	93.393	64000015	20021340	29,742
US Department of Education	Rehabilitation Institute of Chicago	84.53000000	53000000	20021341	31,420
National Institute of Child Health and Human Development	Rehabilitation Institute of Chicago	93.865	64000006	20021341	(83)
Centers for Disease Control and Prevention	Assn of Schools of Public Health	93.283	66000000	20021358	258,481
National Cancer Institute	John Wayne Cancer Inst	93.395	64000002	20021377	676
US Department of Education	National Writing Project Corp	84.53000000	53000000	20021378	76,261
National Eye Institute	Jaeb Center for Health Research	93.867	64000011	20021387	7,715
Army Medical Research and Materiel Command	House Ear Inst	12.420	50020301	20021422	290
US Department of Energy	Gas Tech Inst	81.55000000	55000000	20021447	54,440
US Department of Defense	Concurrent Technologies Corp	12.50000000	50000000	20021460	162,525
Air Force Office of Scientific Research	Concurrent Technologies Corp	12.50010105	50010105	20021460	100,000
US Department of Energy	Universities Research Assn Inc	81.55000000	55000000	20021485	452,281
US Department of Energy	UT-Battelle LLC	81.55000000	55000000	20021486	47,194
National Cancer Institute	Rhode Island Hospital	93.399	64000002	20021502	40,436
National Institute of Diabetes and Digestive and Kidney Diseases	Rhode Island Hospital	93.64000005	64000005	20021502	24,483
National Institute of Child Health and Human Development	Health Res, Inc	93.929	64000006	20021512	(1,501)
National Science Foundation	Am Distance Educ Consrt	47.080	35000000	20021544	258
Agency for International Development	Int'l Center for Tropical Agriculture	98.30300100	30300100	20021554	(3,551)
National Institute on Disability and Rehabilitation Research	Institute for Rehabilitation & Research	84.224	53050300	20021559	75,560

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Federal Agency Sponsor	Sponsor	CFDA No.	Sponsor ID	Pass-Through ID No.	Expenditures
Public Health Service	National Marrow Donor Program	93.839	60040000	20021576	\$ 16,368
US Department of Justice	American Statistical Association	16.734	74000000	20021578	5,958
United States Air Force	Impact 100, Inc	12.50010000	50010000	20021584	29,920
United States Air Force	Wright Brothers Inst, Inc	12.800	50010000	20021585	30,026
National Institutes of Health	Massachusetts General Hospital	93.226	64000000	20021587	1,057
National Cancer Institute	Massachusetts General Hospital	93.395	64000002	20021587	211,922
Environmental Protection Agency	Midwest Technology Assistance Center	66.32000000	32000000	20021592	4,189
National Science Foundation	Joint Oceanographic Institutions	47.050	35000000	20021599	239
National Institute of Allergy and Infectious Diseases	Sidney Kimmel Cancer Center	93.856	64000004	20021604	(2,930)
National Institute of Arthritis and Musculoskeletal and Skin Diseases	California Pacific Medical Center	93.846	64000019	20021610	(2,328)
US Department of Energy	Brookhaven Science Assoc, LLC	81.55000000	55000000	20021624	28,656
National Heart, Lung, and Blood Institute	Cincinnati Children's Hospital Medical Ctr	93.839	64000003	20021628	25,812
US Department of Energy	Battelle Energy Alliance, LLC	81.55000000	55000000	20021641	39,094
National Institute of Diabetes and Digestive and Kidney Diseases	St Joseph's Hospital & Medical Center	93.849	64000005	20021650	68
Air Force Office of Scientific Research	Advanced Virtual Engine Test Cell, Inc	12.50010105	50010105	20021654	11,978
Air Force Office of Scientific Research	Advanced Virtual Engine Test Cell, Inc	12.800	50010105	20021654	1,467,644
US Department of Defense	Institute of International Education	12.50000000	50000000	20021662	1,012,843
Cooperative State Research, Education, and Extension Service	Nat Center for Genome Resources	10.206	40040100	20021678	27,622
Agency for International Development	Higher Education for Development	98.012	30300100	20021686	12,291
Agency for Healthcare Research and Quality	Group Health Center for Health Studies	93.226	60041200	20021698	9,771
Centers for Disease Control and Prevention	Group Health Center for Health Studies	93.66000000	66000000	20021698	5,934
US Department of Energy	UChicago Argonne, LLC	81.55000000	55000000	20021718	21,550
Social Security Administration	Association of University Centers on Disabilities	93.60030000	60030000	20021719	42,284
National Science Foundation	Massachusetts Inst Tech	47.074	35000000	22000001	133,263
Army Research Office	Massachusetts Inst Tech	12.431	50020400	22000001	114,241
Army Research Office	Massachusetts Inst Tech	12.50020400	50020400	22000001	(11)
Office of Naval Research	Massachusetts Inst Tech	12.300	50040300	22000001	(114)
US Department of Agriculture	Purdue University	10.206	40000000	22000002	77,607
US Department of Agriculture	Purdue University	10.217	40000000	22000002	23,097
Cooperative State Research, Education, and Extension Service	Purdue University	10.40040100	40040100	22000002	4,663
Cooperative State Research, Education, and Extension Service	Purdue University	10.500	40040100	22000002	28,550
US Department of Energy	Purdue University	81.121	55000000	22000002	80,140
US Department of Energy	Purdue University	81.55000000	55000000	22000002	3,579
National Institutes of Health	Purdue University	93.173	64000000	22000002	175,603
National Cancer Institute	Purdue University	93.393	64000002	22000002	1,326
National Cancer Institute	Purdue University	93.399	64000002	22000002	209,719
United States Election Assistance Commission	Rutgers University	90.30540000	30540000	22000003	1,357
US Department of Agriculture	Rutgers University	10.200	40000000	22000003	(20)

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THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2007

Federal Agency Sponsor	Sponsor	CFDA No.	Sponsor ID	Pass-Through ID No.	Expenditures
National Cancer Institute	Rutgers University	93.399	64000002	22000003	\$ 129,984
National Aeronautics and Space Administration	Univ of Michigan	43.002	33000000	22000005	109,794
National Science Foundation Dir Social, Behavioral & Economic Sciences	Univ of Michigan	47.075	35000800	22000005	1,916
National Oceanic & Atmospheric Administration	Univ of Michigan	11.417	42020000	22000005	97,677
National Oceanic & Atmospheric Administration	Univ of Michigan	11.432	42020000	22000005	1,092
Office of Naval Research	Univ of Michigan	12.300	50040300	22000005	112,071
National Cancer Institute	Univ of Michigan	93.396	64000002	22000005	15,159
US Department of Agriculture	Univ of Wisconsin	10.303	40000000	22000006	95,961
Cooperative State Research, Education, and Extension Service	Univ of Wisconsin	10.200	40040100	22000006	13,331
Office of Postsecondary Education	Univ of Wisconsin	84.53040000	53040000	22000006	(80)
National Institutes of Health	Univ of Wisconsin	93.865	64000000	22000006	78,472
National Institute on Deafness and Other Communication Disorders	Univ of Wisconsin	93.173	64000020	22000006	71,660
US Department of Defense	Univ of Dayton	12.800	50000000	22000008	101,513
Air Force Research Laboratory	Univ of Dayton	12.800	50010126	22000008	33,982
Agency for International Development	Univ of Illinois	98.30300100	30300100	22000009	58,929
National Science Foundation Div of Chemical & Transport Systems	Univ of Illinois	47.041	35000303	22000009	(1,887)
US Department of Agriculture	Univ of Illinois	10.200	40000000	22000009	36,417
USDA Extension Service	Univ of Illinois	10.217	40140000	22000009	3,752
Air Force Office of Scientific Research	Univ of Illinois	12.190	50010105	22000009	46,374
US Department of Energy	Univ of Illinois	81.086	55000000	22000009	92,925
National Institutes of Health	Univ of Illinois	93.859	64000000	22000009	57,051
National Library of Medicine	Univ of Illinois	93.879	64000009	22000009	(1,120)
Cooperative State Research, Education, and Extension Service	Univ of Tennessee	10.206	40040100	22000010	20,656
Army Medical Research and Materiel Command	Univ of Tennessee	12.420	50020301	22000010	(30,001)
National Institutes of Health	Univ of Tennessee	93.395	64000000	22000010	(13,180)
National Institutes of Health	Univ of Tennessee	93.849	64000000	22000010	108,228
National Science Foundation	Univ of California	47.049	35000000	22000011	76,121
National Science Foundation Div of Undergraduate Education	Univ of California	47.076	35000605	22000011	53,545
Office of Naval Research	Univ of California	12.300	50040300	22000011	68,708
Office of Naval Research	Univ of California	12.800	50040300	22000011	17,918
US Department of Energy	Univ of California	81.121	55000000	22000011	12,978
US Department of Energy	Univ of California	81.55000000	55000000	22000011	134,073
US Department of Energy	Indiana University	81.049	55000000	22000012	259,812
National Cancer Institute	Indiana University	93.396	64000002	22000012	6,774
National Institute of Allergy and Infectious Diseases	Indiana University	93.855	64000004	22000012	590
National Science Foundation	Univ of California-Davis	47.070	35000000	22000013	60,781
US Department of Agriculture	Univ of California-Davis	10.206	40000000	22000013	53,323

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Federal Agency Sponsor	Sponsor	CFDA No.	Sponsor ID	Pass-Through ID No.	Expenditures
Institute of Education Sciences	Univ of Chicago	84.305	53020000	22000018	\$ 67,717
National Institutes of Health	Univ of Chicago	93.395	64000000	22000018	62,589
National Cancer Institute	Univ of Chicago	93.394	64000002	22000018	195,327
National Cancer Institute	Univ of Chicago	93.395	64000002	22000018	984,852
National Cancer Institute	Univ of Chicago	93.399	64000002	22000018	196,231
National Cancer Institute	Univ of Chicago	93.64000002	64000002	22000018	71
National Institute of Allergy and Infectious Diseases	Univ of Chicago	93.856	64000004	22000018	655,353
National Institute on Aging	Univ of Chicago	93.866	64000015	22000018	28,268
Cooperative State Research, Education, and Extension Service	George Mason University	10.40040100	40040100	22000019	(47)
Agency for International Development	Virginia Polytechnic Inst	98.001	30300100	22000023	116,108
Agency for International Development	Virginia Polytechnic Inst	98.30300100	30300100	22000023	134,009
National Science Foundation Div of Biological Instrumentation & Resources	Virginia Polytechnic Inst	47.074	35000101	22000023	101,623
National Institute of Arthritis and Musculoskeletal and Skin Diseases	Virginia Polytechnic Inst	93.846	64000019	22000023	169,510
National Heart, Lung, and Blood Institute	George Washington University	93.64000003	64000003	22000025	(891)
US Army Aviation Applied Technology Directorate	Pennsylvania State University	COOP agmnt	50020218	22000030	103,083
Office of Naval Research	Pennsylvania State University	12.300	50040300	22000030	67,296
US Department of Energy	Pennsylvania State University	81.114	55000000	22000030	148,489
National Institute of Allergy and Infectious Diseases	Pennsylvania State University	93.856	64000004	22000030	64,042
National Human Genome Research Institute	Pennsylvania State University	93.172	64000026	22000030	2,406
US Department of Energy	West Virginia University	81.55000000	55000000	22000032	61,420
National Cancer Institute	Wayne State University	93.64000002	64000002	22000034	125,846
National Institutes of Health	Univ of Pittsburgh	93.837	64000000	22000036	21,814
National Heart, Lung, and Blood Institute	Univ of Pittsburgh	93.849	64000003	22000036	67,960
Centers for Disease Control and Prevention	Univ of Pittsburgh	93.66000000	66000000	22000036	(448)
National Oceanic & Atmospheric Administration	Univ of Alaska	11.432	42020000	22000037	(4)
National Institute of Arthritis and Musculoskeletal and Skin Diseases	Northwestern University	93.846	64000019	22000041	26,084
National Science Foundation Div of Biological Instrumentation & Resources	Michigan State University	47.074	35000101	22000044	162,703
US Department of Agriculture	Michigan State University	10.200	40000000	22000044	66,050
US Department of Agriculture	Michigan State University	10.206	40000000	22000044	27,015
US Department of Agriculture	Michigan State University	10.303	40000000	22000044	38,137
US Department of Agriculture	Michigan State University	10.500	40000000	22000044	3,036
Cooperative State Research, Education, and Extension Service	Michigan State University	10.200	40040100	22000044	(60)
Cooperative State Research, Education, and Extension Service	Michigan State University	10.206	40040100	22000044	22,051
Cooperative State Research, Education, and Extension Service	Michigan State University	10.303	40040100	22000044	53,141
Cooperative State Research, Education, and Extension Service	Michigan State University	10.304	40040100	22000044	130,562
US Department of Agriculture	Iowa State University	10.206	40000000	22000047	57

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Federal Agency Sponsor	Sponsor	CFDA No.	Sponsor ID	Pass-Through ID No.	Expenditures
US Department of Agriculture	Iowa State University	10.224	40000000	22000047	\$ (6,089)
Cooperative State Research, Education, and Extension Service	Iowa State University	10.200	40040100	22000047	84,520
US Department of Agriculture	Univ of Maine at Orono	10.200	40000000	22000048	(1,002)
Cooperative State Research, Education, and Extension Service	Univ of Maine at Orono	10.200	40040100	22000048	1,248
Centers for Disease Control and Prevention	Univ of Maine at Orono	93.283	66000000	22000048	(168)
National Science Foundation Directorate for Biological Sciences	Miami University	47.074	35000100	22000049	(76)
National Science Foundation Div of Integrative Organismal Biology	Miami University	47.074	35000102	22000049	105,026
USDA Agricultural Research Service	Miami University	10.206	40040200	22000049	38,499
National Science Foundation	Carnegie-Mellon University	47.041	35000000	22000051	17,493
United States Air Force	Carnegie-Mellon University	12.50010000	50010000	22000051	82,931
US Department of Energy	Texas A & M University	81.121	55000000	22000053	24,756
Jet Propulsion Lab	California Inst of Technology	43.002	33000303	22000054	52,396
Jet Propulsion Lab	California Inst of Technology	43.33000303	33000303	22000054	103,239
Office of Naval Research	California Inst of Technology	12.300	50040300	22000054	(154)
Cooperative State Research, Education, and Extension Service	Southern Illinois University	10.200	40040100	22000055	20,738
National Cancer Institute	Univ of New Mexico	93.846	64000002	22000056	46,114
National Institute of Dental and Craniofacial Research	Univ of New Mexico	93.121	64000012	22000056	11,371
National Institute on Alcohol Abuse and Alcoholism	Univ of New Mexico	93.279	64000023	22000056	85,172
US Department of Agriculture	Kansas State University	10.200	40000000	22000062	21,264
National Science Foundation	Univ of Minnesota	47.070	35000000	22000067	5,741
National Science Foundation Div of Research, Evaluation & Communication	Univ of Minnesota	47.076	35000612	22000067	2,311
Cooperative State Research, Education, and Extension Service	Univ of Minnesota	10.200	40040100	22000067	9,313
Cooperative State Research, Education, and Extension Service	Univ of Minnesota	10.303	40040100	22000067	7,470
Office of Vocational and Adult Education Programs	Univ of Minnesota	84.051	53060000	22000067	91,335
National Institutes of Health	Univ of Minnesota	93.837	64000000	22000067	21,408
National Cancer Institute	Univ of Minnesota	93.395	64000002	22000067	2,936
National Institute of Allergy and Infectious Diseases	Univ of Minnesota	93.856	64000004	22000067	23,413
National Institute of Diabetes and Digestive and Kidney Diseases	Univ of Minnesota	93.849	64000005	22000067	21,776
National Institute of Neurological Disorders and Stroke	Univ of Minnesota	93.853	64000008	22000067	(620)
National Science Foundation Div of Integrative Organismal Biology	Univ of Missouri	47.074	35000102	22000073	116,440
National Science Foundation Div of Environmental Biology	Univ of Missouri	47.074	35000104	22000073	(250)
Cooperative State Research, Education, and Extension Service	Univ of Missouri	10.206	40040100	22000073	41,251
National Institute of General Medical Sciences	Univ of Missouri	93.859	64000007	22000073	19,530
National Science Foundation Div of Integrative Organismal Biology	Univ of Cincinnati	47.074	35000102	22000074	6,420
Health Resources and Services Administration	Univ of Cincinnati	93.877	65000000	22000074	65,007
Office of Naval Research	Univ of Connecticut	12.300	50040300	22000076	39,910
US Department of Energy	Univ of Connecticut	81.089	55000000	22000076	13,219

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Federal Agency Sponsor	Sponsor	CFDA No.	Sponsor ID	Pass-Through ID No.	Expenditures
National Endowment for the Humanities	Cornell University	45.146	34000100	22000081	\$ 5,590
US Department of Agriculture	Cornell University	10.200	40000000	22000081	(1,153)
Cooperative State Research, Education, and Extension Service	Cornell University	10.200	40040100	22000081	22,086
National Institute of Allergy and Infectious Diseases	Cornell University	93.855	64000004	22000081	16,451
Agency for International Development	Univ of Nebraska	98.30300100	30300100	22000085	52,122
National Science Foundation Office of Polar Programs	Univ of Nebraska	47.078	35000404	22000085	341,943
US Department of Agriculture	Univ of Nebraska	10.200	40000000	22000085	27,951
US Department of Agriculture	Univ of Nebraska	10.40000000	40000000	22000085	(10,183)
Cooperative State Research, Education, and Extension Service	Univ of Nebraska	10.200	40040100	22000085	127,137
National Institute for Occupational Safety and Health	Univ of Nebraska	93.262	66000001	22000085	15,596
US Department of Education	Wright State University	84.53000000	53000000	22000087	114,739
Army Corps of Engineers	Louisiana State University	12.50020100	50020100	22000091	(972)
National Cancer Institute	Duke University	93.935	64000002	22000094	996
National Heart, Lung, and Blood Institute	Duke University	93.64000003	64000003	22000094	60,901
National Heart, Lung, and Blood Institute	Duke University	93.837	64000003	22000094	8,799
National Institute on Aging	Duke University	93.64000015	64000015	22000094	2,298
National Institute of Mental Health	Duke University	93.64000021	64000021	22000094	23,193
National Science Foundation Div of Atmospheric Sciences	Washington State University	47.050	35000401	22000096	(114)
Agency for International Development	Oregon State University	10.965	30300100	22000103	66,206
National Institutes of Health	Univ of Florida	93.853	64000000	22000108	3,778
National Heart, Lung, and Blood Institute	Univ of Florida	93.837	64000003	22000108	71,436
National Eye Institute	Univ of Florida	93.867	64000011	22000108	11,050
National Science Foundation	Arizona State University	47.049	35000000	22000109	28,692
US Department of Energy	Arizona State University	81.087	55000000	22000109	63,943
Cooperative State Research, Education, and Extension Service	Colorado State University	10.217	40040100	22000110	5,759
Cooperative State Research, Education, and Extension Service	Colorado State University	10.303	40040100	22000110	37,196
US Department of Defense	New Mexico Institute of Mining & Technology	12.50000000	50000000	22000114	20,151
National Science Foundation	Univ of Maryland	47.074	35000000	22000120	98,346
Cooperative State Research, Education, and Extension Service	Univ of Maryland	10.206	40040100	22000120	249,498
USDA Extension Service	Univ of Maryland	10.206	40140000	22000120	61,656
US Department of Defense	Univ of Maryland	12.50000000	50000000	22000120	47,504
Office of Naval Research	Univ of Maryland	12.300	50040300	22000120	60,216
National Cancer Institute	Univ of Maryland	93.399	64000002	22000120	(30,801)
National Cancer Institute	Univ of South Florida	93.399	64000002	22000123	(37,537)
Air Force Office of Scientific Research	Univ of North Texas	12.800	50010105	22000124	58,014
National Science Foundation Div of Integrative Organismal Biology	Denison University	47.074	35000102	22000128	45,661
National Science Foundation	Ohio University	47.074	35000000	22000130	(7,525)
US Department of Education	Ohio University	84.002	53000000	22000130	(129)

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Federal Agency Sponsor	Sponsor	CFDA No.	Sponsor ID	Pass-Through ID No.	Expenditures
National Institute of Child Health and Human Development	Ohio University	93.865	64000006	22000130	\$ 38,409
National Institute on Drug Abuse	Ohio University	93.279	64000022	22000130	(1,141)
United States Navy	Johns Hopkins University	12.50040000	50040000	22000133	13,324
National Institutes of Health	Johns Hopkins University	93.242	64000000	22000133	16,059
National Heart, Lung, and Blood Institute	Johns Hopkins University	93.837	64000003	22000133	381,039
National Institute of Child Health and Human Development	Columbia University	93.864	64000006	22000135	18,846
National Science Foundation Div of Biological Instrumentation & Resources	North Carolina State University	47.074	35000101	22000136	(575)
National Science Foundation Div of Biological Infrastructure	North Carolina State University	47.074	35000107	22000136	117,252
National Science Foundation Div of Materials Research	North Carolina State University	47.049	35000504	22000136	16,611
US Department of Agriculture	North Carolina State University	10.303	40000000	22000136	(1,675)
US Department of Agriculture	North Carolina State University	10.500	40000000	22000136	34,339
Cooperative State Research, Education, and Extension Service	North Carolina State University	10.206	40040100	22000136	24,513
Environmental Protection Agency	Univ of Delaware	66.500	32000000	22000138	(1,204)
National Science Foundation Div of Biological Instrumentation & Resources	Univ of Delaware	47.074	35000101	22000138	137,116
United States Army	Stanford University	12.431	50020000	22000142	17,605
National Science Foundation	Univ of Kentucky	47.070	35000000	22000143	146,948
Cooperative State Research, Education, and Extension Service	Univ of Kentucky	10.200	40040100	22000143	476
National Cancer Institute	Univ of Kentucky	93.399	64000002	22000143	(4,329)
National Park Service	Univ of Georgia	10.000	72070000	22000144	37,513
National Institute of Neurological Disorders and Stroke	Univ of Utah	93.64000008	64000008	22000145	(7,350)
National Science Foundation Div of Mathematical Sciences	Univ of North Carolina	47.049	35000501	22000146	20,000
National Cancer Institute	Univ of North Carolina	93.393	64000002	22000146	4,029
National Cancer Institute	Univ of North Carolina	93.399	64000002	22000146	1,077
National Heart, Lung, and Blood Institute	Univ of North Carolina	93.837	64000003	22000146	56,435
National Institute of Allergy and Infectious Diseases	Univ of North Carolina	93.855	64000004	22000146	199,660
National Institute of General Medical Sciences	Univ of North Carolina	93.859	64000007	22000146	112,378
National Cancer Institute	Harvard University	93.393	64000002	22000169	(15,863)
National Heart, Lung, and Blood Institute	Harvard University	93.837	64000003	22000169	4,641
National Science Foundation Div of Info Robotics & Intelligent Systems	Georgia Inst of Technology	47.070	35000203	22000189	98,694
United States Army	Univ of Rochester	12.420	50020000	22000193	(3,643)
US Department of Energy	Univ of Rochester	81.55000000	55000000	22000193	198,707
National Institutes of Health	Univ of Rochester	93.172	64000000	22000193	5,347
National Heart, Lung, and Blood Institute	Univ of Rochester	93.837	64000003	22000193	550
National Institute of Neurological Disorders and Stroke	Univ of Rochester	93.853	64000008	22000193	(22)
National Eye Institute	Univ of Pennsylvania	93.867	64000011	22000195	85,492
Cooperative State Research, Education, and Extension Service	Mississippi State University	10.206	40040100	22000196	67,412
Cooperative State Research, Education, and Extension Service	Mississippi State University	10.500	40040100	22000196	7,873

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Federal Agency Sponsor	Sponsor	CFDA No.	Sponsor ID	Pass-Through ID No.	Expenditures
US Department of Defense	Mississippi State University	12.50000000	50000000	22000196	\$ 2,973,246
US Department of Labor	Mississippi State University	17.261	76000000	22000196	3,612
National Science Foundation	Lorain County Community College	47.076	35000000	22000199	5,288
Air Force Office of Scientific Research	Univ of Virginia	12.630	50010105	22000203	629
Air Force Research Laboratory	Univ of Southern California	12.300	50010126	22000206	22,500
National Cancer Institute	Univ of Southern California	93.393	64000002	22000206	(1,358)
National Institute of Child Health and Human Development	Univ of Alabama at Birmingham	93.865	64000006	22000207	79,447
National Institute of General Medical Sciences	Univ of Alabama at Birmingham	93.859	64000007	22000207	264,401
National Institute of Neurological Disorders and Stroke	Univ of Alabama at Birmingham	93.853	64000008	22000207	44
National Cancer Institute	Washington University	93.393	64000002	22000209	35,368
National Cancer Institute	Washington University	93.64000002	64000002	22000209	143,770
National Eye Institute	Washington University	93.867	64000011	22000209	17,562
National Cancer Institute	Medical University of Ohio	93.64000002	64000002	22000210	(339)
National Science Foundation	Univ of Washington	47.041	35000000	22000212	163
US Department of Energy	Univ of Washington	81.049	55000000	22000212	35,565
National Institutes of Health	Univ of Washington	93.279	64000000	22000212	37,600
National Institutes of Health	Univ of Washington	93.846	64000000	22000212	2,625
National Institute of Child Health and Human Development	Univ of Washington	93.846	64000006	22000212	455,975
US Department of Energy	Michigan Technological University	81.049	55000000	22000214	21,710
National Science Foundation	Univ of Kansas	47.078	35000000	22000219	531,209
US Department of Agriculture	Univ of Vermont	10.217	40000000	22000224	1,828
United States Air Force	Mass Institute Technology-Lincoln Lab	12.50010000	50010000	22000228	1,063
Environmental Protection Agency	Case Western Reserve University	66.500	32000000	22000238	(153)
US Department of Energy	Case Western Reserve University	81.000	55000000	22000238	204,310
National Cancer Institute	Case Western Reserve University	93.393	64000002	22000238	49,561
National Heart, Lung, and Blood Institute	Case Western Reserve University	93.64000003	64000003	22000238	698,016
National Heart, Lung, and Blood Institute	Case Western Reserve University	93.839	64000003	22000238	3,747
Health Resources and Services Administration	Case Western Reserve University	93.211	65000000	22000238	(22,165)
Cooperative State Research, Education, and Extension Service	Univ of Arkansas	10.206	40040100	22000239	50,535
National Institute on Aging	Univ of Arkansas	93.856	64000015	22000239	138,074
Goddard Space Flight Center	Univ at Buffalo	43.002	33000301	22000240	15,691
National Institute of Child Health and Human Development	Eastern Virginia Medical School	93.64000006	64000006	22000243	37,468
National Aeronautics and Space Administration	Georgia Tech Research Institute	43.000	33000000	22000245	(2,172)
John Glenn Research Center-Lewis Field	Georgia Tech Research Institute	43.001	33000104	22000245	451,856
National Science Foundation	Drexel University	47.35000000	35000000	22000246	(1,242)
US Department of Education	Oregon Health Sciences University	84.133	53000000	22000252	(150)
National Institute of Neurological Disorders and Stroke	Oregon Health Sciences University	93.64000008	64000008	22000252	14,337
US Department of Agriculture	South Dakota State University	10.200	40000000	22000262	8,830

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Federal Agency Sponsor	Sponsor	CFDA No.	Sponsor ID	Pass-Through ID No.	Expenditures
Air Force Office of Scientific Research	North Dakota State University	12.630	50010105	22000263	\$ 49,498
Air Force Office of Scientific Research	North Dakota State University	12.800	50010105	22000263	73,326
National Science Foundation Directorate for Computer & Info Sciences & Eng	Auburn University	47.070	35000200	22000266	11,196
National Science Foundation	Univ of California at Los Angeles	47.049	35000000	22000269	53,082
National Science Foundation Directorate Mathematical & Physical Sciences	Univ of California at Los Angeles	47.049	35000500	22000269	89,642
National Institute of Diabetes and Digestive and Kidney Diseases	Univ of California at Los Angeles	93.848	64000005	22000269	216,072
National Institute of General Medical Sciences	Univ of California at Los Angeles	93.859	64000007	22000269	67,032
National Aeronautics and Space Administration	Research Corp of the University of Hawaii	43.33000000	33000000	22000271	103,330
Cooperative State Research, Education, and Extension Service	Univ of Massachusetts - Amherst	10.303	40040100	22000274	(17)
National Heart, Lung, and Blood Institute	Wake Forest University	93.64000003	64000003	22000286	32,841
National Institute of Child Health and Human Development	Wake Forest University	93.929	64000006	22000286	(369)
National Institute on Aging	Wake Forest University	93.64000015	64000015	22000286	43,824
National Cancer Institute	Univ of California at San Diego	10.212	64000002	22000288	185
National Cancer Institute	Univ of California at San Diego	93.395	64000002	22000288	721,992
National Cancer Institute	Univ of California at San Diego	93.64000002	64000002	22000288	(4,877)
National Institute on Aging	Univ of California at San Diego	93.866	64000015	22000288	104,482
National Institutes of Health	Emory University	93.855	64000000	22000295	26,558
National Heart, Lung, and Blood Institute	Univ of Louisville	93.837	64000003	22000299	95,996
Cooperative State Research, Education, and Extension Service	East Carolina University	10.303	40040100	22000304	9,064
National Aeronautics and Space Administration Headquarters	Univ of Alabama at Tuscaloosa	43.002	33000105	22000305	9,480
Defense Advanced Research Projects Agency	Oklahoma State University	12.910	50060000	22000313	(1,050)
National Institutes of Health	Univ of Texas SW Medical Center at Dallas	93.853	64000000	22000316	7,496
National Institute of General Medical Sciences	Univ of California San Francisco	93.859	64000007	22000317	149,590
National Institute of Arthritis and Musculoskeletal and Skin Diseases	Univ of California San Francisco	93.846	64000019	22000317	18,289
US Department of Education	Pennsylvania College of Optometry	84.325	53000000	22000322	32,185
National Institutes of Health	Univ of Memphis	93.121	64000000	22000325	(1,377)
National Center for Research Resources	Univ of Texas Medical Branch at Galvestn	93.389	64000010	22000327	25,869
National Institutes of Health	Univ of Texas Health Science Center - San Antonio	93.856	64000000	22000330	100
National Institute of Allergy and Infectious Diseases	Univ of Texas Health Science Center - San Antonio	93.64000004	64000004	22000330	(828)
National Institute of Neurological Disorders and Stroke	Univ of Texas Health Science Center - San Antonio	93.853	64000008	22000330	10,511
National Institutes of Health	Yeshiva University	93.64000000	64000000	22000331	1,583
National Science Foundation Office of Polar Programs	Northern Illinois University	47.078	35000404	22000333	63,993
National Institutes of Health	The Univ of Texas at San Antonio	93.856	64000000	22000348	835
National Institute of Allergy and Infectious Diseases	The Univ of Texas at San Antonio	93.856	64000004	22000348	(17,858)
US Department of Energy	Worcester Polytechnic Institute	81.086	55000000	22000351	(1,094)
US Department of Energy	Thomas Jefferson University	81.049	55000000	22010026	65,512

(Continued)

THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2007

Federal Agency Sponsor	Sponsor	CFDA No.	Sponsor ID	Pass-Through ID No.	Expenditures
National Cancer Institute	Thomas Jefferson University	93.396	64000002	22010026	\$ 302,165
National Institute of Allergy and Infectious Diseases	Mount Sinai School of Medicine	93.64000004	64000004	22010031	80,975
US Department of Defense	Indiana Univ-Purdue Univ Indianapolis	12.420	50000000	22010034	63,510
US Department of Energy	South Carolina State University	81.114	55000000	22010036	115,358
National Oceanic & Atmospheric Administration	Appalachian State University	11.433	42020000	22010042	14,430
National Science Foundation Directorate for Education & Human Resources	Carleton College	47.076	35000600	22010044	8,605
Environmental Protection Agency	Morgan State University	66.32000000	32000000	22010050	6,211
US Department of Agriculture	Morgan State University	10.40000000	40000000	22010050	2,911
US Department of Education	Columbus Public Schools	84.336	53000000	24000022	429,104
Office of Elementary and Secondary Education	Columbus Public Schools	84.53030000	53030000	24000022	(26)
US Department of Education	Florida Department of Education	84.53000000	53000000	24000215	853,091
US Department of Justice	City of Columbus	16.710	74000000	24000306	25,651
US Department of Education	Livingston Educational Service Agency	84.027	53000000	24000465	165,626
Environmental Protection Agency	Miami Conservancy District	66.439	32000000	24000476	31,988
Centers for Disease Control and Prevention	Cleveland Department of Public Health	93.945	66000000	24000482	68,781
US Department of Education	Marquette-Alger Regional Educational Service Agency	84.53000000	53000000	24000483	(1,480)
US Department of Labor	Ohio Governor's Council On People with Disabilities	17.76000000	76000000	26000002	4,644
Army Corps of Engineers	Ohio Dept of Transportation	12.50020100	50020100	26010000	(3,134)
US Department of Transportation	Ohio Dept of Transportation	84.133	82000000	26010000	72,342
Federal Highway Administration	Ohio Dept of Transportation	20.200	82010000	26010000	65,401
Federal Highway Administration	Ohio Dept of Transportation	20.205	82010000	26010000	6,068
US Department of Education	Ohio Board of Regents	84.215	53000000	26060000	293,578
US Department of Education	Ohio Board of Regents	84.53000000	53000000	26060000	69,546
Office of Elementary and Secondary Education	Ohio Board of Regents	84.367	53030000	26060000	57
Office of Postsecondary Education	Ohio Board of Regents	84.53040000	53040000	26060000	123,223
Health Resources and Services Administration	Ohio Board of Regents	93.65000000	65000000	26060000	210,807
US Department of Education	Ohio Dept of Education	84.048	53000000	26080000	4,029
US Department of Education	Ohio Dept of Education	84.53000000	53000000	26080000	236,735
Office of Vocational and Adult Education Programs	Ohio Dept of Education	84.53060000	53060000	26080000	39,933
US Department of Health & Human Services	Ohio Dept of Education	84.298	60000000	26080000	13,975
US Department of Education	Ohio Division of Career Technical & Adult Education	84.002	53000000	26080100	260,249
US Department of Education	Ohio Division of Career Technical & Adult Education	84.048	53000000	26080100	1,044,504
US Department of Education	Ohio Division of Career Technical & Adult Education	84.243	53000000	26080100	160,606
US Department of Education	Ohio Division of Career Technical & Adult Education	84.53000000	53000000	26080100	2
Office of Vocational and Adult Education Programs	Ohio Division of Career Technical & Adult Education	84.002	53060000	26080100	(20)
Office of Vocational and Adult Education Programs	Ohio Division of Career Technical & Adult Education	84.048	53060000	26080100	(56)
US Department of Education	Ohio Office of Exceptional Children	84.027	53000000	26080300	881,873

(Continued)

THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2007

Federal Agency Sponsor	Sponsor	CFDA No.	Sponsor ID	Pass-Through ID No.	Expenditures
Administration for Children and Families	Ohio Division of Early Childhood Education	93.600	67000000	26080800	\$ (77)
US Department of Health & Human Services	Ohio Dept of Health	93.994	60000000	26090000	(1,593)
Centers for Disease Control and Prevention	Ohio Dept of Health	93.283	66000000	26090000	198,151
US Fish and Wildlife Service	Ohio Division of Wildlife	15.605	72030000	26110100	1,439,599
US Fish and Wildlife Service	Ohio Division of Wildlife	15.611	72030000	26110100	207,253
US Fish and Wildlife Service	Ohio Division of Wildlife	15.647	72030000	26110100	1,667
US Department of Justice	Office of Criminal Justice Services	16.579	74000000	26140401	(21)
Environmental Protection Agency	Ohio Environ Protection Agency	66.460	32000000	26340000	75,020
US Department of Transportation	Ohio Dept of Public Safety	20.100	82000000	26400000	(42)
USDA Extension Service	Ohio Dept of Job & Family Services	10.561	40140000	26630000	(1,178)
Administration for Children and Families	Ohio Dept of Job & Family Services	93.575	67000000	26630000	4,113
National Aeronautics and Space Administration Headquarters	Smithsonian Astrophysical Observatory	43.33000105	33000105	30060200	38,500
National Aeronautics and Space Administration Headquarters	Jet Propulsion Lab	43.002	33000105	33000303	89,259
Cooperative State Research, Education, and Extension Service	Animal and Plant Health Inspection Service	10.025	40040100	40070000	12,486
US Department of Energy	Los Alamos National Laboratory	81.55000000	55000000	55050000	33,133
US Department of Energy	Oak Ridge National Laboratory	81.55000000	55000000	55110000	54,248
US Department of State	Bureau of Educational and Cultural Affairs	19.406	80000000	80020100	<u>36,944</u>
Sub-total pass-through from other sources					<u>45,059,922</u>
Total Research and Development Cluster					<u>284,302,301</u>

(Continued)

THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2007

Federal Agency Sponsor	CFDA No.	Sponsor ID	Expenditures
Other Programs —			
Pass-through from The Ohio State University			
Goddard Space Flight Center	43.001	33000301	\$ 35,760
National Endowment for the Humanities	45.163	34000100	109,049
National Science Foundation Div of Elementary, Secondary & Informal Educ	47.076	35000607	204
National Science Foundation Div of Social, Behavioral & Economic Research	47.075	35000801	90,049
USDA Forest Service	10.025	40020000	14,773
Cooperative State Research, Education, and Extension Service	10.220	40040100	(54)
Cooperative State Research, Education, and Extension Service	10.500	40040100	139,284
Natural Resources Conservation Service	10.912	40060000	4,498
USDA Rural Development	10.40190000	40190000	1,026
USDA Rural Development	10.771	40190000	39,446
Defense Contracting Command	12.50180000	50180000	(422)
US Department of Education	84.53000000	53000000	372,673
Office of Elementary and Secondary Education	84.149	53030000	214,815
Office of Postsecondary Education	84.016	53040000	57,623
Office of Postsecondary Education	84.53040000	53040000	674,310
Office of Special Education and Rehabilitative Services	84.53050000	53050000	8,091
Office of Vocational and Adult Education Programs	84.051	53060000	541,044
US Department of Energy	81.087	55000000	980,203
Substance Abuse & Mental Health Services Administration	93.243	60041400	123,629
Health Resources and Services Administration	93.359	65000000	3,906
Health Resources and Services Administration	93.884	65000000	72,022
Administration on Children, Youth and Families	93.600	67000100	(115)
US Fish and Wildlife Service	15.617	72030000	10,422
US Department of Justice	16.525	74000000	61,601
			<u>3,553,837</u>
Total pass-through from The Ohio State University			<u>3,553,837</u>

(Continued)

THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2007

Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Sponsor I.D. Number	Pass-Through I.D. Number	2007 Expenditures
Other Programs —					
Pass-through from other sources					
Defense Advanced Research Projects Agency	Northrop Grumman Corp	12.50060000	50060000	10011657	\$ 183,462
Defense Advanced Research Projects Agency	Raytheon Co	12.50060000	50060000	10011847	286,433
US Department of Health & Human Services	Elizabeth's New Life Center	93.086	60000000	10020186	1,591
Health Resources and Services Administration	Childrens Research Institute (Columbus)	93.153	65000000	20010182	73,279
National Endowment for the Arts	Heartland Arts Fund	45.025	34000200	20012068	4,200
Small Business Administration	Ohio Business Dev Org	59.037	30140000	20020062	23,120
US Department of Education	Columbus Chamber of Commerce	84.116	53000000	20020068	2,525
National Endowment for the Arts	Arts Midwest	45.025	34000200	20020844	4,300
Cooperative State Research, Education, and Extension Service	American Distance Education Consortium	10.500	40040100	20021544	9,022
Cooperative State Research, Education, and Extension Service	New Agrarian Center	10.225	40040100	20021627	24,414
Health Resources and Services Administration	Univ of Pittsburgh	93.249	65000000	22000036	130,970
Health Resources and Services Administration	Univ of Pittsburgh	93.145	65000000	22000036	206,768
US Department of Agriculture	Michigan State University	10.303	40000000	22000044	22,890
Cooperative State Research, Education, and Extension Service	Michigan State Univ	10.200	40040100	22000044	5,008
Cooperative State Research, Education, and Extension Service	Kansas State Univ	10.500	40040100	22000062	64,890
Office of Vocational and Adult Education Programs	Univ of Minnesota	84.53060000	53060000	22000067	41,152
US Department of Agriculture	Univ of Nebraska	10.500	40000000	22000085	4,201
Cooperative State Research, Education, and Extension Service	Univ of Nebraska	10.500	40040100	22000085	31,579
USDA Agricultural Research Service	Univ of Nebraska	10.500	40040200	22000085	16,248
National Cancer Institute	Univ of Kentucky	93.393	64000002	22000143	276,906
National Science Foundation	Boston University	47.070	35000000	22000182	37,045
United States Army	Auburn University	12.50020000	50020000	22000266	35,848
US Department of Education	Ohio Board of Regents	84.53000000	53000000	26060000	186,285
US Department of Education	Ohio Dept of Education	84.366	53000000	26080000	5,296
US Department of Education	Ohio Dept of Education	84.330	53000000	26080000	479,216
US Department of Education	Ohio Division of Career Technical & Adult Education	84.243	53000000	26080100	(449)
US Department of Education	Ohio Division of Career Technical & Adult Education	84.048	53000000	26080100	(82)
US Department of Education	Ohio Division of Career Technical & Adult Education	84.002	53000000	26080100	28,134
US Department of Education	Ohio Office of Exceptional Children	84.027	53000000	26080300	66,634
Health Resources and Services Administration	Ohio Dept of Health	93.889	65000000	26090000	353,969
US Department of Education	Ohio Rehabilitation Services Commission	84.126	53000000	26120000	93,358
Small Business Administration	Ohio Department of Development	59.017	30140000	26140000	98,840
National Endowment for the Humanities	Ohio Humanities Council	45.129	34000100	26290000	7,194
US Department of Health & Human Services	Ohio Dept of Mental Health	93.958	60000000	26420000	371,506
Substance Abuse & Mental Health Services Administration	Ohio Dept of Mental Health	93.958	60041400	26420000	22,812
US Department of Health & Human Services	Ohio Dept Alcohol & Drug Addiction Services	93.959	60000000	26530000	25,274
US Department of Agriculture	Ohio Dept of Job & Family Services	10.561	40000000	26630000	531,341
USDA Extension Service	Ohio Dept of Job & Family Services	10.561	40140000	26630000	(3,970)
Corporation for National and Community Service	Ohio Community Service Council	94.006	31040001	26650000	112,794
					<u>3,864,003</u>
Total pass-through from other sources					
TOTAL FEDERAL AWARDS					<u>\$ 291,720,141</u>

(Concluded)

THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION (A Component Unit of the Ohio State University)

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2007

1. ORGANIZATION

The Ohio State University Research Foundation (the “Research Foundation”) is a nonprofit educational corporation created in 1936 as a vehicle to promote the development, implementation, and coordination of sponsored research at The Ohio State University (the “University”) in the furtherance of the University’s educational objectives. Accordingly, grants received for sponsored research are deemed to be pass-throughs from the University.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation — The accompanying schedule of expenditures of federal awards includes all the federal grant transactions of the Research Foundation recorded on the accrual basis of accounting.

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

3. 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	Effective July 1, 2003 Through June 30, 2007	
	Rate as 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 within 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 within 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 Directors of
The Ohio State University Research Foundation:

We have audited the financial statements of The Ohio State University Research Foundation (the "Research Foundation"), a component unit of The Ohio State University, as of and for the year ended June 30, 2007, and have issued our report thereon dated October 17, 2007. 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 Research Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Research Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Research Foundation's internal control over financial reporting.

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.

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 Research Foundation's internal control.

Our consideration of 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 material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As a part of obtaining reasonable assurance about whether the Research Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Research Foundation in a separate letter dated October 17, 2007.

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

Deloitte + Touche LLP

October 17, 2007

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 AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To the Board of Directors of
The Ohio State University Research Foundation:

Compliance

We have audited the compliance of The Ohio State University Research Foundation (the "Research Foundation"), a component unit of The Ohio State 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 its major federal program for the year ended June 30, 2007. The Research Foundation's major federal program is 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 its major federal program is the responsibility of the Research Foundation's management. Our responsibility is to express an opinion on the Research Foundation's compliance based on our audit.

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; 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 Research Foundation'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 Research Foundation's compliance with those requirements.

In our opinion, the Research Foundation complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that 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 07-01, 07-02, 07-03, and 07-04.

Internal Control Over Compliance

The management of the Research Foundation 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 Research Foundation'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 Research Foundation's internal control over compliance.

Our consideration of 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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 07-01, 07-02, 07-03, and 07-04 to be significant deficiencies.

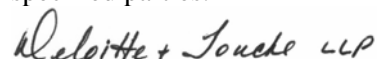
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did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

The Research Foundation'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 Research Foundation's responses and, accordingly, we express no opinion on them.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of The Ohio State University Research Foundation as of and for the year ended June 30, 2007, and have issued our report thereon dated October 17, 2007. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. This schedule is the responsibility of the Research Foundation's management. Such information has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly stated, in all material respects, when considered in relation to the financial statements taken as a whole.

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



October 17, 2007

THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION
(A Component Unit of the Ohio State University)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

PART I — SUMMARY OF AUDITORS' RESULTS

1. The independent auditors' report on the financial statements expressed an unqualified opinion.
2. Our audit of the financial statements did not disclose any significant deficiencies in internal control.
3. No instances of noncompliance considered material to the financial statements were disclosed by the audit.
4. The independent auditors' report on compliance with requirements applicable to major federal award programs expressed an unqualified opinion.
5. The audit disclosed findings required to be reported by OMB Circular A-133.
6. The major program was the Research and Development Cluster which is included in the schedule of expenditures of federal awards.
7. A threshold of \$3,000,000 was used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133.
8. The Research Foundation did not qualify as a low-risk auditee as that term is defined in OMB Circular A-133.

PART II — FINANCIAL STATEMENT FINDINGS SECTION

No matters are reportable.

THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION
(A Component Unit of the Ohio State University)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

PART III — FEDERAL AWARD FINDING AND QUESTIONED COST SECTION

07 - 01 Asset Management

Grantor — All

Sponsor Identification Number — All

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 Ohio State University (the “University”) has operationally maintained the functional stewardship of fixed assets purchased with federal funding on awards made to the University Research Foundation. This is necessary so that a coordinated inventory of all University property is possible, thus obviating the need for two separate equipment inventories. As such, an asset management compliance finding has been noted in both the University and the Research Foundation OMB Circular A-133 reports as follows:

The University has a total of \$818 million invested in movable equipment and furniture, with a net book value of \$275 million as of June 30, 2007. A subset of the above is attributable to equipment purchased on awards made to the University Research Foundation. Proper stewardship of these assets is critical to the University, as they were purchased from numerous funding sources including federal, state, and private gifts, which may contain restrictions related to assets purchased with those funds.

Historically the Controller’s Office has requested that all University departments complete a Physical Inventory and Equipment Review (PIER) annually. The PIER is a self- audit that lists all equipment entrusted to a department. Both the equipment coordinator for the department and the VP/Dean are required to sign the report and return it with any changes necessary to the Asset Management group. However, not all PIERs have historically been returned to Controller’s Office.

An outside firm was contracted to work with the University in inventorying fixed assets during fiscal year 2007. This process supported the University controls in the current year, but is not expected to occur in future periods. Further, there were assets that were not located by the outside firm and follow up was not sufficient to determine the status of all assets. It is our understanding that additional resources and efforts have been assigned internally to progress towards a full inventory and safeguarding of fixed assets for years after fiscal year 2007.

Recommendation — We recommend that the University take a comprehensive look at its asset management policies and procedures to ensure the following:

- Departments understand their role in the asset stewardship process and are educated about the potential financial statement and compliance issues related to improper or incomplete asset record keeping.
- The Asset Management group within the Controller's Office is officially assigned ownership of complete inventorying of University assets and is held accountable for that assignment.
- Continue the focus on accounting for assets such that all departments with fixed assets participate in the self-audit inventory process and detail records of location and status are continuously accurate. Asset Management should implement a policy that requires timely follow-up until all PIERS are returned, including keeping the Research Foundation notified of the status of equipment purchased on its awards.
- The consolidation process of the University should be reviewed to ensure that capitalized interest from all entities is properly included in the University consolidated financial statements.
- Policies are written and implemented in a manner such that the asset management systems and tracking tools including fixed asset tags and detail listings are required to be maintained in a current and accurate fashion.

One individual or small group of individuals should be in charge of this project and progress should be measured throughout the fiscal year to ensure accountability and continued improvement.

Effect — The inadequate safeguarding of fixed assets could result in loss or theft of those assets.

Questioned Cost — N/A

Views of Responsible Officials — This finding needs some clarification. First, the bullet point concerning capitalized interest does not apply to the Research Foundation. Second, sponsored project equipment was audited and sampled twice during this year's audit of the Research Foundation. The first sample contained no findings. To further test sponsored project equipment, a second equipment sample was developed that contained 292 sponsored project equipment items. The University Senior Fiscal Officers were given five work days to account for 100% of the 292 item sample. All 292 items were accounted for by the appropriate University Senior Fiscal Officers.

After these 292 items were accounted for by the University Senior Fiscal Officers, Deloitte & Touche LLP tested the sample by selecting 10 items from this list to be located during a site visit with only 4 hours notice. Deloitte & Touche LLP did not reveal which property was being tested only the location that they would visit. Again, all 10 items were accounted for.

In summary, the Research Foundation was very pleased with the University's improvement in this area for 2007. Additionally, we were very pleased with the responsiveness and dedication of the University Senior Fiscal Officers to respond to last minute audit requests on very short notice and with their ability to account for the entire list of sponsored project equipment. We look forward to working with the University to make further improvements to the Asset Management function. Please see University Audit Response below:

Progress was made in fiscal year 2007 in the Asset Management function, however, management agrees that further improvement is necessary. In order to help departments to better understand their role in the asset stewardship process and be educated about the potential financial statement and compliance issues related to improper or incomplete asset record keeping, a training program, “Managing Your Department’s Capitalized Equipment,” has been developed and is in the process of being rolled out to the University community. A more intensive follow-up process for Physical Inventory and Equipment Review self-audits was developed and implemented, resulting in 96% of self-audits being returned, which is by far the best-ever compliance. Further enhancements, including more timely inclusion of the Senior Fiscal Officers in the follow-up process, will be implemented in fiscal year 2008 in an effort to encourage greater departmental compliance with the self-audit process. We are in the process of implementing planning and monitoring of the physical inventory/audit performance and have reinforced accountability of the Asset Management equipment auditors for completing the agreed scope of work within the committed time frames.

Also, regarding the recommendation on interest capitalization, Central Accounting is working with Health System Finance staff to ensure that a consistent capitalization methodology is used for all construction projects.

07 - 02 Payroll Controls

Grantor — All programs.

Sponsor Identification Number — All programs.

Project Number — All programs.

Criteria — OMB Circular A-133, Subpart C, §____.300 states:

The auditee shall “... (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.”

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. It is 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 created in 2003 as a stop gap until a formal, comprehensive payroll procedures manual, which would include required mandatory payroll processing internal controls, was developed and rolled out by Central Payroll. This checklist has not been replaced by a formal payroll processing manual because a formal procedures manual has not been written.

During our testing, we noted the following:

- A comprehensive policies and procedures document has not been completed.
- During payroll testing, 50 items were selected for testing from different departments within the University. In evaluating the utilization of the checklist, “sign-offs” were required to be maintained in order for the department to have been considered as having evidence that they completed the checklist. Of these samples, 20 departments completed all steps of a version of the

checklist, 19 departments completed some, but not all, steps on the checklist, and 11 departments did not utilize the payroll checklist, nor have alternative procedures or policies in place to accomplish the objectives on the checklist.

- Of the 25 samples that required a timesheet submission, 2 approved time sheets supporting the amount paid to the employee were not available.
- Of the 18 items selected, three applications for leave were not available.
- Segregation of duties is neither consistent nor enforced by the system for payroll control activities. Individuals have access to both enter and approve payroll data.
- There is no central review or monitoring process in place performed by Central Payroll to ensure the college or department is following the procedures iterated in the payroll checklist.
- Various functions (hire, job data, paycheck reprint, etc.) were analyzed for access. In 2007, 674 users with access to various functions were analyzed and 611 individuals had access that was inappropriate or not required to carryout their responsibilities at the University. In 2006, 1,381 users with access to various functions were analyzed and 655 individuals had access that was inappropriate or not required to carryout their responsibilities at the University.
- One hundred and twenty-eight user profiles were identified with having write access to both HR and Payroll functions causing segregation of duties conflicts. Additionally, 58 user profiles were identified with having access to modify employee personal and/or compensation data, create paysheets/paylines, run pay confirmation, and pay calculation. Currently, no regular reviews of access or segregation of duties are being performed.
- Row-Level Security has not been configured within the HRMS production environment due to the complexity of administering payroll with various appointment personnel within the University. Without configuring row-level security, users with inappropriate access can view and modify data for all departments across the University. Row level Security is a security administration technique which when configured correctly, allows administrators to restrict access to sensitive information by allowing users to only have access to specific rows of table data based on a user's department.
- The payroll financial controls process design and monitoring is assigned to the Associate Vice President of the Office of Human Resources with a dotted line report to the University Controller.

Since the prior fiscal year, progress has been made in elevating the importance of this issue throughout the University. As such, it is apparent that departments are considerate of their part in ensuring proper control in the payroll process. Nonetheless, due to the items noted above there is still a need to enhance the processes and operating effectiveness of these imperative internal controls. A mitigating control was in place late in fiscal year 2007 wherein payroll personnel and amounts were certified by supervisors. This control entails each employee's supervisor assert the employee works for the University, under their report and that the pay of that individual is reasonable.

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

Questioned Cost — N/A

Recommendation — We recommend that the University consider the following:

- Perform a comprehensive review of the current payroll processing function including the usefulness and effectiveness of the current system, capabilities of the current system to incorporate standardized automated controls, and an assessment of the usefulness and effectiveness of the current standard payroll reports generated by the system which are expected to be utilized to monitor payroll transactions.
- Establish formal written payroll processing policies for the departments which include specifically required segregation of duties, mandatory reconciliations procedures, mandatory timely termination procedures, payroll hire procedures, and employee data change procedures. Additionally, mandatory payroll financial monitoring procedures should be implemented including analysis of unusual fluctuations or relationships in a department in a standardized format to facilitate overall processing efficiencies as well as effective monitoring of a sustainable control environment.
- Payroll access must be reviewed and all cases with inappropriate access should be eliminated.
- Where departments are too small to implement effective segregation of duties, similar department payroll functions should be aggregated to enable secure payroll processing.
- Provide training courses to both new and existing employees that are designed to reinforce re-engineered payroll process controls and educate users about the various internal control components.
- Simplify the overall human resource and personnel environment to which the payroll process attempts to conform. Due to the overall complexity of the human resource policies of the University, payroll processes are also very complex. An extensive review of the overall processes is recommended to ascertain what changes are necessary to make these changes.

View of Responsible Officials — It is important to note that audit sampling of sponsored projects produced no questioned costs surrounding payroll. The Research Foundation will continue to aid the University in improving the internal control associated with payroll processing.

07 - 03 Compilation of Schedule of Federal Expenditures

Grantor — All programs.

Sponsor Identification Number — All programs.

Project Number — All programs.

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 — Items relating to accounts payable were identified that should have been accrued at year-end were not. As a result of this testing, the Research Foundation modified their cut off procedures which resulted in an additional accrual of \$1.5 million dollars that needed to be included on the schedule of expenditures of federal awards in the current year.

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 — In order to comply with OMB Circular A-133, the Research Foundation should implement cut off procedures ensure they are in compliance with the all OMB Circular A-133 Compliance.

Views of Responsible Officials — We agree and made adjustments to the 2007 accrual method before it was posted to the 2007 financial statements. These procedural changes will be used for the 2008 financial statements.

07 - 04 Compilation of Schedule of Federal Expenditures

Grantor — All programs.

Sponsor Identification Number — All programs.

Project Number — All programs.

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 federal awards contained 115 overrun closed projects which will eventually be transferred back to departments for a total of approximately \$1 million. Therefore, the current year schedule of federal awards is overstated by these amounts.

Additionally, the schedule of expenditures federal awards has \$1.37 million in credits relating to projects that were closed out during fiscal year 2007 and either transferred back to the department or to another CFDA number. This represents amounts that the schedule of expenditures of federal awards was overstated in previous years.

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

Views of Responsible Officials — We agree and started the process to adjust the OMB Circular A-133 report for overruns in 2007 and will continue going forward. The net affect of the entries above was \$370,000 on a \$377 million dollar report or one tenth of one percent of the total.

THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION
(A Component Unit of the Ohio State University)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

PART IV — SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Number	Finding	Status	Contact
06-1	<p>Many individuals certifying faculty and staff's time may not have sufficient first-hand knowledge of time and effort in order to effectively certify the appropriateness of time and effort charged to the federal grant programs. Job titles of those individuals certifying time ranged from Grants Manager to Office Associate to Student Intern. Certain individuals who certify time are certifying up to as many as 60 different individual's time. Additionally, they are certifying time for individuals who could be working on different projects. Of the five time certifiers that we inquired of, none had first hand knowledge of the individuals whose time they certified. In addition, 12 of the 22 payroll selections the role of the individual certifying the time would indicate that they would not have the appropriate level of knowledge. Finally, due to various reasons, including turnover, two of the 22 selections was not certified until we requested the selection be certified. University policy identifies department chairs/directors as the University-designated administrators responsible for certifying electronic time and effort reports ("e-TAER"). However, the University has not defined a policy to hold the department chairs/directors accountable for effort reporting non-compliance.</p>	Corrected	Jeffrey H. Kemper, Director of Financial Services and Procurement
06-2	<p>One expenditure selection included on the Schedule of Federal Awards for the year ended June 30, 2006 related to a expenditure for the fiscal year ended June 30, 2005.</p>	Corrected	Jeffrey H. Kemper, Director of Financial Services and Procurement
06-3	<p>The Ohio State University has \$811 million invested in movable equipment and furniture, with a net book value of \$284 million, as of June 30, 2006. Proper stewardship of these assets is critical to the University as they were purchased from numerous funding sources, including federal, state, and private gifts. Certain of these funding sources contain restrictions related to assets purchased with those funds.</p> <p>Departments are required to complete a Physical Inventory and Equipment Review ("PIER") annually. A PIER is a self-audit that lists all equipment owned by a department. Both the equipment coordinator for the department and the VP/Dean are required to sign the report and return it, with any changes necessary, to the Equipment Inventory group. We obtained a list of PIERs from fiscal year 2005, which should have been completed during 2006. Over 300 of these reports out of the approximately 1,000 sent were not returned by the 27 colleges across campus.</p>	Repeated; See updated comment 07-01	Jeffrey H. Kemper, Director of Financial Services and Procurement
06-4	<p>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 not established comprehensive payroll processing procedures but 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 prior to each payroll distribution. It is designed to assist in ensuring that all payroll expenditures are valid, complete, disbursed to the correct individual, and reconciled to the PeopleSoft general ledger. This checklist was created in 2003 as a stop gap until a formal, comprehensive payroll procedures manual which would have included required mandatory payroll processing internal controls was developed and rolled out by Central Payroll. This checklist has not been replaced by a formal payroll processing manual as such procedures manual has not been written. Additionally, the payroll process, including all financial related controls, is currently the responsibility of the Associate Vice President of the Office of Human Resources.</p>	Repeated; See updated comment 07-02	Jeffrey H. Kemper, Director of Financial Services and Procurement

Number	Finding	Status	Contact
	<p>During our testing, we noted the following issues:</p> <ul style="list-style-type: none"> • A comprehensive policies and procedures document has not been completed. • Three colleges/departments, College of Medicine (Dept: Cardiovascular Medicine, University Hospitals, and Obstetrics and Gynecology), College of Social Science (Dept: Political Science and Geography), College of Humanities (Dept., and College of Academic Affairs), of the 12 selected did not complete the checklist or only completed a portion of the checklist. These departments have not developed internal controls to mitigate risk if the checklist is not completed. • There is no central review or monitoring procedures performed by Central Payroll to ensure the college or department is following the procedures required by Central Payroll. <ul style="list-style-type: none"> • In five of the 12 Colleges (College of Medicine (Dept: Cardiovascular Medicine, University Hospitals, and Obstetrics and Gynecology), College of Engineering (Dept: Orthopedics and Mechanical Engineering), College of Humanities (Dept., and College of Academic Affairs), Fisher College of Business (Department — Finance) selected, there were segregation of duties issues, including individuals who are responsible for both entering data and approving payroll. Further, (102) user profiles were identified with having write access to both HR and Payroll functions causing segregation of duties conflicts. In addition, no regular reviews of access or segregation of duties are being performed. • There is no required, consistent process for the monitoring of terminations, including the timely identification of individuals terminated and the removal of their information from the payroll master file. <ul style="list-style-type: none"> • There is no review performed of the payroll master file. • Various functions (hire, job data, paycheck reprint, etc.) were analyzed for access. 1,381 users with access to various functions were analyzed and 655 individuals had access that was inappropriate or not required to carryout their responsibilities at the University. • Row-Level Security has not been configured within the HRMS production environment. Without configuring row-level security, users with inappropriate access can view and modify data for all departments across the University. Row-level security is a security administration technique which when configured correctly, allows administrators to restrict access to sensitive information by allowing users to only have access to specific rows of table data based on a user's department. Fundamentally, the University relies on the knowledge and diligence of the department-level payroll personnel to ensure that payroll is processed correctly. This creates uneven application of controls and has the potential to cause financial misstatement without appropriate entity-level controls being implemented. 		

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The Ohio State University Research Foundation

(A Component Unit of The Ohio State University)

Financial Statements as of and for the
Year Ended June 30, 2007, and
Independent Auditors' Report

THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION
(A Component Unit of The Ohio State University)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Ohio State University Research Foundation
Columbus, Ohio

We have audited the accompanying statement of net assets of The Ohio State University Research Foundation (the "Research Foundation"), a component unit of The Ohio State University, as of June 30, 2007, and the related statement of revenues, expenses, and changes in net assets, and of cash flows for the year then ended. These financial statements are the responsibility of the Research Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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. 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 Research Foundation'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 audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Research Foundation as of June 30, 2007, and its changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis ("MD&A") on pages 2 through 7 is not a required part of the financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the Research Foundation's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and we do not express an opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2007, on our consideration on 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 on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



October 17, 2007

THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION (A COMPONENT UNIT OF THE OHIO STATE UNIVERSITY)

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2007

The following Management's Discussion and Analysis, or MD&A, provides an overview of the financial position and operations of The Ohio State University Research Foundation (the "Research Foundation") for the years ended 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 FINANCIAL STATEMENTS

The Research Foundation has implemented a governmental financial reporting model, which is set forth in Governmental Accounting Standards Board ("GASB") Statement Nos. 34 and 35. Under these accounting standards, the Research Foundation will present its financial reports in a single-column "business-type activity" format. GASB Statement No. 35 defines business-type activities as those financed in whole or in part by fees charged to external parties for goods and services. Most public colleges and universities have elected to use the business-type activity format.

In addition to this MD&A section, the financial report includes a statement of net assets, a statement of revenues, expenses, and changes in net assets, statement of cash flows, and footnotes.

The statement of net assets is the Research Foundation's balance sheet. It reflects the total assets, liabilities, and net assets (equity) of the Research Foundation as of June 30, 2007. Liabilities due within one year, and assets available to pay those liabilities, are classified as current. Other assets and liabilities are classified as noncurrent. Investment assets are carried at market value. Capital assets, which include the Research Foundation's furniture and equipment, are shown net of accumulated depreciation. Net assets are grouped in the following categories:

- Invested in capital assets, net of plant debt
- Restricted—Nonexpendable (endowment and annuity funds)
- Restricted—Expendable (primarily current restricted and loan funds)
- Unrestricted

The statement of revenues, expenses, and changes in net assets is the Research Foundation's income statement. It details how net assets have increased (or decreased) during the fiscal year that ended June 30, 2007. Depreciation is provided for capital assets, and there are required subtotals for net operating income or loss and net income or loss before additions to nonexpendable funds.

It should be noted that the required subtotal for net operating income or loss will generally reflect a loss for the Research Foundation. This is primarily due to the way operating and nonoperating items are being reported. Operating expenses include virtually all Research Foundation expenses. Operating revenues, however, exclude certain significant revenue streams, including our corporate operating budget. Under this paradigm, our operating loss will increase or decrease based upon the amount of our corporate operating budget.

The statement of cash flows details how cash has increased (or decreased) during the year ended June 30, 2007. It breaks out the sources and uses of Research Foundation cash into the following categories:

- Operating activities
- Noncapital financing activities
- Capital and related financing activities
- Investing activities

Cash flows associated with the Research Foundation'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 footnotes, which follow the financial statements, provide additional details on the numbers in the financial statements.

GENERAL

The Ohio State University Research Foundation is a nonprofit corporation created as a vehicle to promote sponsored research at The Ohio State University (the "University").

In November 1936, the Ohio Secretary of State issued a charter to The Ohio State University Research Foundation as a nonprofit educational corporation. Incorporators of the Research Foundation included the renowned inventor Charles F. Kettering and James F. Lincoln, president of the Lincoln Electric Company. The Board of Directors consists of the following member directors:

Trustee Member (1):

Appointed by the Board of Trustees of the University.

University Administration Members (3):

Including the Vice President for Research, the Executive Vice President for Academic Affairs and Provost, and the Dean of the Graduate School as designated by the Board of Trustees of the University.

Faculty Members (4):

Selected from the faculty by the Research Committee of the University Senate.

Alumni Members (2):

Designated by The Ohio State University Alumni Association from alumni of the University.

At-Large (1):

Designated by the President of the University from among members of national organizations of distinguished engineers, scientists, and scholars.

The Research Foundation Board of Directors elects officers during the regular annual meeting. The officers include the President, Vice President, Secretary, Assistant Secretary, Treasurer, and Executive Director of the Research Foundation. The Directors appoint an Executive Committee and other committees as needed.

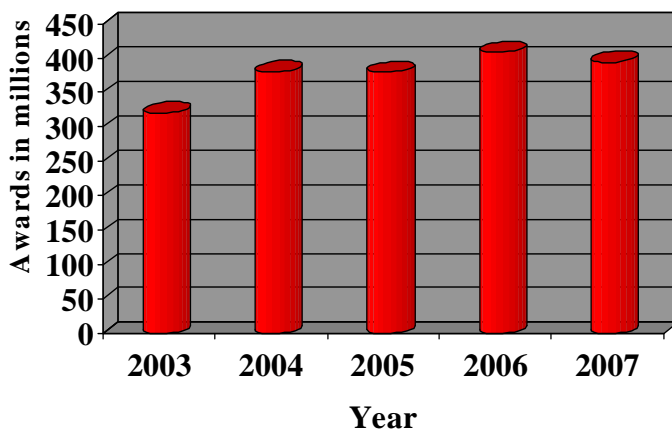
The function of the Research Foundation has evolved over the years in response to the needs of the research community within the University. The Research Foundation began as an organization created to encourage industry sponsorship of University research. It now provides specialized integrated administrative and financial services for research and other activities supported by a wide range of external sponsors.

The Research Foundation does not own or operate research facilities but utilizes facilities provided by the University under an agreement between the Board of Trustees of the University and the Research Foundation. Personnel working on Research Foundation projects are appointed as University personnel and are paid through the University under provisions of the agreement. The Research Foundation Board of Directors approves the operating budget for the Research Foundation's administrative expenses.

FINANCIAL HIGHLIGHTS AND KEY TRENDS

Awards totaled \$394 million in Fiscal Year 2007, a 3.4% decrease from \$408 million in Fiscal Year 2006. Although there was a 4% increase in federal awards, that increase was offset by significant decreases in non-federal awards. The Departments of Defense, Agriculture, and Energy accounted for the only significant federal growth. The decrease in non-federal awards was largely the result of less funding from the State of Ohio.

Award Growth



Sponsor revenues and expenditures in Fiscal Year 2007 increased by \$10 million (2.8%) to \$377 million. Most of the increase can be attributed to federal sponsors.

STATEMENT OF NET ASSETS

From June 30, 2006 to June 30, 2007, the cash balance increased by \$23 million (177%). This increase was due to continuing improvements within the billing teams and the increase in deferred revenue. The increase in deferred revenue was due to the amount of cash advanced from sponsors increasing by \$4.8 million during the year. The statement of cash flows, which is discussed in more detail below, provides additional detail on the sources and the uses of Research Foundation cash.

Following is a summary of the major components of the net assets of the Research Foundation for the years ended June 30, 2007 and 2006:

	2007	2006
CURRENT ASSETS	\$ 92,915,432	\$ 85,061,106
CAPITAL ASSETS—furniture and equipment	<u>826,724</u>	<u>639,373</u>
Total assets	<u>\$ 93,742,156</u>	<u>\$ 85,700,479</u>
CURRENT LIABILITIES	\$ 85,341,673	\$ 77,219,940
NONCURRENT LIABILITIES		
—accrued vacation and sick leave	<u>349,676</u>	<u>358,900</u>
Total liabilities	<u>85,691,349</u>	<u>77,578,840</u>
Net assets:		
Invested in capital assets	826,724	639,373
Unrestricted	<u>7,224,083</u>	<u>7,482,266</u>
Total net assets	<u>8,050,807</u>	<u>8,121,639</u>
Total liabilities and net assets	<u>\$ 93,742,156</u>	<u>\$ 85,700,479</u>

Accounts receivable and unbilled project costs decreased \$14.8 million (21%) this year primarily due to improved billing, reporting, and collections processing. Under the current billing paradigm approximately \$4 million a month in fringe benefit expense cannot be drawn and deposited until after month-end. The Research Foundation is requesting that improvements be made to the University Payroll system that will facilitate collecting this cash by month-end.

In 2007 the Research Foundation remitted Facilities and Administrative balances payable to the University on a monthly basis. For 2006 and 2005, the Research Foundation remitted Facilities and Administrative balances payable to the University on a quarterly basis.

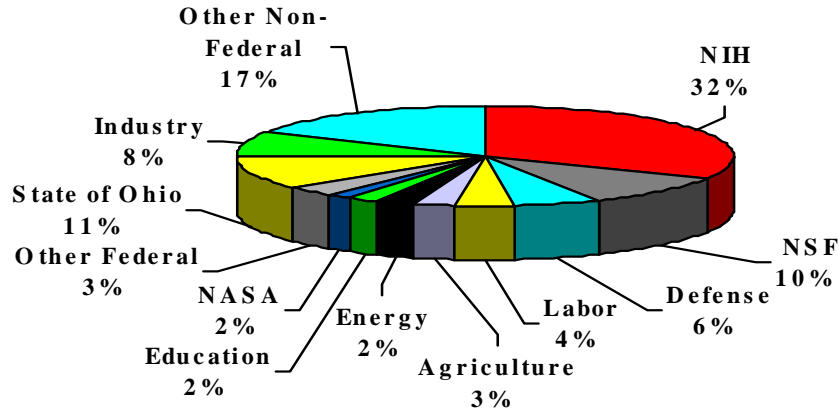
2006–2005 Highlights—From June 30, 2005 to June 30, 2006, the cash balance decreased by \$7.3 million (36%). The primary cause of this reduction in cash was a decline in deferred revenue. The decline in deferred revenue was due to the amount of cash advanced from sponsors being relatively stable throughout the year, while expenditures against these advances increased significantly in the second half of the year. The secondary cause of the reduction in the cash balance was that payments from the State of Ohio were delayed because of burdensome cost-share agreements. As of June 30, 2006, \$4.1 million in State of Ohio invoices remained unpaid.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Our sponsored project revenue/expenditures increased modestly by \$10 million (2.8%) over last year. Twenty-seven colleges generated Sponsored Project Revenue in this fiscal year with Medicine and Engineering combining to generate 53% of the total. Federal sponsors were the major source of revenue. The

National Institutes of Health (NIH), our largest federal sponsor, accounted for 32% of our total sponsored revenue.

Revenues / Expenditures by Source Funds Fiscal Year 2007



The largest growth occurred in sponsored project personnel expenditures and sponsored project equipment, with equipment accounting for \$7 million of the increase.

Net interest revenue increased by approximately \$254,000 due to higher average cash balances throughout the year coupled with higher interest rates.

We recognize Sponsored Project Revenue as Sponsored Project Expenses are incurred. The excerpt below from our statement of revenues, expenses, and changes in net assets demonstrates this relationship.

	2007	2006
SPONSOR PROJECT REVENUE	<u>\$ 377,114,762</u>	<u>\$ 366,960,720</u>
EXPENDITURES AND TRANSFERS:		
Sponsored project expenses:		
Personnel	\$ 175,463,288	\$ 171,453,117
Materials and services	98,034,949	98,620,780
Equipment	20,063,354	12,598,407
Travel	7,548,297	7,701,097
F&A charged by the University	76,004,874	76,587,319
Other	<u>8,491,721</u>	<u>7,378,637</u>
Total Sponsored project expenses:	<u>\$ 377,114,762</u>	<u>\$ 366,960,720</u>

The University appropriation line item represents the current year's Research Foundation operating budget. The Research administration expenditure line represents annual Research Foundation expenditures. The difference between these two line items is the budget surplus (deficit) for the fiscal year.

It is important to note that the Research Foundation did not overspend the available budget this year. The Research Foundation's available budget consists of the University appropriation and any unspent budget (budget carry forward) from prior years. The 2006 net income amount of \$1.7 million dollars contained \$1.1 million dollars of unspent budget. In 2007, the Research Foundation spent the entire 2007 University appropriation and a portion of the budget carry forward from 2006. For financial statement purposes, any noncapital spending from budget carry forward will flow through the income statement on the Research administration expenditure line and will therefore reduce net income in the year the spending takes place.

Additionally, for financial statement purposes, any noncapital spending from Net Assets will flow through the income statement as Other Operating Expense and will therefore reduce net income. In 2007, we funded our accounts receivable collection activity and the purchase of new workstations with Board Designated funds in the amount of \$191,474.

2006–2005 Highlights—Sponsored Project Revenue/Expenses in Fiscal Year 2006 increased by \$21 million (6%) from Fiscal Year 2005. Federal sponsors generated the majority of our revenue.

THE STATEMENT OF CASH FLOWS

The primary source of cash receipts for operating activities consists of payments from sponsors. Cash outlays represent payments for personnel, materials, services, equipment, and travel incurred for Sponsored Research activities.

It should be noted that our corporate expenditures are carried in Cash Flows from Operating Activities and our corporate operating budget is carried in Net Cash Provided by Noncapital Financing Activities. This results in a large positive cash flow from noncapital financing activities and a corresponding decrease in cash flow from operations.

Net cash provided by investing activities increased by approximately \$254,000 as explained under the Statement of Revenues, Expenses, and Changes in Net Assets.

FUTURE

The Research Foundation will continue to partner with all levels of research administrators, campus researchers, and the research support community to ensure a shared understanding of the current environment of sponsored research. Additionally, the Research Foundation will use this shared understanding as the base from which to formulate a business model that will help secure the continued success of sponsored research at The Ohio State University.

THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION
(A Component Unit of The Ohio State University)

STATEMENT OF NET ASSETS
AS OF JUNE 30, 2007

	2007
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 35,971,442
Accounts receivable and unbilled project costs	56,293,710
Other receivables	<u>650,280</u>
Total current assets	92,915,432
FURNITURE AND EQUIPMENT — Net of accumulated depreciation of approximately \$ 958,349 in 2007	<u>826,724</u>
TOTAL	<u>\$ 93,742,156</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES:	
Accounts payable:	
Trade	\$ 10,851,772
Unclaimed funds	437,215
Accrued payroll	1,608,387
Accrued vacation and sick leave	28,210
Deferred revenue — sponsors	54,192,917
Facilities and administrative costs payable to University departments	17,756,696
Designated funds for University departments	<u>466,476</u>
Total current liabilities	85,341,673
ACCRUED VACATION AND SICK LEAVE — Long term	<u>349,676</u>
Total liabilities	<u>85,691,349</u>
NET ASSETS:	
Invested in capital assets	826,724
Unrestricted	<u>7,224,083</u>
Total net assets	<u>8,050,807</u>
TOTAL	<u>\$ 93,742,156</u>

See notes to financial statements.

THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION
(A Component Unit of The Ohio State University)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2007

	2007
OPERATING REVENUES — Sponsor project revenue	<u>\$377,114,762</u>
Total operating revenues	<u>377,114,762</u>
OPERATING EXPENSES:	
Sponsor project:	
Personnel	175,463,288
Materials and services	98,034,949
Equipment	20,063,354
Travel	7,548,297
Facilities and administrative cost charged by the University	76,004,874
Research administration	8,060,259
Depreciation	239,989
Other operating expense	<u>191,474</u>
Total operating expenses	<u>385,606,484</u>
OPERATING LOSS	(8,491,722)
NONOPERATING REVENUES AND EXPENSES:	
University appropriation	7,564,563
Interest income — net of interest expense	<u>856,327</u>
DECREASE IN NET ASSETS	(70,832)
NET ASSETS — Beginning of year	<u>8,121,639</u>
NET ASSETS — End of year	<u>\$ 8,050,807</u>

See notes to financial statements.

THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION
(A Component Unit of The Ohio State University)

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2007

	2007
CASH FLOWS FROM OPERATING ACTIVITIES:	
Received from sponsors	\$ 397,095,531
Payments to employees	(183,607,036)
Payments to suppliers	<u>(198,504,832)</u>
Net cash provided by operating activities	<u>14,983,663</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES — University appropriations	<u>7,564,563</u>
Net cash provided by noncapital financing activities	<u>7,564,563</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES — Purchases of furniture and equipment	<u>(427,340)</u>
Net cash used in capital and related financing activities	<u>(427,340)</u>
CASH FLOWS FROM INVESTING ACTIVITIES — Interest on cash investments	<u>856,327</u>
Net cash provided by investing activities	<u>856,327</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	22,977,213
CASH AND CASH EQUIVALENTS — Beginning of year	<u>12,994,229</u>
CASH AND CASH EQUIVALENTS — End of year	<u>\$ 35,971,442</u>

(Continued)

THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION
(A Component Unit of The Ohio State University)

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2007

	2007
OPERATING ACTIVITIES:	
Operating loss	\$ (8,491,722)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	239,989
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:	
Accounts receivable and unbilled project costs	14,879,413
Other receivables	243,475
Accounts payable — trade	2,943,655
Unclaimed Funds	437,215
Accrued payroll	(77,403)
Accrued vacation and sick leave	(6,086)
Deferred revenue — sponsors	4,796,756
Facilities and administrative costs payable to University departments	(42,754)
Designated funds for University departments	<u>61,125</u>
Net cash generated by operating activities	<u>\$ 14,983,663</u>

See notes to financial statements.

(Concluded)

THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION (A Component Unit of The Ohio State University)

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2007

1. ORGANIZATION

The Ohio State University Research Foundation (the “Research Foundation”), a component unit of The Ohio State University (the “University”), is a nonprofit educational corporation created in 1936 as a vehicle to promote the development, implementation, and coordination of sponsored research at the University in the furtherance of the University’s educational objectives. The Research Foundation’s financial statements and accounts are consolidated with the University’s for purposes of complying with the University’s reporting requirements.

2. ACCOUNTING POLICIES

The following is a summary of certain significant accounting policies followed in the preparation of the financial statements:

Basis of Presentation — The financial statements of the Research Foundation have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (“GASB”) including Statement No. 34, *Basic Financial Statements — and Management’s Discussion and Analysis — for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements — and Management’s Discussion and Analysis — for Public Colleges and Universities (an amendment of GASB Statement No. 34)*. The presentation required by GASB Statement No. 34 and GASB Statement No. 35 provides a comprehensive, entity-wide perspective of the Research Foundation’s assets, liabilities, net assets, revenue, expenses, and changes in net assets, and cash flows.

The Research Foundation 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 Research Foundation has elected not to apply FASB Statements and Interpretations issued after November 30, 1989.

Revenue Recognition — Substantially all of the Research Foundation’s revenues are derived from restricted grants and cost reimbursement contracts which provide for the recovery of direct and related facilities and administrative costs, subject to audit. The Research Foundation recognizes revenue associated with direct costs as the related costs are incurred. Recovery of related facilities and administrative costs is generally recorded at fixed rates negotiated with the Department of Health and Human Services, the cognizant federal audit agency.

Revenues derived from grants and contracts are reported as operating revenues. Transactions which are capital, finance, or investment-related are reported as nonoperating revenues. University appropriations and interest earned on cash investments are reported as nonoperating revenues.

Cash and Cash Equivalents — Cash and cash equivalents consist of demand deposit accounts and certificates of deposit with original maturities of less than 90 days. The Research Foundation’s cash is in the University’s account and is commingled with other University-related entities and invested daily in overnight investment vehicles, which are considered cash equivalents. However they are not required to be categorized under GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*. Investment income is allocated to the Research Foundation based on their ownership of the funds included in the University’s account.

Accounts Receivable and Unbilled Project Costs — Receivables are reported at their gross value when earned as the underlying exchange transaction occurs. An estimated receivable has been recorded for services rendered but not yet billed as of June 30, 2007. The receivable was arrived at primarily by taking the subsequent payments of expenses related to cost reimbursement contracts invoiced after year-end, and recording at year-end the portions incurred and reimbursable from sponsors as of year-end.

Furniture and Equipment — Furniture and equipment are recorded at cost and the capitalization threshold is \$3,000. Provision is made for depreciation of physical properties at rates calculated to absorb costs generally over the asset’s estimated useful life of five years. Depreciation is calculated using the straight-line method. Depreciation expense was \$239,989 for the year ended June 30, 2007.

Expenditures for maintenance and repairs are charged to operating expenses as incurred; major renewals and betterments are capitalized.

	June 30, 2006	Additions	Disposal	June 30, 2007
Capital assets:				
Furniture and equipment	\$ 1,387,075	\$ 427,340	\$ (29,342)	\$ 1,785,073
Less accumulated depreciation	<u>747,702</u>	<u>239,989</u>	<u>(29,342)</u>	<u>958,349</u>
Net capital assets	<u>\$ 639,373</u>	<u>\$ 187,351</u>	<u>\$ -</u>	<u>\$ 826,724</u>

Compensated Absences — Research Foundation 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 Research Foundation 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.

Activity for the year ended June 30, 2007, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated Absences					
2007	\$ 383,972	\$ -	6,086	\$ 377,886	\$ 28,210

In-Kind Income — The Research Foundation is a component unit of the University. As part of the relationship, transfers of funds occur between the University and the Research Foundation for certain sponsored project expenditures and research administration.

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 expenses 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.

New Accounting Pronouncements — In June 2004, GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers. This Statement is effective for periods beginning after December 15, 2006.

In September 2006, GASB issued Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. This Statement establishes criteria that governments will use to ascertain whether the proceeds received should be reported as revenue or as a liability. This Statement also includes guidance to be used for recognizing other assets and liabilities arising from a sale of specific receivables of future revenues, including residual interest and recourse provisions. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2006.

In December 2006, GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This Statement identifies the circumstances under which a governmental entity would be required to report a liability related to pollution remediation. According to the standard, a government would have to estimate its expected outlays for pollution remediation if it knows a site is polluted and various recognition triggers occur. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2007.

In May 2007, GASB issued Statement No. 50, *Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27*. This statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. This Statement is effective for periods beginning after June 15, 2007.

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.

The Research Foundation management has not yet determined the impact that implementation of GASB Statement Nos. 45, 48, 49, 50, and 51 will have on the Research Foundation's financial statements.

3. DESIGNATED FUNDS FOR UNIVERSITY DEPARTMENTS

Designated funds for University departments represent unrestricted funds resulting from residual amounts from certain completed projects that are for use at the discretion of University departments and funds payable to the University from royalties held by the Research Foundation.

4. TAX-EXEMPT STATUS

The Research Foundation is exempt from federal taxes on income under Section 501(c)(3) of the Internal Revenue Code.

5. RETIREMENT PLAN

All eligible University personnel assigned to the Research Foundation are covered by the Public Employees Retirement System of Ohio (“OPERS”). Employees may opt out of OPERS and participate in the Alternative Retirement Plan (“ARP”) if they meet certain eligibility requirements.

Defined Benefit Plans — OPERS offers statewide cost-sharing multiple-employer defined-benefit pension plans. OPERS provides 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. OPERS issues a separate, publicly available financial report that includes financial statements and required supplemental information. The report may be obtained by contacting OPERS at Ohio PERS, 277 East Town Street, Columbus, OH 43215-4642, (614) 222-5601, (800) 222-PERS (7377), or www.opers.org.

In addition to the retirement benefits described above, OPERS provides 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, 2006, OPERS allocated 4.5% 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, 2005, (the date of the system’s latest actuarial review), was \$11.1 billion. There were 369,214 active contributing participants as of December 31, 2006 and 358,804 active contributing participants used in the December 31, 2005, 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 tool for health care coverage.

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.

Defined Contribution Plan — The ARP is a defined-contribution pension plan. Full-time administrative and professional staff and faculty may choose to enroll in ARP in lieu of OPERS. 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 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.

Combined Plans — 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 care benefits to qualifying members of the combined plan.

Funding Policy — ORC provides OPERS statutory authority to set employee and employer contributions. Contributions equal to those required by 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 OPERS to enhance the stability of these plans. On January 1, 2007, the OPERS employee contribution rate increased from 9.0% to 9.5% and the employer contribution rate increased from 13.54% to 13.77%. The required contributions rates (as a percentage of covered payrolls) for plan members and the Research Foundation are as follows for 2007, 2006, and 2005:

	Share	Share
July 1, 2004 — June 30, 2005	8.5 %	13.31 %
July 1, 2005 — June 30, 2006	9.0	13.54
July 1, 2006 — June 30, 2007	9.5	13.77

For the years ended June 30, 2007, 2006, and 2005, the Research Foundation reimbursed the University for the following costs for contributions associated with the retirement plans:

Years Ending	Contributions	
	PERS	ARP
2005	\$561,041	\$ 99,092
2006	576,138	100,294
2007	584,467	102,161

6. COMMITMENTS AND CONTINGENCIES

The Research Foundation, as an associated foundation, is covered under the University's self-insurance arrangements and commercial insurance policies. The University is self-insured for employee health care benefits; and employee life, accidental death, and dismemberment benefits. Additional details regarding these self-insurance arrangements are provided in Note 6 to the University's financial statements. 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 Research Foundation have been infrequent in prior years.

* * * * *

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 Directors of
The Ohio State University Research Foundation
Columbus, Ohio

We have audited the financial statements of The Ohio State University Research Foundation (the "Research Foundation") as of and for the year ended June 30, 2007, and have issued our report thereon dated October 17, 2007. 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 *Governmental 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 Research Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Research Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Research Foundation's internal control over financial reporting.

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.

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 Research Foundation's internal control.

Our consideration of 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 material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Research Foundation'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 that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Research Foundation in a separate letter dated October 17, 2007.

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

Deloitte + Touche LLP

October 17, 2007



Mary Taylor, CPA
Auditor of State

THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION
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 7, 2008