

The Ohio State University

(A Component Unit of the State of Ohio)

**Financial Statements as of and for the Year Ended
June 30, 2013 and 2012, and Report on Federal
Awards in Accordance with OMB Circular A-133
for the Year Ended June 30, 2013 and
Independent Auditors' Reports**



Dave Yost • Auditor of State

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

We have reviewed the *Report of Independent Auditors* of The Ohio State University, Franklin County, prepared by Pricewaterhouse Coopers LLP, for the audit period July 1, 2012 through June 30, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

February 27, 2014

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The Ohio State University

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June 30, 2013 and 2012

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the primary institution and the aggregate discretely presented component units of The Ohio State University (the "University"), a component unit of the State of Ohio, which comprise the consolidated statements of net position as of June 30, 2013 and June 30, 2012, and the related consolidated statements of revenues, expenses and changes in net position and of cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the University's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the primary institution and the aggregate discretely presented component units of the University as of June 30, 2013 and 2012, and the respective changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Emphasis of Matter

As discussed in Note 1 to the financial statements, the University adopted GASB Statement 61, The Financial Reporting Entity: Omnibus, in 2013, applied retroactively, which modifies the determination of discretely presented component units. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the accompanying management's discussion and analysis on pages 3 through 18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in the appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying schedule of expenditures of federal awards for the year ended June 30, 2013 is presented for purposes of additional analysis as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 22, 2013 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters for the year ended June 30, 2013. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the University's internal control over financial reporting and compliance.

Princeton House Cooper LLP

Columbus, OH
October 22, 2013

Management's Discussion and Analysis for the Year Ended June 30, 2013 (Unaudited)

The following Management's Discussion and Analysis, or MD&A, provides an overview of the financial position and activities of The Ohio State University (the "university") for the year ended June 30, 2013, with comparative information for the years ended June 30, 2012 and June 30, 2011. We encourage you to read this MD&A section in conjunction with the audited financial statements and footnotes appearing in this report.

About The Ohio State University

The Ohio State University is the State of Ohio's flagship research institution and one of the largest universities in the United States of America, with over 63,000 students, 6,000 faculty members and 22,000 staff members. Founded in 1870 under the Morrill Land Grant Act, the university – which was originally known as the Ohio Agricultural and Mechanical College -- has grown over the years into a comprehensive public institution of higher learning, with 168 undergraduate majors, 115 master's degree programs, 93 doctoral programs and seven professional degree programs.

The university operates one of the nation's leading academic medical centers, The Ohio State University Wexner Medical Center. As a part of the Wexner Medical Center, the Health System operates under the governance of The Ohio State University Board of Trustees and is comprised of The Ohio State University Hospital, The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute, Richard M. Ross Heart Hospital, University Hospital East, OSU Harding Hospital, Dodd Rehabilitation Hospital, four comprehensive outpatient care centers, an ambulatory surgery center, a comprehensive breast treatment center, and twenty-nine clinics. The Health System provided services to more than 56,000 adult inpatients and 1,485,000 outpatients during Fiscal Year 2013.

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

The following financial statements reflect all assets, liabilities, deferred inflows/outflows and net position (equity) of the university, the Wexner Medical Center, the Ohio Agricultural Research and Development Center and OH-TECH (formerly known as OARnet and the Ohio Supercomputer Center). These entities constitute the "primary government" for financial reporting purposes. In addition, the financial statements include consolidated financial results for a number of "component units", which are legally separate entities that meet the financial accountability criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*.

In previous years, the university presented all of its component units in a single-column "blended presentation". This has changed, with the adoption of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. GASB 61 significantly narrows the criteria for a blended presentation. In particular, the GASB has indicated that the "exclusive benefit"

Management's Discussion & Analysis (Unaudited) - continued

criterion for blending is not met when a component unit provides services to parties external to the primary government. As a result, the university is now presenting the following component units in a discrete presentation:

- OSU Physicians, Inc. (the practice group for physician faculty members of the Colleges of Medicine and Public Health)
- Campus Partners for Community Urban Redevelopment (a non-profit organization participating in the redevelopment of neighborhoods adjacent to the main Columbus campus)
- Transportation Research Center, Inc. (an automotive research and testing facility in East Liberty, Ohio)
- Dental Faculty Practice Association (the practice group for faculty members of the College of Dentistry)

The remaining component units of the university, which are listed below, meet the revised exclusive benefit criteria under GASB 61 and will continue to be shown in a blended presentation:

- The OSU Foundation (a fundraising foundation operating exclusively for the benefit of the university)
- OSU Health Plan (a non-profit organization – formerly known as OSU Managed Health Care Systems -- that administers university health care benefits)
- Oval Limited (captive insurer that provides medical malpractice coverage to university hospitals and physicians)

Condensed financial information for both blended and discretely presented component units is provided in the Notes to the Financial Statements. The university is considered a component unit of the State of Ohio and is included in the State of Ohio's Comprehensive Annual Financial Report.

About the Financial Statements

The university presents its financial reports in a "business type activity" format, in accordance with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities – an amendment of GASB Statement No. 34*. In addition to this MD&A section, the financial report includes a Statement of Net Position, a Statement of Revenues, Expenses and Other Changes in Net Position, a Statement of Cash Flows and Notes to the Financial Statements. Separate columns are presented for the primary institution (which includes the primary government and the blended component units), discretely presented component units and the total university. Unless otherwise specified, the amounts presented in this MD&A are for the primary institution.

The **Statement of Net Position** is the university's balance sheet. It reflects the total assets, liabilities and net position (equity) of the university as of June 30, 2013, with comparative information as of June 30, 2012. Liabilities due within one year, and assets available to pay

Management's Discussion & Analysis (Unaudited) - continued

those liabilities, are classified as current. Other assets and liabilities are classified as non-current. Investment assets are carried at market value. Capital assets, which include the university's land, buildings, improvements, and equipment, are shown net of accumulated depreciation. Net position is grouped in the following categories:

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

The **Statement of Revenues, Expenses and Other Changes in Net Position** is the university's income statement. It details how net position has increased (or decreased) during the year ended June 30, 2013, with comparative information for Fiscal Year 2012. Tuition revenue is shown net of scholarship allowances, patient care revenue is shown net of contractual allowances, charity care and bad debt expense, depreciation is provided for capital assets, and there are required subtotals for net operating income (loss) and net income (loss) before capital contributions and additions to permanent endowments.

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

The **Statement of Cash Flows** details how cash has increased (or decreased) during the year ended June 30, 2013, with comparative information for Fiscal Year 2012. It breaks out the sources and uses of university cash into the following categories:

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

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

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

Management's Discussion & Analysis (Unaudited) - continued

Financial Highlights and Key Trends

Total net position for the primary institution increased \$513 million, to \$5.94 billion at June 30, 2013. Net investment income accounted for \$387 million of the increase, reflecting strong 2013 returns for the university's Long Term Investment Pool. In September 2012, the university entered into a 50-year lease and concession agreement with QIC Global Infrastructure to operate, maintain and retain parking revenues from the university's parking lots and garages. The proceeds from the agreement, which totaled \$483 million, were used to establish quasi-endowment funds. In January 2013, the university issued \$338 million of Special Purpose General Receipts Bonds, which are secured by a pledge of housing, dining and recreational facilities revenues. Total unrestricted and restricted-expendable net position increased \$35 million, to \$2.21 billion. With the exception of consolidated Health System revenues, which increased \$97 million, total operating revenues were relatively flat compared with 2012.

Demand for an Ohio State education remains strong, and student outcomes continue to improve. 63,058 students were enrolled in Autumn 2012, down slightly from Autumn 2011. 92% of the freshmen enrolled in Autumn 2011 returned to OSU in Autumn 2012. Over the past five years, four-year graduation rates have increased from 46% to 61%, and six-year graduation rates have increased from 71% to 82%.

The following sections provide additional details on the university's 2013 financial results and a look ahead at significant economic conditions that are expected to affect the university in the future.

Management's Discussion & Analysis (Unaudited) - continued

Statement of Net Position

| Summary Statement of Net Position <i>(in thousands)</i> | | | |
|--|----------------------|---------------------|---------------------|
| | 2013 | 2012 | 2011 |
| Cash and temporary investments | \$ 1,073,925 | \$ 1,283,141 | \$ 1,460,719 |
| Receivables, inventories, prepaids and other current assets | 528,165 | 560,913 | 489,908 |
| Total current assets | 1,602,090 | 1,844,054 | 1,950,626 |
| Restricted cash | 926,444 | 714,226 | 488,361 |
| Noncurrent notes and pledges receivable | 127,831 | 92,427 | 79,797 |
| Long-term investment pool | 3,149,169 | 2,366,033 | 2,120,714 |
| Other long-term investments | 69,358 | 71,663 | 68,283 |
| Capital assets, net of accumulated depreciation | 4,136,392 | 3,765,325 | 3,391,264 |
| Total noncurrent assets | 8,409,194 | 7,009,674 | 6,148,419 |
| Total assets | \$ 10,011,284 | \$ 8,853,728 | \$ 8,099,045 |
| Accounts payable and accrued expenses | \$ 385,006 | \$ 413,995 | \$ 358,845 |
| Deposits and advance payments for goods and services | 179,436 | 230,300 | 227,693 |
| Current portion of bonds, notes and lease obligations | 503,750 | 530,047 | 518,982 |
| Other current liabilities | 21,705 | 23,102 | 17,159 |
| Total current liabilities | 1,089,897 | 1,197,444 | 1,122,679 |
| Noncurrent portion of bonds, notes and lease obligations | 2,177,884 | 1,897,724 | 1,451,502 |
| Other noncurrent liabilities | 328,987 | 331,056 | 318,159 |
| Total noncurrent liabilities | 2,506,871 | 2,228,780 | 1,769,661 |
| Total liabilities | \$ 3,596,768 | \$ 3,426,224 | \$ 2,892,340 |
| Deferred inflows - Parking service concession arrangement | \$ 474,332 | \$ - | \$ - |
| Invested in capital assets, net of related debt | 2,394,141 | 2,056,993 | 1,987,366 |
| Restricted-nonexpendable net assets | 1,340,681 | 1,200,473 | 1,217,323 |
| Restricted-expendable net assets | 737,848 | 603,108 | 592,082 |
| Unrestricted net assets | 1,467,514 | 1,566,930 | 1,409,934 |
| Total net position | \$ 5,940,184 | \$ 5,427,504 | \$ 5,206,705 |

Cash and temporary investment balances decreased \$209 million, to \$1.07 billion, primarily due to a reduction in net operating cashflows (excluding parking proceeds) and defeasance of parking-related debt. **Restricted cash** balances increased \$212 million, to \$926 million. These balances consist primarily of unspent proceeds from the Special Purpose General Receipts Bonds, which will be used to fund the North Residential District expansion project, and the Century Bonds, which are being used to fund the Medical Center expansion and other capital projects. The Statement of Cash Flows, which is discussed in more detail below, provides additional information on sources and uses of university cash. The university holds the bulk of its working capital in short and intermediate-term investment funds. These funds are invested in a diversified portfolio of money-market instruments as well as short and intermediate-term fixed income securities. The average maturity of the portfolio is typically less than one year.

Management's Discussion & Analysis (Unaudited) - continued

Accounts receivable decreased \$31 million, to \$386 million at June 30, 2013, primarily due to decreases in patient care receivables for the Health System. The 2012 implementation of a new patient care information and billing system, EPIC, created one-time billing lags, which inflated prior-year receivable balances.

The market value of the university's **long-term investment pool** increased \$783 million, to \$3.15 billion at June 30, 2013, primarily due to the investment of the \$483 million proceeds from the parking agreement and \$372 million of net investment income. The long-term investment pool operates similar to a mutual fund, in that each named fund is assigned a number of shares in the pool. It includes the gifted endowment funds of the university, gifted endowment funds of the OSU Foundation, and operating funds which have been internally designated to function as endowments. The pool is invested in a diversified portfolio of equities, fixed income, real estate, hedge funds, private equity, venture capital and natural resources that is intended to provide the long-term growth necessary to preserve the value of these funds, adjusted for inflation, while making distributions to support the university's mission.

Other long-term investments are non-unitized investments that relate primarily to gift arrangements between donors and the OSU Foundation. These investments decreased \$2 million, to \$69 million, at June 30, 2013.

Capital assets, which include the university's land, buildings, improvements, equipment and library books, grew \$371 million, to \$4.14 billion at June 30, 2013. The university depreciates its capital assets on a straight-line basis, using estimated useful lives ranging from 5 years (for computer equipment and software) to 100 years (for certain building components such as foundations).

Major projects completed in 2013 include the \$172 million renovation of five existing student housing facilities and construction of two new facilities. Smith, Steeb and Siebert Halls opened Fall Semester 2013 following major renovations and construction of new facilities between Smith and Steeb Halls. The Park and Stradley Halls portion of the project opened the previous academic year. Also completed was Phase II of the William H. Hall Complex, a suite-style housing facility with 537 student beds. Major infrastructure projects completed in 2013 include a \$42 million electrical substation to meet growing electricity demand, a \$74 million chilled water plant to support the Medical Center expansion, and the geothermal well project on South Oval, which will provide up to 50% of the heating and cooling for the Hall complex and south campus high rises.

In addition, several major construction projects are currently underway or in advanced planning stages, including:

- **Medical Center Expansion** – Construction of a 21-story, \$1.1 billion new facility for the James Cancer Hospital and Solove Research Institute and the Critical Care Center is proceeding on time and on budget for completion late in 2014. The university is financing the project with a combination of bonds (\$925 million), private gifts (\$75 million) and a \$100 million federal grant.

Management's Discussion & Analysis (Unaudited) - continued

- Chemical and Bio-molecular Engineering and Chemistry Building – Construction is underway on a \$126 million facility for the Chemistry and Chemical and Bio-molecular Engineering departments. The 225,000 square-foot building will contain research and teaching laboratories, faculty offices, and seminar rooms. Construction is projected to be completed in January 2015.
- Sullivant Hall Renovation – Work is underway on a \$26 million project to renovate Sullivant Hall, including creation of an entryway to High Street and the adjoining plaza. When completed in Fall 2013, the renovated facility will house the Advanced Computing Center for the Arts & Design, the Department of Dance, the Billy Ireland Cartoon Library & Museum and the Department of Art Education.
- Infrastructure Improvements – Work continues on several major infrastructure projects, including construction of a \$41 million east regional chiller plant to serve buildings east of the Oval. The east regional chiller project is expected to be completed in 2014. A \$21 million steam and condensate upgrade project will upgrade deteriorated lines and increase capacity and distribution in the mid-west campus area from McCracken Power Plant to near the Drake Union. Also underway at the McCracken Power Plant is a \$20 million project to replace the existing aging water treatment system, and a \$13 million project to replace high voltage electrical cable and related equipment.
- North Residential District Transformation (NRDT) – The \$370 million NRDT project will construct new housing and support facilities for sophomore students in the north campus area. Enabling project work began Summer 2013, and the project is slated for completion Fall Semester 2016.

The university's estimated future capital commitments, based on contracts and purchase orders, total approximately \$751 million at June 30, 2013.

Accounts payable and accrued expenses decreased \$29 million, to \$385 million at June 30, 2013, primarily due to decreases in vendor payables for operating expenses (down \$37 million). **Deposits and advance payments for goods and services** decreased \$51 million, to \$179 million, reflecting the reclassification of a \$22 million deposit for the parking agreement to deferred inflows in 2013, a \$14 million decrease in advance payments for departmental and auxiliary sales and services and an \$11 million decrease in advance payments for grants and contracts.

University debt, in the form of **bonds, notes and capital lease obligations**, increased \$254 million, to \$2.68 billion at June 30, 2013. In January 2013, the university issued \$338 million of Special Purpose General Receipts Bonds, Series 2013A. These bonds are solely payable from, and secured by, a pledge of the gross revenues of the university's student housing, dining and recreational facilities. Offsetting the new bond issue were a \$75 million defeasance of debt related to parking facilities and \$52 million in principal payments.

The university's plant debt includes variable rate demand bonds that mature at various dates through 2035. GASB Interpretation 1, *Demand Bonds Issued by State and Local*

Management's Discussion & Analysis (Unaudited) - continued

Governmental Entities, provides guidance on the statement of net position classification of these bonds. Under GASB Interpretation 1, outstanding principal balances on variable rate demand bonds may be classified as noncurrent liabilities if the issuer has entered into a "take-out agreement" to convert bonds "put" but not resold into some other form of long-term obligation. In the absence of such an agreement, the total outstanding principal balances for these bonds are required to be classified as current liabilities.

Although it is the university's intent to repay its variable rate demand bonds in accordance with the maturities set forth in the bond offering circulars, the university does not have "take-out agreements" in place per the GASB Interpretation 1 requirements. Accordingly, the university has classified the total outstanding principal balances on its variable rate demand bonds as current liabilities. These obligations totaled \$446 million and \$470 million at June 30, 2013 and 2012, respectively.

Other noncurrent liabilities increased \$32 million, primarily due to central accruals for university insurance programs.

In 2013, the university recognized a \$474 million **deferred inflow** for the parking agreement. Deferred outflows and deferred inflows are new financial statement elements, which were introduced by GASB Statement No. No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The parking deferred inflow will be amortized to operating revenue on a straight-line basis over the 50-year life of the agreement.

Prior-Year Highlights: *In 2012*, the university issued \$500 million of federally taxable "Century Bonds", which mature in June 2111. Total plant debt increased \$457 million, to \$2.43 billion. Total unrestricted and restricted-expendable net position increased \$168 million, to \$2.17 billion. *In 2011*, total unrestricted and restricted-expendable net position increased \$301 million, to \$2.02 billion. Three September 2010 bond issues increased total plant debt by \$630 million, to \$1.97 billion.

Management's Discussion & Analysis (Unaudited) - continued

Statement of Revenues, Expenses and Other Changes in Net Position

| Summary of Revenues, Expenses and Changes in Net Position <i>(in thousands)</i> | | | |
|---|---------------------|---------------------|---------------------|
| | 2013 | 2012 | 2011 |
| Operating Revenues: | | | |
| Tuition and fees, net | \$ 816,761 | \$ 793,742 | \$ 732,688 |
| Grants and contracts | 597,201 | 593,623 | 558,966 |
| Auxiliary enterprises sales and services, net | 222,014 | 233,020 | 232,482 |
| OSU Health System sales and services, net | 2,018,724 | 1,921,897 | 1,706,037 |
| Departmental sales and other operating revenues | 190,049 | 176,271 | 189,968 |
| Total operating revenues | <u>3,844,749</u> | <u>3,718,553</u> | <u>3,420,141</u> |
| Operating Expenses: | | | |
| Educational and general | 2,158,149 | 2,088,529 | 2,047,191 |
| Auxiliary enterprises | 242,376 | 239,570 | 244,787 |
| OSU Health System | 1,796,581 | 1,697,628 | 1,484,405 |
| Depreciation | 257,606 | 236,180 | 233,970 |
| Total operating expenses | <u>4,454,712</u> | <u>4,261,907</u> | <u>4,010,353</u> |
| Net operating income (loss) | (609,963) | (543,354) | (590,212) |
| Non-operating revenues (expenses): | | | |
| State share of instruction and line-item appropriations | 432,652 | 428,306 | 439,576 |
| Federal fiscal stabilization funds | - | - | 60,063 |
| Gifts - current use | 122,208 | 139,599 | 103,754 |
| Net investment income (loss) | 386,516 | 59,184 | 363,924 |
| Grants, interest expense and other non-operating | (8,483) | 24,644 | 21,466 |
| Income (loss) before other revenues, expenses gains or losses | 322,930 | 108,379 | 398,571 |
| State capital appropriations | 75,127 | 42,188 | 62,732 |
| Private capital gifts | 41,176 | 19,072 | 16,398 |
| Additions to permanent endowments | 57,480 | 41,299 | 30,835 |
| Transfers to primary institution | 15,967 | 9,861 | 20,746 |
| Increase (decrease) in net position | 512,680 | 220,799 | 529,282 |
| Net position - beginning of year | <u>5,427,504</u> | <u>5,206,705</u> | <u>4,677,423</u> |
| Net position - end of year | <u>\$ 5,940,184</u> | <u>\$ 5,427,504</u> | <u>\$ 5,206,705</u> |

Net **tuition and fees** increased \$23 million, or 3%, to \$817 million in 2013. The university completed its conversion from quarters to semesters in 2013. Total enrollments declined by 2%, as students accelerated graduation in order to avoid the conversion. The effect of these enrollment declines was offset by a 3.5% tuition increase for undergraduates and a 3% increase in enrollments of non-resident students, who are assessed an out-of-state surcharge.

Operating **grant and contract revenues** increased \$4 million, to \$597 million in 2013, primarily due to increases in private grant revenues (up \$19 million). Federal grant and contract revenues declined \$18 million, to \$341 million, reflecting the winding down of grants funded under the American Recovery and Reinvestment Act of 2009 and the effects of federal sequestration. Revenues for sponsored research programs administered by the

Management's Discussion & Analysis (Unaudited) - continued

Office of Sponsored Programs (formerly known as the OSU Research Foundation) increased \$5 million, to \$494 million.

Educational and general expenses increased 3%, to \$2.16 billion in 2013. Additional details are provided below.

| Educational and General Expenses <i>(in thousands)</i> | 2013 | 2012 | 2011 |
|---|----------------------------|----------------------------|----------------------------|
| Instruction and departmental research | \$ 906,339 | \$ 875,800 | \$ 837,893 |
| Separately budgeted research | 413,985 | 429,276 | 419,394 |
| Public service | 96,578 | 98,686 | 101,326 |
| Academic support | 170,142 | 162,783 | 147,845 |
| Student services | 94,237 | 90,493 | 88,604 |
| Institutional support | 271,737 | 217,648 | 236,624 |
| Operation and maintenance of plant | 93,767 | 103,095 | 112,874 |
| Scholarships and fellowships | 111,364 | 110,748 | 102,631 |
| Total | <u>\$ 2,158,149</u> | <u>\$ 2,088,529</u> | <u>\$ 2,047,191</u> |

Total **instructional and departmental research** expenses increased \$31 million in 2013, primarily due to faculty salary increases and increased benefit costs. The university's budget process directs the bulk of annual increases in tuition, state share of instruction and facilities and administrative cost recoveries to the colleges, for investment in academic programs. **Separately budgeted research** decreased \$15 million, reflecting decreases in operating expenditures on sponsored programs. **Institutional support** increased \$54 million, primarily due to central accruals for university insurance programs. **Operation and maintenance of plant** expense decreased \$9 million, primarily due to a combination of lower utility and housekeeping costs and increased recharges of costs to university departments.

Auxiliary revenues decreased \$11 million, to \$222 million in 2013. Room and board fees increased \$7 million, due to the re-opening of Park-Stradley Hall, increases in room and board rates and the addition of new dining plan options. Transportation and Parking revenues were down \$20 million, due to the transfer of the parking operations to CampusParc (QIC Global Infrastructure's operating subsidiary) under the parking lease and concession agreement. **Auxiliary expenses** increased \$3 million, to \$242 million, with decreases in Transportation and Parking expenses partially offsetting increases in campus housing and dining expenses and Athletics expenses.

The **Health System** operates nearly 1,200 inpatient beds and serves as a major tertiary and quaternary referral center for Ohio and the Midwest. Its Signature programs in Cancer, Critical Care, Imaging, Heart, Neurosciences, and Transplantation provide personalized patient care. The Wexner Medical Center has been recognized by US News and World Report for 21 consecutive years as one of "America's Best Hospitals" and has 10 nationally ranked specialties. It is designated as a Level I Trauma Center, has the only adult burn center in Central Ohio, and is home to a Level III neonatal intensive care unit.

Management's Discussion & Analysis (Unaudited) - continued

A \$1.1 billion construction project broke ground in 2010, representing the largest development project in The Ohio State University's history. Once complete, the new Arthur G. James Cancer Hospital and Richard J. Solove Research Institute, a Critical Care Center, as well as integrated, state-of-the-art research facilities will provide scientists, researchers and clinicians with a single collaborative environment for research, education and patient care. This 1.1 million square foot building will include 276 cancer beds and 144 critical care beds. Construction is expected to be completed in late calendar year 2014, and more than 310,000 patients will be served annually when the facility is opened.

In October 2011, the Medical Center converted to a single, integrated and personalized health record across the continuum of a patient's interaction with the Medical Center (IHIS). All members of the Medical Center team now use the same system to access and enter information into the inpatient and outpatient medical and financial records. In May 2012, The Ohio State University Wexner Medical Center was the first hospital in Ohio and among only 86 of the more than 5,000 hospitals in the nation to achieve the highest designation for electronic medical record adoption. Over 20 partner hospitals participate in the Health System's Telestroke Medicine hub which leverages innovative technologies to provide faster and more efficient diagnosis and treatment of stroke patients in largely rural areas of Ohio. The Health System is also extending the Integrated Health Information System into the community hospital and community practice setting and continues to develop additional relationships with community and state healthcare providers to leverage its electronic healthcare systems.

In 2013, the Health System remained financially sound due to solid activity levels and strong expense management. Inpatient admissions showed a slight increase compared with prior year. Consistent with industry trends, the patient environment continues to move to an outpatient setting and to an increased use of observation beds. The Health System continued to experience gains in more complex surgical, neurological, neonatal intensive care, cancer, and cardiovascular admissions, which contributed to increases in revenues, average length of stay, and average daily census.

Total surgeries increased 2.5% compared to prior year. Outpatient visits increased 6.2% over the previous year, as the Health System continued its ambulatory strategy and experienced growth at the Eye and Ear Institute, CarePoint and Fast Care facilities, Stefanie Spielman Comprehensive Breast Center, and other primary care and specialty care clinics.

Consolidated Health System operating revenues grew \$97 million, to \$2.02 billion in 2013. The increase was driven by increased activity levels discussed above, with the remaining increase resulting from higher case intensity, sustained payor mix, and increased rates from third party payers.

Consolidated Health System operating expenses (excluding depreciation, interest and transfers) increased \$99 million, to \$1.80 billion, in 2013, reflecting changes in activities. Adjusted for activities, total operating expense decreased 1.8% compared to prior year.

Measured on a stand-alone basis, the Health System's operating income remained strong, with the operating margin increasing from 9.2% in 2012 to 10.6% in 2013. Income before

Management's Discussion & Analysis (Unaudited) - continued

other changes in net position was \$207.3 million versus \$197.9 million in 2012. The Health System reinvested \$115.8 million back into research, education, and programs at the Medical Center. In December of 2010, the Health System was awarded a \$100 million grant from The Health Resources and Services Administration (HRSA), an Agency of the U.S. Department of Health & Human Services, in support of the new tower construction. Approximately \$23.1 million of the total grant was recognized under Contribution for Property Acquisitions as a change in net position in 2013 and \$30.4 million in 2012. The remaining amounts will be funded by HRSA on a cost sharing basis, once the allowable costs have been incurred. Additionally, \$11.5 million in 2013 and \$4.5 million in 2012 of other restricted expendable funds and pledges (in support of the tower and other initiatives) have been recorded. In total, after accounting for these changes, the Health System's Net Position increased \$166.9 million in 2013 and \$137.6 million in 2012.

As with all healthcare providers, the Health System will be challenged by the impact of Healthcare Reform. The impact of insurance exchanges, managed care rates, and sequestration continues to cause uncertainty in the environment for hospitals nationwide. Regardless, the Medical Center continues to position itself to thrive in the changing market, as it has successfully done in the past. The clinical component of the medical staff activities has been integrated into the OSU Faculty Group Practice providing the Health System and the medical staff a unified structure to manage changes in reimbursement, practice patterns, and alignment in strategic initiatives. The Health System is partnering with the University Health Plan to design innovative product offerings for both the exchanges and employers and continue working with other providers locally and statewide to form strategic alliances.

Despite the challenges and the changing healthcare environment, the Health System expects to improve its financial position and operating results during the upcoming year, and will continue to play a key role in supporting the Medical Center and in its status as a leading academic medical center.

Revenues and operating expenses of **OSU Physicians, Inc.** (OSUP), the University's central practice group for physician faculty members of the College of Medicine and Public Health, continue to grow in 2013. Total consolidated operating revenues increased \$29 million, to \$332 million, as a result of increased patient volume and support from the Health System. Total consolidated OSUP expenses (excluding depreciation and interest) increased \$31 million to \$316 million in 2013. These figures are included in the Discretely Presented Component Units columns of the university's financial statements.

OSUP is the single member of 17 limited liability companies (LLCs). As of June 30, 2013 only 15 of the LLCs were active. Two of the LLCs (Anesthesia and Orthopedics) have been created but had no 2013 activity within OSUP.

Total state operating support increased \$4 million, to \$433 million, in 2013. Both **state share of instruction** and **line-item appropriations** were stable compared with 2012. The State of Ohio is moving to a new funding formula that focuses on degree completions. FY2014 operating support is expected to be up slightly compared with 2013.

Management's Discussion & Analysis (Unaudited) - continued

Non-endowment gifts to the university (including gifts for current use and gifts to capital projects) increased \$5 million, to \$163 million in 2013. New gift **additions to permanent endowments** increased \$16 million, to \$57 million. During 2013, over 228,000 alumni and friends made gifts to the university, up from 211,000 in 2012.

University investments yielded \$387 million of **net investment income** in 2013. The net investment income figure includes \$78 million of interest and dividend income and \$309 million net increase in the fair value of university investments.

The Long Term Investment Pool's net investment return for the fiscal year ended June 30, 2013, was 11.63% versus the Policy (internal benchmark) return of 8.96%. In 2013, investors faced rising interest rates and mass investor repositioning in anticipation of Federal Reserve policy changes. Public equities, hedge funds, and private equity were all strong performers during the year. Natural resources, infrastructure and fixed income lagged due to softness in global energy prices for most of the year and rising rates in the bond markets.

The university's Investment Office continues to evaluate diversifying strategies to position the portfolio for anticipated lower fixed income returns and the continuing uneven recovery of global markets and will continue to strive for the best possible risk-adjusted investment returns to grow the purchasing power of the Long Term Investment Pool.

Prior-Year Highlights: *In 2012*, Total net position (equity) increased \$221 million, to \$5.43 billion at June 30, 2012, primarily due to increases in tuition and gift revenues, limited growth in expenses and positive operating results for the OSU Health System. *In 2011*, total net position increased \$529 million, primarily due to \$364 million of net investment income and strong operating results for the OSU Health System.

Management's Discussion & Analysis (Unaudited) - continued

Statement of Cash Flows

| University Cash Flows Summary <i>(in thousands)</i> | 2013 | 2012 | 2011 |
|---|---------------------|-------------------|-------------------|
| Net cash flows from operating activities | \$ 82,605 | \$ (281,830) | \$ (289,316) |
| Net cash flows from noncapital financing activities | 664,464 | 631,466 | 717,035 |
| Capital appropriations and gifts for capital projects | 82,963 | 68,038 | 79,099 |
| Proceeds from issuance of bonds and notes payable | 499,398 | 521,155 | 902,117 |
| Payments for purchase and construction of capital assets | (608,138) | (568,222) | (441,556) |
| Principal and interest payments on capital debt, net of federal Build America Bond interest subsidies | (324,944) | (132,789) | (335,003) |
| Net cash flows for investing activities | (673,292) | 9,476 | (237,894) |
| Net increase (decrease) in cash | <u>\$ (276,944)</u> | <u>\$ 247,294</u> | <u>\$ 394,482</u> |

University cash and cash equivalents decreased \$277 million in 2013. Net cash flows from operating activities increased \$364 million, reflecting the September 2012 receipt of \$453 million in net proceeds from the parking lease and concession agreement. Excluding parking proceeds, operating cashflows decreased \$67 million, with increases in payments for supplies and services (up \$224 million) and employee benefits (up \$66 million) more than offsetting increased receipts for sales and services (up \$218 million). Net cash flows from noncapital financing activities increased \$33 million, primarily due to timing differences in drawdowns of federal direct-lending funds. Net cash used for capital financing activities increased \$239 million, to \$351 million, reflecting increases in total principal payments and capital expenditures for the Medical Center expansion, south campus dorm expansion and other major projects. Total cash used for investing activities was \$673 million, reflecting the investment of the total proceeds of the parking agreement (\$483 million) in the Long Term Investment Pool and \$280 million of net purchases of temporary investments.

Economic Factors That Will Affect the Future

Fiscal Year 2013 saw the retirement of the university's president, E. Gordon Gee. Since his return to Ohio State in 2007, President Gee has led the university on a multi-phase strategic planning and implementation process to move the university from excellence to eminence in public higher education. Under the leadership of Interim President Joseph A. Alutto, the university is poised to continue and accelerate this progress. As President Alutto recently noted, "At Ohio State, we've been able to move aggressively because of the strategic planning we've done and the resource base we have – alumni who have stepped forward, a governor who has been supportive during tough times, monetizing our parking, selling the century bonds. All of that allows us to stay focused on our academic programs."

Management's Discussion & Analysis (Unaudited) - continued

Some of the broad goals that Ohio State is focusing on in 2014 and beyond include:

- Defining and enhancing the undergraduate, graduate and professional student experience, including the new Second-Year Transformational Experience Program (STEP)
- Developing the Discovery Themes – Health and Wellness, Energy and the Environment, and Food Production and Security
- Developing eLearning at Ohio State
- Discussing faculty evaluation and rewards in our interdisciplinary climate
- Maintaining affordability and access for our students while promoting excellence
- Enhancing the arts on campus and promoting connections with the community outside Ohio State

Based on what is now known regarding the university's financial outlook, university management anticipates that Ohio State will maintain its sound financial position in Fiscal Year 2014. However, the university does face certain financial challenges, including limited growth in state operating support and tuition revenues, the continuing effects of federal sequestration and uncertainties related to the impact of healthcare reform. State share of institution (SSI) is expected to increase 2%, and restricted line-item appropriations are expected to be flat in 2014. A new state subsidy model that focuses on degree completions is expected to have a negative impact in 2015, as other institutions expand enrollments in on-line programs. Tuition revenues are expected to increase 2% in 2014, primarily driven by a shift in the student mix to more non-resident and professional students. Undergraduate instructional and mandatory fees will not increase in fiscal 2014. Federal sequestration will continue to negatively impact sponsored research revenues, which are expected to decline 6% in 2014. The university's largest federal sponsor, the National Institutes for Health, is cutting new awards 10-20% and reducing already committed funding by 4-6%. OSU's second largest federal sponsor, the National Science Foundation, cut awards to the university by 25% in 2013. Sequestration, the development of insurance exchanges, changes to managed care rates and other aspects of healthcare reform will continue to cause uncertainty in the environment for the Wexner Medical Center and hospitals nationwide.

New accounting rules are also expected to have a potentially significant impact on the university's reported financial position and results of operations. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which is effective Fiscal Year 2015, requires governments that participate in defined benefit pension plans to report in their statement of net position a net pension liability, which is the difference between the total pension liability and the net assets set aside to pay pension benefits. For cost-sharing employers, the net pension liability is equal to the employer's proportionate share of the collective net pension liability for the plan. The university participates in two cost-sharing defined benefit pension plans, the Ohio Public Employees Retirement System (OPERS) and the State Teachers Retirement System of Ohio (STRS-Ohio). Based on information provided in the most recently available financial reports for the pension plans, university management anticipates that Statement No. 68 will result in the recognition of significant liabilities in the university's financial statements.

Management's Discussion & Analysis (Unaudited) - continued

Despite the challenges and uncertainties outlined above, the university remains committed to executing its long-range strategic plan. By doing so, we believe that The Ohio State University will continue its progress towards becoming the world's preeminent comprehensive public university.

THE OHIO STATE UNIVERSITY
CONSOLIDATED STATEMENTS OF NET POSITION
June 30, 2013 and June 30, 2012
(in thousands)

| | Primary Institution | | Discretely Presented Component Units | | Total University | |
|---|----------------------|---------------------|--------------------------------------|-------------------|----------------------|---------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| ASSETS AND DEFERRED OUTFLOWS: | | | | | | |
| Current Assets: | | | | | | |
| Cash and cash equivalents | \$ 64,691 | \$ 553,853 | \$ 52,495 | \$ 43,952 | \$ 117,186 | \$ 597,805 |
| Temporary investments | 1,009,234 | 729,288 | 12,572 | 12,868 | 1,021,806 | 742,156 |
| Accounts receivable, net | 385,965 | 416,726 | 48,058 | 53,425 | 434,023 | 470,151 |
| Notes receivable - current portion, net | 23,528 | 24,553 | 470 | 72 | 23,998 | 24,625 |
| Pledges receivable - current portion, net | 27,491 | 21,190 | - | - | 27,491 | 21,190 |
| Accrued interest receivable | 21,204 | 27,455 | - | - | 21,204 | 27,455 |
| Inventories and prepaid expenses | 83,786 | 80,819 | 2,292 | 2,486 | 86,078 | 83,305 |
| Amounts due from (to) primary institution | (13,809) | (9,830) | 13,809 | 9,830 | - | - |
| Total Current Assets | <u>1,602,090</u> | <u>1,844,054</u> | <u>129,696</u> | <u>122,633</u> | <u>1,731,786</u> | <u>1,966,687</u> |
| Noncurrent Assets: | | | | | | |
| Restricted cash | 926,444 | 714,226 | - | - | 926,444 | 714,226 |
| Notes receivable, net | 56,176 | 45,872 | 1,957 | 3,071 | 58,133 | 48,943 |
| Pledges receivable, net | 71,655 | 46,555 | - | - | 71,655 | 46,555 |
| Long-term investment pool | 3,149,169 | 2,366,033 | - | - | 3,149,169 | 2,366,033 |
| Other long-term investments | 69,358 | 71,663 | 1,529 | 5,106 | 70,887 | 76,769 |
| Capital assets, net | 4,136,392 | 3,765,325 | 80,162 | 82,881 | 4,216,554 | 3,848,206 |
| Total Noncurrent Assets | <u>8,409,194</u> | <u>7,009,674</u> | <u>83,648</u> | <u>91,058</u> | <u>8,492,842</u> | <u>7,100,732</u> |
| Total Assets and Deferred Outflows | \$ 10,011,284 | \$ 8,853,728 | \$ 213,344 | \$ 213,691 | \$ 10,224,628 | \$ 9,067,419 |
| LIABILITIES, DEFERRED INFLOWS AND NET POSITION: | | | | | | |
| Current Liabilities: | | | | | | |
| Accounts payable and accrued expenses | \$ 385,006 | \$ 413,995 | \$ 23,596 | \$ 27,238 | \$ 408,602 | \$ 441,233 |
| Deposits and advance payments for goods and services | 179,436 | 230,300 | 1,075 | 1,245 | 180,511 | 231,545 |
| Current portion of bonds, notes and leases payable | 57,315 | 60,347 | 1,226 | 23,104 | 58,541 | 83,451 |
| Long-term bonds payable, subject to remarketing | 446,435 | 469,700 | - | - | 446,435 | 469,700 |
| Other current liabilities | 63,042 | 75,295 | - | - | 63,042 | 75,295 |
| Amounts due to (from) primary institution - current | (41,337) | (52,193) | 41,337 | 52,193 | - | - |
| Total Current Liabilities | <u>1,089,897</u> | <u>1,197,444</u> | <u>67,234</u> | <u>103,780</u> | <u>1,157,131</u> | <u>1,301,224</u> |
| Noncurrent Liabilities: | | | | | | |
| Bonds, notes and leases payable | 2,177,884 | 1,897,724 | 17,305 | 26,109 | 2,195,189 | 1,923,833 |
| Compensated absences | 137,737 | 126,387 | 43 | 57 | 137,780 | 126,444 |
| Self-insurance accruals | 106,851 | 115,208 | - | - | 106,851 | 115,208 |
| Amounts due to third-party payors - Health System | 11,366 | 13,716 | - | - | 11,366 | 13,716 |
| Obligations under annuity and life income agreements | 33,702 | 34,088 | - | - | 33,702 | 34,088 |
| Refundable advances for Federal Perkins loans | 31,445 | 28,706 | - | - | 31,445 | 28,706 |
| Other noncurrent liabilities | 59,849 | 27,852 | 1,457 | 4,378 | 61,306 | 32,230 |
| Amounts due to (from) primary institution - noncurrent | (51,963) | (14,901) | 51,963 | 14,901 | - | - |
| Total Noncurrent Liabilities | <u>2,506,871</u> | <u>2,228,780</u> | <u>70,768</u> | <u>45,445</u> | <u>2,577,639</u> | <u>2,274,225</u> |
| Total Liabilities | 3,596,768 | 3,426,224 | 138,002 | 149,225 | 3,734,770 | 3,575,449 |
| Deferred Inflows: | | | | | | |
| Parking service concession arrangement | 474,332 | - | - | - | 474,332 | - |
| Net Position: | | | | | | |
| Invested in capital assets, net of related debt | 2,394,141 | 2,056,993 | 52,464 | 22,933 | 2,446,605 | 2,079,926 |
| Restricted: | | | | | | |
| Nonexpendable | 1,340,681 | 1,200,473 | - | - | 1,340,681 | 1,200,473 |
| Expendable | 737,848 | 603,108 | - | - | 737,848 | 603,108 |
| Unrestricted | 1,467,514 | 1,566,930 | 22,878 | 41,533 | 1,490,392 | 1,608,463 |
| Total Net Position | 5,940,184 | 5,427,504 | 75,342 | 64,466 | 6,015,526 | 5,491,970 |
| Total Liabilities, Deferred Inflows and Net Position | \$ 10,011,284 | \$ 8,853,728 | \$ 213,344 | \$ 213,691 | \$ 10,224,628 | \$ 9,067,419 |

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

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

June 30, 2013 and June 30, 2012
(in thousands)

| | Primary Institution | | Discretely Presented Component Units | | Total University | |
|--|---------------------|---------------------|--------------------------------------|------------------|---------------------|---------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Operating Revenues: | | | | | | |
| Student tuition and fees (net of scholarship allowances of \$154,236 and \$136,740, respectively) | \$ 816,761 | \$ 793,742 | \$ - | \$ - | \$ 816,761 | \$ 793,742 |
| Federal grants and contracts | 341,038 | 358,968 | 8,819 | 10,322 | 349,857 | 369,290 |
| State grants and contracts | 50,062 | 48,061 | - | - | 50,062 | 48,061 |
| Local grants and contracts | 16,217 | 16,020 | - | - | 16,217 | 16,020 |
| Private grants and contracts | 189,884 | 170,575 | 52,412 | 45,955 | 242,296 | 216,530 |
| Sales and services of educational departments | 126,207 | 105,318 | 7,354 | 7,256 | 133,561 | 112,574 |
| Sales and services of auxiliary enterprises (net of scholarship allowances of \$20,081 and \$17,228, respectively) | 222,014 | 233,020 | - | - | 222,014 | 233,020 |
| Sales and services of the OSU Health System, net | 2,018,724 | 1,921,897 | - | - | 2,018,724 | 1,921,897 |
| Sales and services of OSU Physicians, Inc., net | - | - | 331,817 | 302,802 | 331,817 | 302,802 |
| Other operating revenues | 63,842 | 70,952 | 942 | 2,412 | 64,784 | 73,364 |
| Total Operating Revenues | 3,844,749 | 3,718,553 | 401,344 | 368,747 | 4,246,093 | 4,087,300 |
| Operating Expenses: | | | | | | |
| Educational and General: | | | | | | |
| Instruction and departmental research | 906,339 | 875,800 | 4,877 | 4,242 | 911,216 | 880,042 |
| Separately budgeted research | 413,985 | 429,276 | 20,686 | 23,968 | 434,671 | 453,244 |
| Public service | 96,578 | 98,686 | 8,535 | 11,028 | 105,113 | 109,714 |
| Academic support | 170,142 | 162,783 | - | - | 170,142 | 162,783 |
| Student services | 94,237 | 90,493 | - | - | 94,237 | 90,493 |
| Institutional support | 271,737 | 217,648 | 7,389 | 6,729 | 279,126 | 224,377 |
| Operation and maintenance of plant | 93,767 | 103,095 | 22,030 | 11,513 | 115,797 | 114,608 |
| Scholarships and fellowships | 111,364 | 110,748 | - | - | 111,364 | 110,748 |
| Auxiliary enterprises | 242,376 | 239,570 | - | - | 242,376 | 239,570 |
| OSU Health System | 1,796,581 | 1,697,628 | - | - | 1,796,581 | 1,697,628 |
| OSU Physicians, Inc. | - | - | 316,080 | 285,446 | 316,080 | 285,446 |
| Depreciation | 257,606 | 236,180 | 7,116 | 6,211 | 264,722 | 242,391 |
| Total Operating Expenses | 4,454,712 | 4,261,907 | 386,713 | 349,137 | 4,841,425 | 4,611,044 |
| Operating Income (Loss) | (609,963) | (543,354) | 14,631 | 19,610 | (595,332) | (523,744) |
| Non-operating Revenues (Expenses): | | | | | | |
| State share of instruction and line-item appropriations | 432,652 | 428,306 | - | - | 432,652 | 428,306 |
| Federal subsidies for Build America Bonds interest | 10,799 | 11,252 | - | - | 10,799 | 11,252 |
| Federal non-exchange grants | 57,794 | 57,466 | - | - | 57,794 | 57,466 |
| State non-exchange grants | 8,463 | 5,185 | - | - | 8,463 | 5,185 |
| Gifts | 122,208 | 139,599 | - | - | 122,208 | 139,599 |
| Net investment income | 386,516 | 59,184 | 370 | 993 | 386,886 | 60,177 |
| Interest expense on plant debt | (62,227) | (56,465) | (713) | (3,269) | (62,940) | (59,734) |
| Other non-operating revenues | (23,312) | 7,206 | 12,555 | (25) | (10,757) | 7,181 |
| Net Non-operating Revenue | 932,893 | 651,733 | 12,212 | (2,301) | 945,105 | 649,432 |
| Income before Other Revenues, Expenses, Gains or Losses | 322,930 | 108,379 | 26,843 | 17,309 | 349,773 | 125,688 |
| Other Changes in Net Position | | | | | | |
| State capital appropriations | 75,127 | 42,188 | - | - | 75,127 | 42,188 |
| Private capital gifts | 41,176 | 19,072 | - | - | 41,176 | 19,072 |
| Additions to permanent endowments | 57,480 | 41,299 | - | - | 57,480 | 41,299 |
| Transfers to (from) primary institution | 15,967 | 9,861 | (15,967) | (9,861) | - | - |
| Total Other Changes in Net Position | 189,750 | 112,420 | (15,967) | (9,861) | 173,783 | 102,559 |
| Increase in Net Position | 512,680 | 220,799 | 10,876 | 7,448 | 523,556 | 228,247 |
| Net Position - Beginning of Year | 5,427,504 | 5,206,705 | 64,466 | 57,018 | 5,491,970 | 5,263,723 |
| Net Position - End of Year | \$ 5,940,184 | \$ 5,427,504 | \$ 75,342 | \$ 64,466 | \$ 6,015,526 | \$ 5,491,970 |

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

THE OHIO STATE UNIVERSITY
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended June 30, 2013 and June 30, 2012
(in thousands)

| | Primary Institution | | Discretely Presented Component Units | | Total University | |
|---|---------------------|----------------|--------------------------------------|----------------|------------------|----------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Cash Flows from Operating Activities: | | | | | | |
| Tuition and fee receipts | \$ 716,689 | \$ 698,512 | \$ - | \$ - | \$ 716,689 | \$ 698,512 |
| Grant and contract receipts | 572,733 | 586,203 | 61,149 | 56,008 | 633,882 | 642,211 |
| Receipts for sales and services | 2,409,068 | 2,191,169 | 345,168 | 301,039 | 2,754,236 | 2,492,208 |
| Receipts for parking service concession arrangement | 453,546 | 22,000 | - | - | 453,546 | 22,000 |
| Payments to or on behalf of employees | (1,978,812) | (2,011,340) | (223,225) | (207,235) | (2,202,037) | (2,218,575) |
| University employee benefit payments | (581,981) | (515,611) | (54,370) | (50,314) | (636,351) | (565,925) |
| Payments to vendors for supplies and services | (1,470,957) | (1,247,342) | (108,384) | (84,482) | (1,579,341) | (1,331,824) |
| Payments to students and fellows | (102,886) | (100,048) | - | - | (102,886) | (100,048) |
| Student loans issued | (9,400) | (10,495) | - | - | (9,400) | (10,495) |
| Student loans collected | 10,719 | 10,024 | - | - | 10,719 | 10,024 |
| Student loan interest and fees collected | 2,228 | 2,152 | - | - | 2,228 | 2,152 |
| Other receipts | 61,658 | 92,946 | 939 | 2,412 | 62,597 | 95,358 |
| Net cash provided (used) by operating activities | 82,605 | (281,830) | 21,277 | 17,428 | 103,882 | (264,402) |
| Cash Flows from Noncapital Financing Activities: | | | | | | |
| State share of instruction and line-item appropriations | 432,652 | 428,306 | - | - | 432,652 | 428,306 |
| Non-exchange grant receipts | 66,257 | 62,651 | - | - | 66,257 | 62,651 |
| Gift receipts for current use | 118,752 | 123,018 | - | - | 118,752 | 123,018 |
| Additions to permanent endowments | 57,480 | 41,299 | - | - | 57,480 | 41,299 |
| Drawdowns of federal direct loan proceeds | 384,505 | 386,400 | - | - | 384,505 | 386,400 |
| Disbursements of federal direct loans to students | (369,049) | (397,721) | - | - | (369,049) | (397,721) |
| Disbursement of loan proceeds to related organization | (8,161) | (101) | - | - | (8,161) | (101) |
| Repayment of loans from related organization | 574 | 217 | - | - | 574 | 217 |
| Amounts received for annuity and life income funds | 3,482 | 1,848 | - | - | 3,482 | 1,848 |
| Amounts paid to annuitants and life beneficiaries | (3,737) | (3,761) | - | - | (3,737) | (3,761) |
| Agency funds receipts | 3,352 | 2,805 | - | - | 3,352 | 2,805 |
| Agency funds disbursements | (2,827) | (2,694) | - | - | (2,827) | (2,694) |
| Transfers from (to) primary institution | (18,816) | (10,801) | 18,816 | 10,801 | - | - |
| Net cash provided by noncapital financing activities | 664,464 | 631,466 | 18,816 | 10,801 | 683,280 | 642,267 |
| Cash Flows from Capital Financing Activities: | | | | | | |
| Proceeds from capital debt | 499,398 | 521,155 | - | - | 499,398 | 521,155 |
| State capital appropriations | 69,732 | 48,966 | - | - | 69,732 | 48,966 |
| Gift receipts for capital projects | 13,231 | 19,072 | - | - | 13,231 | 19,072 |
| Payments for purchase or construction of capital assets | (608,138) | (568,222) | (4,398) | (6,638) | (612,536) | (574,860) |
| Principal payments on capital debt and leases | (243,738) | (64,271) | (30,682) | (13,516) | (274,420) | (77,787) |
| Interest payments on capital debt and leases | (92,005) | (79,770) | (713) | (3,269) | (92,718) | (83,039) |
| Federal subsidies for Build America Bonds interest | 10,799 | 11,252 | - | - | 10,799 | 11,252 |
| Net cash (used) by capital financing activities | (350,721) | (111,818) | (35,793) | (23,423) | (386,514) | (135,241) |
| Cash Flows from Investing Activities: | | | | | | |
| Net (purchases) sales of temporary investments | (279,946) | 199,007 | 296 | (8,732) | (279,650) | 190,275 |
| Proceeds from sales and maturities of long-term investments | 1,112,965 | 614,242 | 3,577 | - | 1,116,542 | 614,242 |
| Investment income | 83,167 | 64,906 | 370 | 993 | 83,537 | 65,899 |
| Purchases of long-term investments | (1,589,478) | (868,679) | - | (3,056) | (1,589,478) | (871,735) |
| Net cash provided (used) by investing activities | (673,292) | 9,476 | 4,243 | (10,795) | (669,049) | (1,319) |
| Net Increase in Cash | (276,944) | 247,294 | 8,543 | (5,989) | (268,401) | 241,305 |
| Cash and Cash Equivalents - Beginning of Year | 1,268,079 | 1,020,785 | 43,952 | 49,941 | 1,312,031 | 1,070,726 |
| Cash and Cash Equivalents - End of Year | \$ 991,135 | \$ 1,268,079 | \$ 52,495 | \$ 43,952 | \$ 1,043,630 | \$ 1,312,031 |

THE OHIO STATE UNIVERSITY
CONSOLIDATED STATEMENTS OF CASH FLOWS, Cont'd
Years Ended June 30, 2013 and June 30, 2012
(in thousands)

| | Primary Institution | | Discretely Presented Component Units | | Total University | |
|---|---------------------|---------------------|--------------------------------------|------------------|-------------------|---------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Reconciliation of Net Operating Loss to Net Cash Used by Operating Activities: | | | | | | |
| Operating income (loss) | \$ (609,963) | \$ (543,354) | 14,631 | \$ 19,610 | \$ (595,332) | \$ (523,744) |
| Adjustments to reconcile net operating loss to net cash used by operating activities: | | | | | | |
| Depreciation expense | 257,606 | 236,180 | 7,116 | 6,211 | 264,722 | 242,391 |
| Changes in assets and liabilities: | | | | | | |
| Accounts receivable, net | 20,700 | (46,194) | 5,367 | (8,896) | 26,067 | (55,090) |
| Notes receivable, net | (1,692) | 139 | 716 | (781) | (976) | (642) |
| Accrued interest receivable | 2,228 | (836) | | | 2,228 | (836) |
| Inventories and prepaid expenses | (2,967) | (4,509) | 194 | 2,571 | (2,773) | (1,938) |
| Accounts payable and accrued liabilities | (29,234) | 32,104 | (3,642) | (1,619) | (32,876) | 30,485 |
| Self-insurance accruals | (8,357) | 13,373 | | | (8,357) | 13,373 |
| Amounts due to third-party payors - Health System | (2,350) | (9,733) | | | (2,350) | (9,733) |
| Deposits and advance payments for goods and services | (51,401) | 27,521 | (170) | 388 | (51,571) | 27,909 |
| Compensated absences | 11,256 | 13,874 | (14) | 17 | 11,242 | 13,891 |
| Refundable advances for Federal Perkins loans | 2,739 | (181) | | | 2,739 | (181) |
| Deferred inflows | 474,332 | - | | | 474,332 | - |
| Other liabilities | 19,708 | (214) | (2,921) | (73) | 16,787 | (287) |
| Net cash provided (used) by operating activities | <u>\$ 82,605</u> | <u>\$ (281,830)</u> | <u>\$ 21,277</u> | <u>\$ 17,428</u> | <u>\$ 103,882</u> | <u>\$ (264,402)</u> |
| Non Cash Transactions: | | | | | | |
| Capital Lease | \$ 1,147 | \$ 10,473 | | | \$ 1,147 | \$ 10,473 |
| Construction in Process in Accounts Payable | 57,252 | 57,362 | | | 57,252 | 57,362 |
| Stock Gifts | 33,920 | 8,815 | | | 33,920 | 8,815 |

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

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Organization

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

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

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

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

Basis of Presentation

The accompanying financial statements present the accounts of the following entities, which constitute the primary government for financial reporting purposes:

- The Ohio State University and its hospitals and clinics
- Ohio Agricultural Research and Development Center
- The Ohio Technology Consortium (OH-TECH)

In addition, these financial statements include component units -- legally separate organizations for which the university is financially accountable. Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 61, *The Financial Reporting Entity: Omnibus*, defines financial accountability. The criteria for determining financial accountability include the following circumstances:

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

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

The university's component units and the reasons for their inclusion in the university's financial statements are described below:

- **The Ohio State University Foundation** – The fiscal dependency criteria apply to this not-for-profit fundraising organization, which operates exclusively for the benefit of The Ohio State University.
- **OSU Health Plan, Inc.** – The university appoints a voting majority of the board for this organization, which provides medical benefit plan administration services to the university and its faculty and staff.
- **Oval Limited** – The university holds all of the voting stock of this captive insurance entity, which was established by the university to provide medical malpractice coverage to physicians in the university's medical center.

The component units listed above provide services entirely, or almost entirely, to the university or otherwise exclusively, or almost exclusively, benefit the university. Therefore, the transactions and balances for these organizations have been blended with those of the university.

In addition to the blended component units described above, the university's financial statements include the following discretely presented component units:

- **The Ohio State University Physicians, Inc.** – The university appoints a voting majority of the board of the medical practice group for physician faculty members in the Colleges of Medicine and Public Health.
- **Campus Partners for Community Urban Redevelopment, Inc.** – The university appoints a voting majority of the board for this non-profit organization, which participates in the redevelopment of neighborhoods adjacent to the Columbus campus.
- **Transportation Research Center of Ohio, Inc.** – The university appoints a voting majority of the board for this automotive research and testing facility in East Liberty, Ohio.
- **Dental Faculty Practice Association, Inc.** – The university appoints a voting majority of the board for the dental practice group for faculty in the College of Dentistry.

Summary financial statement information for the university's blended and discretely presented component units is provided in Notes 19 and 20. Audited financial statements

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

for component units considered to be material to the university may be obtained from the Office of the Controller. A total university column in the financial statements is provided as memorandum only for purposes of additional analysis by users.

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

Basis of Accounting

The financial statements of the university have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the GASB. The university is reporting as a special purpose government engaged in business type activities (BTA). Business type activities are those that are financed in whole or in part by fees charged to external parties for goods and services. In accordance with BTA reporting, the university presents Management's Discussion and Analysis; a Consolidated Statement of Net Position; a Consolidated Statement of Revenues, Expenses and Other Changes in Net Position; a Consolidated Statement of Cash Flows; and Notes to the Financial Statements. In the Financial Statements, separate columns are presented for the *primary institution* (which includes the primary government and the blended component units), *discretely presented component units* and the *total university*. The Notes to the Financial Statements include separate disclosures for the primary institution and the discretely presented component units. Unless otherwise specified, the amounts presented in MD&A are those of the primary institution.

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

- **Invested in capital assets, net of related debt:** Capital assets, net of accumulated depreciation, cash restricted for capital projects and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- **Restricted - nonexpendable:** Amounts subject to externally-imposed stipulations that they be maintained in perpetuity and invested for the purpose of generating present and future income, which may either be expended or added to the principal by the university. These assets primarily consist of the university's permanent endowments.
- **Restricted - expendable:** Amounts whose use is subject to externally-imposed stipulations that can be fulfilled by actions of the university pursuant to those stipulations or that expire by the passage of time.
- **Unrestricted:** Amounts which are not subject to externally-imposed stipulations. Substantially all unrestricted balances are internally designated for use by university departments to support working capital needs, to fund related

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

academic or research programs, and to provide for unanticipated shortfalls in revenues and deviations in enrollment.

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

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

Cash and Investments

Cash and cash equivalents consist primarily of petty cash, demand deposit accounts, money market accounts, savings accounts and investments with original maturities of ninety days or less at the time of purchase. Such investments consist primarily of U.S. Government obligations, U.S. Agency obligations, repurchase agreements and money market funds. Restricted cash consists of bond proceeds restricted for capital expenditures. For purposes of the Statement of Cash Flows, "cash" is defined as the total of these two line items.

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

The university holds investments in limited partnerships, private equity and other investments, which are carried at estimated fair value provided by the management of these funds. The purpose of this alternative investment class is to increase portfolio diversification and reduce risk due to the low correlation with other asset classes. Methods for determining estimated fair values include discounted cash flows and estimates provided by general partners. Because these investments are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed, and such differences could be material. As of June 30, 2013, the university has made commitments to limited partnerships totaling \$624,000 that have not yet been funded. These commitments may extend for a maximum of thirteen years. In the prior fiscal year, the university had made commitments to limited partnerships totaling \$522,000 that had not yet been funded as of June 30, 2012.

Investment in real estate is carried at cost, if purchased, or appraised value at the date of the gift. Holdings in real estate investment trusts (REITs) are carried at estimated fair values. The carrying and market values of real estate at June 30, 2013 are \$4,845 and \$13,571, respectively. The carrying and market values of real estate at June 30, 2012 are \$4,830 and \$13,511, respectively.

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

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

Endowment Policy

All endowments are invested in the university's Long Term Investment Pool, which consists of more than 5,100 named funds. Each named fund is assigned a number of shares in the Long Term Investment Pool based on the value of the gifts, income-to-principal transfers, or transfers of operating funds to that named fund. For donor restricted endowments, the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted in Ohio, permits the university's Board of Trustees to appropriate an amount of realized and unrealized endowment appreciation as the Board deems prudent. The UPMIFA, as adopted in Ohio, establishes a 5% safe harbor of prudence for funds appropriated for expenditure. Net realized and unrealized appreciation, after the spending rule distributions, is retained in the Long Term Investment Pool, and the associated net position is classified as restricted-nonexpendable.

Annual distributions to named funds in the Long Term Investment Pool are computed using the share method of accounting for pooled investments. The annual distribution per share is 4.25% of the average market value per share of the Long Term Investment Pool over the most recent seven year period.

At June 30, 2013, the market value of the university's gifted endowments was \$1,530,734, which is \$174,140 above the historical dollar value of \$1,356,594. At June 30, 2012, the market value of the university's gifted endowments was \$1,379,531, which is \$91,484 above the historical dollar value of \$1,288,047. Although the market value of the gifted endowments in total exceeds the historical cost at June 30, 2013, there are 2,287 named funds that remain underwater. The market value of these underwater funds at June 30, 2013 is \$671,524, which is \$100,471 below the historical dollar value of \$771,995. Per UPMIFA (§ 1715.53(D)(C)), the reporting of such deficiencies does not create an obligation on the part of the endowment fund to restore the fair value of those funds.

Gift Pledges Receivable

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

Inventories

The university's inventories, which consist principally of publications, general stores and other goods for resale by earnings operations, are valued at the lower of moving average

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

cost or market. The inventories of the Health System, which consist principally of pharmaceuticals and operating supplies, are valued at cost on a first-in, first-out basis.

Capital Assets and Collections

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

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

Interest incurred during the construction of capital assets is included in the cost of the asset when capitalized. Interest of \$28,740 and \$25,601 was capitalized in the years ended June 30, 2013 and 2012, respectively. The university does not capitalize works of art or historical treasures that are held for exhibition, education, research and public service. These collections are neither disposed of for financial gain nor encumbered in any way. Accordingly, such collections are not recognized or capitalized for financial statement purposes.

Advance Payments for Goods and Services

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

Derivative Instruments and Hedging Activities

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

Operating and Non-Operating Revenues

The university defines operating activities, for purposes of reporting on the Statement of Revenues, Expenses, and Other Changes in Net Position, as those activities that generally result from exchange transactions, such as payments received for providing services and payments made for goods or services received. With the exception of interest expense on

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

long-term indebtedness, substantially all university expenses are considered to be operating expenses. Certain significant revenue streams relied upon for operations are recorded as non-operating revenues, as defined by GASB Statement No. 35, including state appropriations, current-use gifts and investment income.

Tuition, Room and Board

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

State Support

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

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

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

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

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

Government Grants and Contracts

Government grants and contracts normally provide for the recovery of direct and indirect costs and are subject to audit by the appropriate government agency. Federal funds are

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

subject to an annual OMB Circular A-133 audit. Recovery of related indirect costs is generally recorded at fixed rates negotiated for a period of one to three years.

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

OSU Health System Revenue

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

OSU Physicians Revenue

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

Charity Care and Community Benefit

Care is provided to patients regardless of their ability to pay. A patient is classified as charity care in accordance with policies established by the OSU Health System and OSUP. Because collection of amounts determined to qualify as charity care are not pursued, such amounts are written off as administrative adjustments and not reported as net patient service revenue. OSU Health System and OSUP maintain records to identify and monitor the level of charity care provided, including the amount of charges foregone for services rendered. Net charity care costs for the OSU Health System as of June 30, 2013 and 2012 are \$35,927 and \$38,482, respectively, after applying reductions of \$21,463 and \$23,009, respectively, for support received under the Health Care Assurance Program (HCAP). HCAP is administered by the State of Ohio to help hospitals cover a portion of the cost of providing charity care.

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

Charity care costs for OSUP as of June 30, 2013 and 2012 are \$19,934 and \$12,296, respectively.

Management Estimates

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

Newly Issued Accounting Pronouncements

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2012.

In March 2012, the GASB issued Statement No. 66, *Technical Corrections – 2012*. This Statement resolves conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. This Statement also amends Statement 62 by modifying the specific guidance on accounting for certain operating lease payments, purchases of loans and mortgage loan servicing fees. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2012.

In June 2012, the GASB issued two related accounting standards, Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 67 builds upon the existing framework for financial reports of defined benefit pension plans and expands required note disclosures and Required Supplementary Information. It is effective for periods beginning after June 15, 2013.

Statement No. 68 requires governments that participate in defined benefit pension plans to report in their statement of net position a net pension liability, which is the difference between the total pension liability and the assets set aside to pay pension benefits. Statement No. 68 also requires cost-sharing employers to record a liability and expense equal to their

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

proportionate share of the collective net pension liability and expense for the cost-sharing plan. It is effective for periods beginning after June 15, 2014.

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. Statement No. 69 requires mergers, which do not involve an exchange of consideration, to be accounted for using the carrying values of assets. Acquisitions are accounted for using acquisition values. The standard also provides guidance on reporting of disposals of government operations. It is effective for periods beginning after December 15, 2013.

In April 2013, the GASB issued Statement No. 70, *Accounting and Reporting for Nonexchange Financial Guarantees*. Statement No. 70 requires a state or local government guarantor that offers a nonexchange financial guarantee to another organization or government to recognize a liability on its financial statements when it is *more likely than not* that the guarantor will be required to make a payment to the obligation holders under the agreement. The standard also requires guarantors or issuers to disclose information about the amounts and nature of nonexchange financial guarantees. It is effective for periods beginning after June 15, 2013.

University management is currently assessing the impact that implementation of GASB Statements No. 65, 66, 67, 68, 69 and 70 will have on the university's financial statements.

Other

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

NOTE 2 — CASH AND CASH EQUIVALENTS

At June 30, 2013, the carrying amount of the primary institution's cash, cash equivalents and restricted cash for all funds is \$991,135 as compared to bank balances of \$966,360. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$3,054 is covered by federal deposit insurance and \$963,306 is uninsured but collateralized by pools of securities pledged by the depository banks and held in the name of the respective banks.

At June 30, 2012, the carrying amount of the primary institution's cash, cash equivalents and restricted cash for all funds is \$1,268,079 as compared to bank balances of \$1,268,258. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$7,360 is covered by federal deposit insurance and \$1,260,898 is uninsured but collateralized by pools of securities pledged by the depository banks and held in the name of the respective banks.

At June 30, 2013, the carrying amount of the discretely presented component units' cash, cash equivalents and restricted cash for all funds is \$52,495 as compared to bank balances

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

of \$48,927. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$5,619 is covered by federal deposit insurance and \$43,308 is uninsured but collateralized by pools of securities pledged by the depository banks and held in the name of the respective banks.

At June 30, 2012, the carrying amount of the discretely presented component units' cash, cash equivalents and restricted cash for all funds is \$43,952 as compared to bank balances of \$40,088. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$39,496 is covered by federal deposit insurance and \$591 is uninsured but collateralized by pools of securities pledged by the depository banks and held in the name of the respective banks.

The university considers highly liquid investments with maturities of three months or less as cash and cash equivalents.

NOTE 3 — INVESTMENTS

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

Temporary Investments are funds available for current operations. The target is to maximize value while protecting the liquidity of the assets. Temporary Investment funds are invested in the following instruments with varying maturities: obligations of the U. S. Treasury and other federal agencies and instrumentalities, municipal and state bonds, corporate bonds, certificates of deposit, commercial paper, repurchase agreements, money market funds and mutual funds.

The Long-Term Investment Pool is a unitized investment pool consisting of gifted endowment funds of the university, gifted endowment funds of the OSU Foundation, and quasi-endowment funds which are internally designated funds that are to function as endowments. The Long-Term Investment Pool operates with a long-term investment goal of preserving and maintaining the real purchasing power of the principal while allowing for the generation of a predictable stream of annual distribution. The university's Board of Trustees approved the following thematic asset classes, allocation ranges and benchmarks for the Long-Term Investment Pool:

| Asset Class | Range | Benchmark |
|--------------------|--------------|--|
| Global Equity | 10-50% | 50% (ACWI) + 50%(50% ACWI + 4%) |
| Global Credit | 10-50% | 90 Day T-Bill s + 4% |
| Private Capital | 10-25% | 100% (Cambridge Associates Private Equity Medians) |
| Real Assets | 10-25% | 75% (CPI + 4%) + 25% (NACREIF Real Estate Index) |

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

The Long Term Investment Pool is a diversified investment pool designed to produce competitive risk-adjusted returns that will provide real growth over time. Benchmarks are selected to measure the performance of the investments in each asset class considering the goals and expectations for each asset class.

The Global Equity category includes domestic equity, international equity, long biased long/short equity and emerging market equity managers. The Global Credit category includes fixed income, absolute return and credit oriented managers. The Private Capital category includes private equity and venture capital funds. The Real Assets category includes real estate, natural resource, commodity and infrastructure funds.

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

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

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

The cash and cash equivalents amount represents cash held in the long-term investment pool by various investment managers as of June 30, 2013. Such amounts were generated by gifts received throughout the fiscal year and sales of investments in the long-term investment pool. Subsequently, the cash and cash equivalents will be used to purchase long-term investments.

Total university investments by major category for the primary institution at June 30, 2013 and 2012 are as follows:

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

| | Primary Institution | |
|-----------------------------------|---------------------|--------------|
| | 2013 | 2012 |
| Temporary Investments | \$ 1,009,234 | \$ 729,288 |
| Long-Term Investment Pool: | | |
| Gifted Endowment - University | 941,031 | 878,707 |
| Gifted Endowment - OSU Foundation | 589,702 | 500,824 |
| Quasi Endowment - Operating | 1,055,699 | 942,592 |
| Quasi Endowment - Designated | 562,737 | 43,910 |
| Total Long-Term Investment Pool | 3,149,169 | 2,366,033 |
| Other Long-Term Investments | 69,358 | 71,663 |
| Total Investments | \$ 4,227,761 | \$ 3,166,984 |

Total university investments by investment type for the primary institution at June 30, 2013 are as follows:

| | Primary Institution | | | |
|------------------------------------|-----------------------|---------------------------|-----------------------|--------------|
| | Temporary Investments | Long-Term Investment Pool | Other | Total |
| | | | Long-Term Investments | |
| Common stock | \$ 3 | \$ 369,745 | \$ - | \$ 369,748 |
| Equity mutual funds | 69,846 | 152,708 | 23,522 | 246,076 |
| U.S. government obligations | 106,380 | 24,956 | 3,147 | 134,483 |
| U.S. government agency obligations | 119,943 | 66,430 | - | 186,373 |
| Repurchase agreements | 42,244 | 9,600 | - | 51,844 |
| Corporate bonds and notes | 483,267 | 78,390 | 261 | 561,918 |
| Bond mutual funds | 136,986 | - | 20,118 | 157,104 |
| Foreign government bonds | 18,604 | 14,855 | - | 33,459 |
| Real estate | 5 | - | 4,848 | 4,853 |
| Partnerships and hedge funds | - | 2,288,377 | 822 | 2,289,199 |
| Commercial paper | 21,733 | - | - | 21,733 |
| Cash and cash equivalents | - | 141,510 | - | 141,510 |
| Other | 10,223 | 2,598 | 16,640 | 29,461 |
| | \$ 1,009,234 | \$ 3,149,169 | \$ 69,358 | \$ 4,227,761 |

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

Total university investments by investment type for the primary institution at June 30, 2012 are as follows:

| | Primary Institution | | | |
|---------------------------------------|--------------------------|------------------------------|--------------------------|---------------------|
| | Temporary Investments | Long-Term Investment Pool | Other | Total |
| | | | Long-Term Investments | |
| Common stock | \$ - | \$ 253,125 | \$ - | \$ 253,125 |
| Equity mutual funds | 58,196 | 107,742 | 21,086 | 187,024 |
| U.S. government obligations | 72,727 | 6,323 | 3,853 | 82,903 |
| U.S. government agency obligations | 131,034 | 13,070 | - | 144,104 |
| Repurchase agreements | 129,443 | 50,000 | - | 179,443 |
| Corporate bonds and notes | 233,410 | 50,784 | 279 | 284,473 |
| Bond mutual funds | 98,511 | - | 22,177 | 120,688 |
| Foreign government bonds | 3,586 | 28,265 | - | 31,851 |
| Real estate | 5 | - | 4,788 | 4,793 |
| Partnerships and hedge funds | - | 1,729,258 | 975 | 1,730,233 |
| Cash and cash equivalents | - | 124,218 | - | 124,218 |
| Other | 2,376 | 3,248 | 18,505 | 24,129 |
| | <u>\$ 729,288</u> | <u>\$ 2,366,033</u> | <u>\$ 71,663</u> | <u>\$ 3,166,984</u> |

The components of the net investment income for the primary institution are as follows:

| | Net Increase (Decrease) | | |
|-----------------------------|---------------------------------|---------------------------------|---------------------------------|
| | Interest and Dividends (net) | in Fair Value of Investments | Net Investment Income (Loss) |
| Temporary Investments | \$ 13,258 | \$ 1,696 | \$ 14,954 |
| Long-Term Investment Pool | 67,422 | 304,318 | 371,740 |
| Other Long-Term Investments | (3,222) | 3,044 | (178) |
| Total 2013 | <u>\$ 77,458</u> | <u>\$ 309,058</u> | <u>\$ 386,516</u> |
| Total 2012 | \$ 68,889 | \$ (9,705) | \$ 59,184 |

Additional Risk Disclosures for Investments

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

Interest-rate risk – Interest-rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments with interest rates that are fixed for longer

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

periods are likely to be subject to more variability in their fair values as a result of future changes in interest rates.

The maturities of the university's interest-bearing investments for the primary institution at June 30, 2013 are as follows:

| | Primary Institution | | | | |
|-----------------------------|---------------------|----------------------------------|------------|-----------|--------------|
| | Fair Value | Investment Maturities (in years) | | | |
| | | Less than 1 | 1 to 5 | 6 to 10 | More than 10 |
| U.S. government obligations | \$ 134,483 | \$ 27,707 | \$ 91,981 | \$ 6,650 | \$ 8,145 |
| U.S. agency obligations | 186,373 | 18,361 | 80,686 | 18,019 | 69,307 |
| Repurchase agreements | 51,844 | 51,844 | - | - | - |
| Commercial paper | 21,733 | 21,733 | - | - | - |
| Corporate bonds | 561,918 | 84,924 | 392,929 | 26,633 | 57,432 |
| Bond mutual funds | 157,104 | 6,352 | 66,481 | 26,563 | 57,708 |
| Other governmental bonds | 11,188 | 1,514 | 6,189 | 1,365 | 2,120 |
| Foreign governmental bonds | 33,459 | 9,091 | 13,638 | 8,566 | 2,164 |
| Total | \$ 1,158,102 | \$ 221,526 | \$ 651,904 | \$ 87,796 | \$ 196,876 |

The maturities of the university's interest-bearing investments for the primary institution at June 30, 2012 are as follows:

| | Primary Institution | | | | |
|-----------------------------|---------------------|----------------------------------|------------|-----------|--------------|
| | Fair Value | Investment Maturities (in years) | | | |
| | | Less than 1 | 1 to 5 | 6 to 10 | More than 10 |
| U.S. government obligations | \$ 82,903 | \$ 8,200 | \$ 67,593 | \$ 4,545 | \$ 2,565 |
| U.S. agency obligations | 144,104 | 21,464 | 82,760 | 20,657 | 19,223 |
| Repurchase agreements | 179,443 | 179,443 | - | - | - |
| Corporate bonds | 284,473 | 54,993 | 189,984 | 24,513 | 14,983 |
| Bond mutual funds | 120,688 | 9,707 | 65,504 | 30,078 | 15,399 |
| Other governmental bonds | 4,019 | - | 770 | - | 3,249 |
| Foreign governmental bonds | 31,851 | 4,000 | 14,778 | 10,242 | 2,831 |
| Total | \$ 847,481 | \$ 277,807 | \$ 421,389 | \$ 90,035 | \$ 58,250 |

Custodial credit risk – Custodial credit risk is the risk that, in the event of the failure of the custodian, university investments may not be recovered. It is the policy of the university to hold investments in custodial accounts, and the securities are registered solely in the name of the university. All investments are transacted with nationally reputable brokerage firms offering protection by the Securities Investor Protection Corporation.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the holder of the investment. Credit quality information – as commonly expressed in terms of the credit ratings issued by nationally recognized statistical

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

rating organizations such as Moody's Investors Service, Standard & Poor's, or Fitch Ratings – provides a current depiction of potential variable cash flows and credit risk.

Per GASB Statement No. 40, *Deposit and Investment Risk Disclosures, an amendment to GASB Statement No. 3* (GASB 40), unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. GASB 40 also provides that securities with split ratings, or a different rating assignment, are disclosed using the rating indicative of the greatest degree of risk. The following table presents each applicable investment type grouped by rating as of June 30, 2013, and 2012.

The credit ratings of the university's interest-bearing investments for the primary institution at June 30, 2013 are as follows:

| Primary Institution | | | | | | | | |
|---------------------|--------------|---|--------------------------|---------------------|--------------------|-------------------------|--------------------------------|------------------------|
| | U. S. | | | Commercial Paper | Corporate Bonds | Bond Mutual Funds | Other Governmental Bonds | International Bonds |
| | Total | Government and Agency Obligations | Repurchase Agreements | | | | | |
| AAA | \$ 198,324 | \$ - | \$ - | \$ - | \$ 77,958 | \$ 115,167 | \$ - | \$ 5,199 |
| AA | 437,726 | 266,979 | 51,844 | - | 90,681 | 10,936 | 7,430 | 9,856 |
| A | 296,201 | 6,281 | - | 19,733 | 236,243 | 20,542 | 2,858 | 10,544 |
| BBB | 126,345 | 1,537 | - | - | 114,791 | 9,571 | - | 446 |
| BB | 10,669 | - | - | - | 9,193 | 115 | - | 1,361 |
| B | 6,146 | - | - | - | 6,146 | - | - | - |
| CCC | 3,281 | - | - | - | 2,581 | 700 | - | - |
| CC | 1,764 | - | - | - | 1,764 | - | - | - |
| C | - | - | - | - | - | - | - | - |
| D | 15,608 | - | - | - | 15,608 | - | - | - |
| Not rated | 62,038 | 46,059 | - | 2,000 | 6,953 | 73 | 900 | 6,053 |
| Total | \$ 1,158,102 | \$ 320,856 | \$ 51,844 | \$ 21,733 | \$ 561,918 | \$ 157,104 | \$ 11,188 | \$ 33,459 |

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

The credit ratings of the university's interest-bearing investments for the primary institution at June 30, 2012 are as follows:

| | Primary Institution | | | | | | |
|-----------|---------------------|---|--------------------------|--------------------|-------------------------|-----------------------|------------------------|
| | Total | U. S. | | | Bond Mutual Funds | Other | |
| | | Government and Agency Obligations | Repurchase Agreements | Corporate Bonds | | Governmental Bonds | International Bonds |
| | | | | | | | |
| AAA | \$ 148,535 | \$ - | \$ - | \$ 59,540 | \$ 79,656 | \$ 8,119 | \$ 1,220 |
| AA | 464,216 | 225,004 | 179,443 | 45,404 | 4,614 | 7,093 | 2,658 |
| A | 160,828 | 932 | - | 122,902 | 27,884 | 8,969 | 141 |
| BBB | 59,481 | 1,071 | - | 49,116 | 7,218 | 2,076 | - |
| BB | 3,234 | - | - | 3,230 | 4 | - | - |
| B | 792 | - | - | 791 | 1 | - | - |
| CCC | 1,529 | - | - | 420 | 1,109 | - | - |
| CC | - | - | - | - | - | - | - |
| C | - | - | - | - | - | - | - |
| Not rated | 8,866 | - | - | 3,070 | 202 | 5,594 | - |
| Total | \$ 847,481 | \$ 227,007 | \$ 179,443 | \$ 284,473 | \$ 120,688 | \$ 31,851 | \$ 4,019 |

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

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

At June 30, 2013, exposure to foreign currency risk for the primary institution is as follows:

| | Primary Institution | | | | | |
|---------------------------------|---------------------|-----------------|-----------------|-----------|---------------------|-----------|
| | Common | Equity | Bond | Corporate | Foreign | Private |
| | Stock | Mutual Funds | Mutual Funds | Bonds | Government Bonds | Equity |
| Australian dollar | \$ 730 | \$ 7,298 | \$ 100 | \$ (38) | \$ 530 | \$ 22,017 |
| Brazilian real | 6,650 | 815 | 51 | (293) | - | - |
| Canadian dollar | 422 | 2,150 | 164 | - | 1,505 | - |
| Chilean peso | 1,197 | 126 | 10 | - | - | - |
| Chinese yuan | - | 2,127 | 1 | - | - | - |
| Columbian peso | - | 58 | - | - | - | - |
| Czech Republic koruna | 1,021 | 298 | - | - | - | - |
| Danish krone | - | 261 | 72 | 1,002 | - | - |
| Egyptian pound | 786 | - | - | - | - | - |
| Euro | 11,620 | 20,854 | 2,858 | 4,722 | 12,358 | 43,499 |
| Great Britain pound sterling | 12,182 | 23,272 | 619 | 1,430 | 2,844 | - |
| Hong Kong dollar | 15,481 | 2,677 | - | - | - | - |
| Hungarian forint | - | 30 | - | - | - | - |
| Indian rupee | 5,147 | 507 | 4 | - | - | - |
| Indonesian rupiah | 1,224 | 220 | 28 | - | 298 | - |
| Israeli shekel | - | 126 | - | - | - | - |
| Japanese yen | 3,701 | 22,510 | 2,823 | - | 4,008 | - |
| Malaysian ringgit | 97 | 288 | - | - | 290 | - |
| Mexican peso | 1,463 | 348 | 94 | - | 4,488 | - |
| Moroccan dirham | - | - | - | - | - | - |
| New Taiwan dollar | 6,925 | 812 | - | - | - | - |
| New Zealand dollar | - | 29 | (8) | - | - | - |
| Norewegian krone | - | 1,084 | - | - | - | - |
| Peruvian nuevo sol | - | 32 | - | - | - | - |
| Phillippine peso | - | 93 | - | - | - | - |
| Polish zloty | - | 95 | - | - | - | - |
| Russian ruble | - | 379 | 1 | - | - | - |
| Singapore dollar | - | 4,149 | - | - | - | - |
| South African rand | 6,397 | 526 | 7 | - | 1,386 | - |
| South Korean won | - | 977 | - | - | - | - |
| Sri Lanka rupee | 9,439 | - | - | - | 770 | - |
| Swedish krona | 512 | 3,275 | 44 | - | - | - |
| Swiss franc | 8,896 | 4,267 | - | - | - | - |
| Thailand bhat | 519 | 195 | - | - | - | - |
| Turkish lira | 1,613 | 127 | - | - | - | - |
| UAE dirham | 1,135 | 28 | - | - | - | - |
| Total | \$ 97,157 | \$ 100,033 | \$ 6,868 | \$ 6,823 | \$ 28,477 | \$ 65,516 |

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

At June 30, 2012, exposure to foreign currency risk for the primary institution is as follows:

| | Primary Institution | | | | | |
|---------------------------------|---------------------|-----------------|-----------------|-----------|---------------------|-----------|
| | Common | Equity | Bond | Corporate | Foreign | Private |
| | Stock | Mutual Funds | Mutual Funds | Bonds | Government Bonds | Equity |
| Australian dollar | \$ 981 | \$ 2,772 | \$ 146 | \$ 7 | \$ 749 | \$ 26,726 |
| Brazilian real | 2,749 | 846 | (1) | 1,054 | - | - |
| Canadian dollar | - | 1,968 | 387 | 30 | 5,323 | - |
| Chilean peso | - | 129 | - | - | - | - |
| Chinese yuan | - | 1,103 | - | - | - | - |
| Columbian peso | - | 56 | - | - | - | - |
| Czech Republic koruna | 957 | 286 | - | - | - | - |
| Danish krone | - | 215 | 115 | - | - | - |
| Egyptian pound | 822 | 20 | - | - | - | - |
| Euro | 4,754 | 14,256 | 4,513 | 13,056 | 4,324 | 39,248 |
| Great Britain pound sterling | 5,191 | 20,724 | 1,076 | 91 | 4,548 | - |
| Hong Kong dollar | 14,020 | 1,764 | - | - | - | - |
| Hungarian forint | - | 26 | - | - | - | - |
| Indian rupee | 3,294 | 469 | - | - | - | - |
| Indonesian rupiah | 971 | 180 | (1) | - | - | - |
| Israeli shekel | - | 125 | - | - | - | - |
| Japanese yen | 1,331 | 17,308 | 6,013 | - | 6,902 | - |
| Malaysian ringgit | - | 251 | 1 | - | - | - |
| Mexican peso | 1,635 | 785 | 347 | 128 | 4,099 | - |
| Moroccan dirham | - | - | - | - | - | - |
| New Taiwan dollar | 5,820 | 705 | - | - | - | - |
| New Zealand dollar | - | 28 | 12 | - | - | - |
| Norewegian krone | - | 951 | - | - | - | - |
| Peruvian nuevo sol | - | 32 | - | - | - | - |
| Phillippine peso | - | 52 | - | - | - | - |
| Polish zloty | - | 78 | (1) | - | - | - |
| Russian ruble | - | 356 | - | - | - | - |
| Singapore dollar | 557 | 3,622 | - | - | - | - |
| South African rand | 7,935 | 548 | 64 | - | - | - |
| South Korean won | 8,206 | 1,012 | 2 | - | - | - |
| Swedish krona | 736 | 2,540 | 54 | - | - | - |
| Swiss franc | 3,791 | 3,232 | - | - | - | - |
| Thailand bhat | 628 | 1,155 | - | - | - | - |
| Turkish lira | 1,414 | 103 | - | - | - | - |
| Total | \$ 65,792 | \$ 77,697 | \$ 12,727 | \$ 14,366 | \$ 25,945 | \$ 65,974 |

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

NOTE 4 — ACCOUNTS, NOTES AND PLEDGES RECEIVABLE

Accounts receivable for the primary institution at June 30, 2013 and 2012 consist of the following:

| | Primary Institution | |
|---|---------------------|------------|
| | 2013 | 2012 |
| Patient receivables - OSU Health System | \$ 867,202 | \$ 998,615 |
| Grant and contract receivables | 81,621 | 66,887 |
| Tuition and fees receivable | 23,667 | 43,116 |
| Receivables for departmental and auxiliary sales and services | 50,250 | 39,010 |
| State and federal receivables | 12,525 | 24,460 |
| Other receivables | 30 | 45 |
| Total receivables | 1,035,295 | 1,172,133 |
| Less: Allowances for doubtful accounts | 649,330 | 755,407 |
| Total receivables, net | \$ 385,965 | \$ 416,726 |

Allowances for doubtful accounts consist primarily of patient receivables of the OSU Health System.

Notes receivable consist primarily of Perkins and health professions loans and are net of an allowance for doubtful accounts of \$18,000 and \$20,000 at June 30, 2013 and 2012, respectively. Federal capital contributions to the Perkins loan programs represent advances which are ultimately refundable to the federal government.

In accordance with GASB Statement No. 33, *Accounting and Reporting for Non-exchange Transactions*, the university has recorded \$105,515 in non-endowment pledges receivable and a related allowance for doubtful accounts of \$6,369 at June 30, 2013. The university recorded \$72,643 in non-endowment pledges receivable and a related allowance for doubtful accounts of \$4,898 at June 30, 2012.

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

NOTE 5 — CAPITAL ASSETS

Capital assets activity for the primary institution for the year ended June 30, 2013 is summarized as follows:

| | Primary Institution | | | |
|---|---------------------|--------------|-------------|--------------|
| | Beginning | Additions | Retirements | Ending |
| | Balance | | | Balance |
| Capital assets not being depreciated: | | | | |
| Land | \$ 71,062 | \$ - | \$ 1,871 | \$ 69,191 |
| Intangibles | 7,913 | 10,500 | - | 18,413 |
| Construction in progress | 911,390 | 658,019 | 706,804 | 862,605 |
| Total non depreciable assets | 990,365 | 668,519 | 708,675 | 950,209 |
| Capital assets being depreciated: | | | | |
| Improvements other than buildings | 306,614 | 199,426 | 6,921 | 499,119 |
| Buildings and fixed equipment | 4,075,761 | 370,019 | 915 | 4,444,865 |
| Movable equipment, furniture and software | 995,547 | 92,552 | 51,340 | 1,036,759 |
| Library books | 162,250 | 4,655 | 932 | 165,973 |
| Total | 5,540,172 | 666,652 | 60,108 | 6,146,716 |
| Less: Accumulated depreciation | 2,765,212 | 256,722 | 61,401 | 2,960,533 |
| Total depreciable assets, net | 2,774,960 | 409,930 | (1,293) | 3,186,183 |
| Capital assets, net | \$ 3,765,325 | \$ 1,078,449 | \$ 707,382 | \$ 4,136,392 |

Capital assets activity for the primary institution for the year ended June 30, 2012 is summarized as follows:

| | Primary Institution | | | |
|---|---------------------|------------|-------------|--------------|
| | Beginning | Additions | Retirements | Ending |
| | Balance | | | Balance |
| Capital assets not being depreciated: | | | | |
| Land | \$ 70,066 | \$ 1,021 | \$ 25 | \$ 71,062 |
| Intangibles | 7,913 | - | - | 7,913 |
| Construction in progress | 535,908 | 375,482 | - | 911,390 |
| Total non depreciable assets | 613,887 | 376,503 | 25 | 990,365 |
| Capital assets being depreciated: | | | | |
| Improvements other than buildings | 304,198 | 2,416 | - | 306,614 |
| Buildings and fixed equipment | 3,970,390 | 112,681 | 7,310 | 4,075,761 |
| Movable equipment, furniture and software | 909,611 | 124,164 | 38,228 | 995,547 |
| Library books | 159,541 | 4,076 | 1,367 | 162,250 |
| Total | 5,343,740 | 243,337 | 46,905 | 5,540,172 |
| Less: Accumulated depreciation | 2,569,143 | 236,180 | 40,111 | 2,765,212 |
| Total depreciable assets, net | 2,774,597 | 7,157 | 6,794 | 2,774,960 |
| Capital assets, net | \$ 3,388,484 | \$ 383,660 | \$ 6,819 | \$ 3,765,325 |

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

Capital assets activity for the discretely presented component units for the year ended June 30, 2013 is summarized as follows:

| | Discretely Presented Component Units | | | |
|---|---|------------------|--------------------|----------------|
| | Beginning | | Ending | |
| | Balance | Additions | Retirements | Balance |
| Capital assets not being depreciated: | | | | |
| Land | \$ 4,621 | \$ 1,173 | \$ - | \$ 5,794 |
| Intangibles | - | - | - | - |
| Construction in progress | - | 15 | - | 15 |
| Total non depreciable assets | 4,621 | 1,188 | - | 5,809 |
| Capital assets being depreciated: | | | | |
| Improvements other than buildings | 7,043 | 378 | - | 7,421 |
| Buildings and fixed equipment | 48,273 | 331 | - | 48,604 |
| Movable equipment, furniture and software | 58,405 | 3,384 | - | 61,789 |
| Library books | - | - | - | - |
| Total | 113,721 | 4,093 | - | 117,814 |
| Less: Accumulated depreciation | 35,461 | 8,000 | - | 43,461 |
| Total depreciable assets, net | 78,260 | (3,907) | - | 74,353 |
| Capital assets, net | \$ 82,881 | \$ (2,719) | \$ - | \$ 80,162 |

Capital assets activity for the discretely presented component units for the year ended June 30, 2012 is summarized as follows:

| | Discretely Presented Component Units | | | |
|---|---|------------------|--------------------|----------------|
| | Beginning | | Ending | |
| | Balance | Additions | Retirements | Balance |
| Capital assets not being depreciated: | | | | |
| Land | \$ 3,947 | \$ 674 | \$ - | \$ 4,621 |
| Intangibles | - | - | - | - |
| Construction in progress | - | - | - | - |
| Total non depreciable assets | 3,947 | 674 | - | 4,621 |
| Capital assets being depreciated: | | | | |
| Improvements other than buildings | 5,099 | 1,944 | - | 7,043 |
| Buildings and fixed equipment | 50,198 | - | 1,925 | 48,273 |
| Movable equipment, furniture and software | 46,532 | 11,873 | - | 58,405 |
| Library books | - | - | - | - |
| Total | 101,829 | 13,817 | 1,925 | 113,721 |
| Less: Accumulated depreciation | 29,250 | 6,211 | - | 35,461 |
| Total depreciable assets, net | 72,579 | 7,606 | 1,925 | 78,260 |
| Capital assets, net | \$ 76,526 | \$ 8,280 | \$ 1,925 | \$ 82,881 |

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

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses for the primary institution at June 30, 2013 and 2012 consist of the following:

| | Primary Institution | |
|---|---------------------|------------|
| | 2013 | 2012 |
| Payables to vendors for supplies and services | \$ 212,179 | \$ 249,993 |
| Accrued compensation and benefits | 81,971 | 80,568 |
| Retirement system contributions payable | 52,552 | 54,111 |
| Other accrued expenses | 38,304 | 29,323 |
| Total payables and accrued expenses | \$ 385,006 | \$ 413,995 |

NOTE 7 – DEPOSITS AND ADVANCE PAYMENTS FOR GOODS AND SERVICES

Deposits and advance payments for goods and services for the primary institution at June 30, 2013 and 2012 consist of the following:

| | Primary Institution | |
|---|---------------------|------------|
| | 2013 | 2012 |
| Current deposits and advance payments: | | |
| Tuition and fees | \$ 41,026 | \$ 54,743 |
| Departmental and auxiliary sales and services | 70,642 | 77,341 |
| Parking service concession | - | 22,000 |
| Grants and contracts advances | 56,723 | 66,990 |
| Other deposits and advance payments | 11,045 | 9,226 |
| Total current deposits and advance payments | \$ 179,436 | \$ 230,300 |
| Other non-current liabilities | \$ 25,219 | \$ 27,852 |

NOTE 8 – SELF-INSURANCE ACCRUALS

The university maintains self-insurance programs for professional medical malpractice, employee health insurance and workers' compensation. Information on each of these programs is provided below.

Medical Malpractice

The Health System has established trustee self-insurance funds for professional medical malpractice liability claims with a \$4 million limit per occurrence with no annual aggregate. The university self-insurance funds have insurance in excess of \$4 million per occurrence through Oval Limited, a blended component unit of the university. Effective July 1, 2008,

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

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

| Accident Period for Oval | Gross Oval Limit (Occurrence and Annual Aggregate) |
|---------------------------------|---|
| 7/1/08 – 6/30/13 | \$55,000,000 |
| 7/1/06 – 6/30/08 | \$40,000,000 |
| 7/1/05 – 6/30/06 | \$35,000,000 |
| 7/1/02 – 6/30/05 | \$25,000,000 |
| 7/1/97 – 6/30/02 | \$15,000,000 |
| 9/30/94 – 6/30/97 | \$10,000,000 |

The limits are in excess of underlying policies with limits ranging from \$4 million to \$10 million per occurrence and \$14 million in the aggregate. A portion of the risks written by Oval Limited to date is reinsured by three reinsurance companies. Oval Limited retains 50% of the first \$15 million of risk and cedes the remainder to Berkley Medical Excess Underwriters (rated A+ by A.M. Best). The next \$20 million is fully ceded to Lexington Insurance Company (rated A by A.M. Best). Above that, Oval Limited cedes the remaining \$20 million of risk to Endurance Specialty Insurance Ltd. (rated A by A.M. Best). The estimated liability and the related contributions to the loss reserve are based upon an independent actuarial determination as of June 30, 2013. OSUP participates in the university self-insurance fund for professional medical malpractice liability claims.

The Heath System's estimate of professional malpractice liability includes provisions for known claims and actuarially determined estimates of incurred but not reported claims and incidents. This liability at June 30, 2013 of the anticipated future payments on gross claims is estimated at its present value of \$78,995 discounted at an estimated rate of 3% (university funds) and an additional \$38,313 discounted at an estimated rate of 3% (Oval Limited).

Although actual experience upon the ultimate disposition of the claims may vary from this estimate, the self-insurance fund assets of \$163,039 (which primarily consist of bond and equity mutual funds, money market funds and U.S. treasury notes) are more than the recorded liability at June 30, 2013, and the surplus of \$45,732 is included in unrestricted net assets.

Employee Health Insurance

The university is also self-insured for employee health insurance. As of June 30, 2013, \$36,326 is recorded as a liability relating to both claims received but not paid and estimates of claims incurred but not yet reported.

Workers' Compensation

Effective January 1, 2013, the university became self-insured for workers' compensation. As of June 30, 2013, \$730 is recorded as a liability relating to both claims received but not paid and estimates of claims incurred but not yet reported.

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

Changes in reported self-insurance liabilities for the primary institution since June 30, 2011 result from the following activities:

| | Malpractice | | Health | | Workers' Compensation | |
|---|-------------|------------|-----------|-----------|-----------------------|------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Liability at beginning of fiscal year | \$ 118,339 | \$ 120,631 | \$ 42,703 | \$ 29,507 | \$ - | \$ - |
| Current year claims, changes in estimates | 1,125 | 839 | 293,970 | 287,730 | 1,412 | - |
| Claim payments | (7,456) | (3,131) | (300,347) | (274,534) | (682) | - |
| Balance at fiscal year end | \$ 112,008 | \$ 118,339 | \$ 36,326 | \$ 42,703 | \$ 730 | \$ - |

NOTE 9 — DEBT

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

Debt activity for the primary institution for the year ended June 30, 2013 is as follows:

| | Primary Institution | | | | |
|---|---------------------|------------|------------|----------------|-----------------|
| | Beginning Balance | Additions | Reductions | Ending Balance | Current Portion |
| Notes: | | | | | |
| WOSU | \$ 3,075 | \$ - | \$ 250 | \$ 2,825 | \$ 159 |
| OH Air Quality Note Series A | - | 4,602 | - | 4,602 | 368 |
| OH Air Quality Note Series B | - | 2,340 | - | 2,340 | - |
| St. Stephens Church Note | - | 3,000 | - | 3,000 | 63 |
| General Receipts Bonds - Fixed Rate: | | | | | |
| 2002A, due serially through 2031 | 4,130 | - | 4,130 | - | - |
| 2003B, due serially through 2033 | 29,300 | - | 29,300 | - | - |
| 2005A, due serially through 2035 | 180,030 | - | 121,770 | 58,260 | 10,860 |
| 2008A, due serially through 2028 | 180,265 | - | 30,235 | 150,030 | 12,620 |
| 2010A, due serially through 2020 | 231,960 | - | 29,910 | 202,050 | 27,390 |
| 2010C, due 2040 | 654,785 | - | - | 654,785 | - |
| 2010D, due serially through 2032 | 88,335 | - | 3,710 | 84,625 | - |
| 2011, due 2111 | 500,000 | - | - | 500,000 | - |
| 2012A, due 2030 | - | 91,165 | 665 | 90,500 | - |
| 2012B, due 2033 | - | 23,170 | 570 | 22,600 | 1,840 |
| Special Purpose General Receipts Bonds - Fixed Rate: | | | | | |
| 2013A, due 2043 | - | 337,955 | - | 337,955 | - |
| General Receipts Bonds - Variable Rate: | | | | | |
| 1997, due serially through 2027 | 17,160 | - | - | 17,160 | 17,160 |
| 1999B1, due serially through 2029 | 11,800 | - | 1,035 | 10,765 | 10,765 |
| 2001, due serially through 2032 | 56,540 | - | 3,505 | 53,035 | 53,035 |
| 2003C, due serially through 2031 | 53,230 | - | 1,255 | 51,975 | 51,975 |
| 2005B, due serially through 2035 | 78,735 | - | 7,160 | 71,575 | 71,575 |
| 2008B, due serially through 2028 | 102,235 | - | 10,310 | 91,925 | 91,925 |
| 2010E, due serially through 2035 | 150,000 | - | - | 150,000 | 150,000 |
| Capital Lease Obligations | 20,149 | - | 5,918 | 14,231 | 4,015 |
| | 2,361,729 | 462,232 | 249,723 | 2,574,238 | 503,750 |
| Unamortized Bond Premiums | 66,042 | 51,854 | 10,500 | 107,396 | - |
| Total outstanding debt | \$ 2,427,771 | \$ 514,086 | \$ 260,223 | \$ 2,681,634 | \$ 503,750 |

Notes to Financial Statements – Years Ended June 30, 2013 and 2012
(dollars in thousands)

Debt activity for the primary institution for the year ended June 30, 2012 is as follows:

| | Primary Institution | | | | |
|--|----------------------------|------------|------------|--------------|------------|
| | Beginning | | | Ending | Current |
| | Balance | Additions | Reductions | Balance | Portion |
| Notes: | | | | | |
| WOSU | \$ 3,325 | \$ - | \$ 250 | \$ 3,075 | \$ 250 |
| General Receipts Bonds - Fixed Rate: | | | | | |
| 2002A, due serially through 2031 | 12,780 | - | 8,650 | 4,130 | 4,130 |
| 2003B, due serially through 2033 | 36,435 | - | 7,135 | 29,300 | 7,390 |
| 2005A, due serially through 2035 | 198,255 | - | 18,225 | 180,030 | 11,400 |
| 2008A, due serially through 2028 | 193,105 | - | 12,840 | 180,265 | 13,390 |
| 2010A, due serially through 2020 | 239,090 | - | 7,130 | 231,960 | 17,865 |
| 2010C, due 2040 | 654,785 | - | - | 654,785 | - |
| 2010D, due serially through 2032 | 88,335 | - | - | 88,335 | - |
| 2011, due 2111 | - | 500,000 | - | 500,000 | - |
| General Receipts Bonds - Variable Rate: | | | | | |
| 1997, due serially through 2027 | 17,160 | - | - | 17,160 | 17,160 |
| 1999B1, due serially through 2029 | 11,800 | - | - | 11,800 | 11,800 |
| 2001, due serially through 2032 | 56,540 | - | - | 56,540 | 56,540 |
| 2003C, due serially through 2031 | 53,230 | - | - | 53,230 | 53,230 |
| 2005B, due serially through 2035 | 78,735 | - | - | 78,735 | 78,735 |
| 2008B, due serially through 2028 | 102,235 | - | - | 102,235 | 102,235 |
| 2010E, due serially through 2035 | 150,000 | - | - | 150,000 | 150,000 |
| Capital Lease Obligations | 14,843 | 10,473 | 5,167 | 20,149 | 5,922 |
| | 1,910,653 | 510,473 | 59,397 | 2,361,729 | 530,047 |
| Unamortized Bond Premiums | 59,830 | 10,570 | 4,358 | 66,042 | - |
| Total outstanding debt | \$ 1,970,483 | \$ 521,043 | \$ 63,755 | \$ 2,427,771 | \$ 530,047 |

Debt activity for the discretely presented component units for the year ended June 30, 2013 is as follows:

| | Discretely Presented Component Units | | | | |
|---|---|-----------|------------|-----------|----------|
| | Beginning | | | Ending | Current |
| | Balance | Additions | Reductions | Balance | Portion |
| Notes: | | | | | |
| Transportation Research Center Capital One Funding Corporation due through 2014 | \$ 643 | - | \$ 311 | \$ 332 | \$ 332 |
| OSU Physicians - Fifth Third Note, due through 2035 | 16,030 | 2,627 | 705 | 17,952 | 790 |
| OSU Physicians - Fifth Third Note, due through 2013 | 77 | 85 | 83 | 79 | 61 |
| Campus Partners - UDCDE Note A | 21,859 | - | 21,859 | - | - |
| Campus Partners - UDCDE Note B | 10,376 | - | 10,376 | - | - |
| Campus Partners - CCF Loan, City of Columbus | 125 | - | - | 125 | - |
| Capital Lease Obligations | 103 | - | 60 | 43 | 43 |
| Total outstanding debt | \$ 49,213 | \$ 2,712 | \$ 33,394 | \$ 18,531 | \$ 1,226 |

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

Debt activity for the discretely presented component units for the year ended June 30, 2012 is as follows:

| | Discretely Presented Component Units | | | | |
|---|--------------------------------------|-----------|------------|-----------|-----------|
| | Beginning | | | Ending | Current |
| | Balance | Additions | Reductions | Balance | Portion |
| Notes: | | | | | |
| Transportation Research Center - Capital One Funding Corporation due through 2014 | \$ 933 | - | \$ 290 | \$ 643 | \$ 310 |
| OSU Physicians - Fifth Third Note, due through 2012 | 1,414 | - | 1,414 | - | - |
| OSU Physicians - Fifth Third Note, due through 2035 | 17,030 | 15 | 1,015 | 16,030 | 695 |
| OSU Physicians - Fifth Third Note, due through 2013 | 130 | - | 53 | 77 | 53 |
| Campus Partners - ESIC | 10,433 | - | 10,433 | - | - |
| Campus Partners - UDCDE Note A | 22,124 | - | 265 | 21,859 | 21,859 |
| Campus Partners - UDCDE Note B | 10,376 | - | - | 10,376 | - |
| Campus Partners - Mortgage payable | | | | | |
| Campus Partners - CCF Loan, City of Columbus | 125 | - | - | 125 | 125 |
| Campus Partners - Affordable Housing Trust Loan | 500 | - | 500 | - | - |
| Capital Lease Obligations | 165 | - | 62 | 103 | 62 |
| Total outstanding debt | \$ 63,230 | \$ 15 | \$ 14,032 | \$ 49,213 | \$ 23,104 |

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

Debt obligations are generally callable by the university, bear interest at fixed and variable rates ranging from 0% to 6% and mature at various dates through 2112. Maturities and interest on debt obligations for the next five years and in five-year periods for the primary institution are as follows:

| | Primary Institution | | |
|-----------|---------------------|---------------------|---------------------|
| | Principal | Interest | Total |
| 2014 | \$ 503,751 | 96,725 | \$ 600,476 |
| 2015 | 58,147 | 93,991 | 152,138 |
| 2016 | 57,754 | 91,295 | 149,049 |
| 2017 | 60,448 | 88,748 | 149,196 |
| 2018 | 60,815 | 86,045 | 146,860 |
| 2019-2023 | 184,223 | 409,191 | 593,414 |
| 2024-2028 | 170,143 | 374,079 | 544,222 |
| 2029-2033 | 124,745 | 340,722 | 465,467 |
| 2034-2038 | 89,207 | 326,314 | 415,521 |
| 2039-2043 | 765,005 | 208,844 | 973,849 |
| 2044-2048 | - | 120,000 | 120,000 |
| 2049-2053 | - | 120,000 | 120,000 |
| 2054-2058 | - | 120,000 | 120,000 |
| 2059-2063 | - | 120,000 | 120,000 |
| 2064-2068 | - | 120,000 | 120,000 |
| 2069-2073 | - | 120,000 | 120,000 |
| 2074-2078 | - | 120,000 | 120,000 |
| 2079-2083 | - | 120,000 | 120,000 |
| 2084-2088 | - | 120,000 | 120,000 |
| 2089-2093 | - | 120,000 | 120,000 |
| 2094-2098 | - | 120,000 | 120,000 |
| 2099-2103 | - | 120,000 | 120,000 |
| 2104-2108 | - | 120,000 | 120,000 |
| 2109-2112 | 500,000 | 72,000 | 572,000 |
| | <u>\$ 2,574,238</u> | <u>\$ 3,747,954</u> | <u>\$ 6,322,192</u> |

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

Maturities and interest on debt obligations for the next five years and in five-year periods for the discretely presented component units are as follows:

| | Discretely Presented Component Units | | |
|-----------|---|-----------------|------------------|
| | Principal | Interest | Total |
| 2014 | \$ 1,226 | 392 | \$ 1,618 |
| 2015 | 950 | 258 | 1,208 |
| 2016 | 824 | 340 | 1,164 |
| 2017 | 842 | 322 | 1,164 |
| 2018 | 860 | 304 | 1,164 |
| 2019-2023 | 4,567 | 1,228 | 5,795 |
| 2024-2028 | 3,550 | 794 | 4,344 |
| 2029-2033 | 3,943 | 400 | 4,343 |
| 2034-2038 | 1,769 | 41 | 1,810 |
| | <u>\$ 18,531</u> | <u>\$ 4,079</u> | <u>\$ 22,610</u> |

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

The outstanding bond indentures do not require mandatory reserves for future payment of principal and interest. However, the university has set aside \$130,631 for future debt service which is included in unrestricted net assets.

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

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

| | Amount | Amount |
|-------------------------|------------|---------------------------------|
| | Deceased | Outstanding at June 30, 2013 |
| General Receipts Bonds: | | |
| Series 1999B | \$ 1,035 | \$ - |
| Series 2001 | 3,505 | - |
| Series 2002A | 77,400 | - |
| Series 2003B | 120,300 | - |
| Series 2003C | 1,255 | - |
| Series 2005A | 111,380 | 111,380 |
| Series 2005B | 7,160 | - |
| Series 2008A | 18,195 | 18,195 |
| Series 2008B | 10,310 | - |
| Series 2010A | 13,050 | 13,050 |
| Series 2010D | 3,710 | 3,710 |
| | \$ 367,300 | \$ 146,335 |

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

Special-Purpose General Receipts Bonds

In January 2013, the university issued \$337,955 of Special Purpose General Receipts Bonds, Series 2013A. These bonds are solely payable from, and secured by, a pledge of the gross revenues of Special Purpose Revenue Facilities. Special Purpose Revenue Facilities are defined in the Series 2013 Supplement as all housing and dining facilities and such auxiliary facilities as shall constitute recreation facilities owned by the university. The bond indenture agreement includes a debt covenant, requiring the university "to set rates, charges and fees in each Fiscal Year so as to cause Special Purpose Pledged Revenues to be in an amount not less than 1.10 times the aggregate debt service for the then-current Fiscal Year on all Special Purpose General Receipts Obligations". At June 30, 2013, the university is in compliance with this covenant. Condensed financial information for the Special Purpose Revenue Facilities is provided in Note 21.

Variable Rate Demand Bonds

Series 1997, 1999B1, 2001, 2003C, 2005B, 2008B and 2010E variable rate demand bonds bear interest at rates based upon yield evaluations at par of comparable securities. The maximum interest rate allowable and the effective average interest rate from issue date to June 30, 2013 are as follows:

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

| Series: | Interest Rate Not | Effective Average |
|---------|-------------------|-------------------|
| | to Exceed | Interest Rate |
| 1997 | 12% | 1.830% |
| 1999 B1 | 12% | 1.594% |
| 2001 | 12% | 1.363% |
| 2003 C | 12% | 1.663% |
| 2005 B | 12% | 1.362% |
| 2008 B | 12% | 0.395% |
| 2010 E | 8% | 0.133% |

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

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

Although it is the university's intent to repay its variable rate demand bonds in accordance with the maturities set forth in the bond offering circulars, the university does not have "take-out agreements" in place per the GASB Interpretation No. 1 requirements. Accordingly, the university has classified the total outstanding principal balances on its variable rate demand bonds as current liabilities. The obligations totaled \$446,435 and \$469,700 at June 30, 2013 and 2012, respectively.

Capital Lease Obligations

Some university equipment items and vehicles are financed as capital leases. The original cost and lease obligations related to these capital leases as of June 30, 2013 are \$44,924 and \$14,273, respectively. The original cost and lease obligations related to these capital leases as of June 30, 2012 are \$50,734 and \$20,252, respectively.

Interest Rate Swap Agreements

In connection with the issuance of the Series 2011 General Receipts Bonds, also known as the Century Bonds, the university entered into an interest-rate lock agreement on October 3, 2011 for a notional amount of \$300,000. The rate lock agreement, which was intended to fix

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

the price on the bonds, was terminated on October 19, 2011. Upon termination, the university received a \$20,307 termination fee from the counterparty. Under the provisions of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, the agreement is considered an effective cash flow hedge under the consistent critical terms method. Accordingly, the termination fee has been deferred and will be amortized over the life of the Century Bonds as an offset of interest expense.

In addition, OSUP, a discretely presented component unit of the university, has one interest rate swap agreements that is not considered a hedge under GASB Statement No. 53. The swap is used to offset the variable interest rate on a portion of the 2010 bond financing obtained for the ambulatory facility in the amount of \$16,030. On May 1, 2013, at the same time the 2010 bond financing was refinanced, the swap was paid off with the proceeds from a term loan issuance in the amount of \$2,635. At June 30, 2013, OSUP held no other derivative instruments.

NOTE 10 — OPERATING LEASES

The university leases various buildings, office space, and equipment under operating lease agreements. These facilities and equipment are not recorded as assets on the statement of net position. The total rental expense under these agreements was \$29,717 and \$37,386 for the years ended June 30, 2013 and 2012, respectively.

Future minimum payments for all significant operating leases with initial or remaining terms in excess of one year as of June 30, 2013 are as follows:

| Year Ending June 30, | Primary | Discrete |
|------------------------------|-------------------|------------------|
| | Institution | Component Units |
| 2014 | \$ 21,386 | \$ 3,613 |
| 2015 | 13,745 | 2,380 |
| 2016 | 11,068 | 1,927 |
| 2017 | 10,418 | 1,699 |
| 2018 | 9,732 | 1,041 |
| 2019-2023 | 39,842 | 212 |
| 2024-2028 | 32,853 | - |
| 2029-2033 | 13,718 | - |
| 2034-2038 | 723 | - |
| 2039-2043 | 723 | - |
| 2044-2048 | 723 | - |
| Total minimum lease payments | <u>\$ 154,931</u> | <u>\$ 10,872</u> |

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

NOTE 11 — COMPENSATED ABSENCES

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

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

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

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

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

NOTE 12 — OTHER LIABILITIES

Other liability activity for the primary institution for the year ended June 30, 2013 is as follows:

| | Primary Institution | | | | |
|---|----------------------|-------------------|-------------------|-------------------|--------------------|
| | Beginning Balance | Additions | Reductions | Ending Balance | Current Portion |
| Compensated absences | \$ 138,521 | \$ 23,282 | \$ 12,026 | \$ 149,777 | \$ 12,040 |
| Self-insurance accruals | 163,542 | 293,325 | 307,803 | 149,064 | 42,213 |
| Amounts due to third party payors | 25,026 | 3,697 | 13,716 | 15,007 | 3,641 |
| Obligations under life income agreements | 37,605 | 3,506 | 3,761 | 37,350 | 3,648 |
| Refundable advances for Federal Perkins loans | 28,706 | 2,739 | - | 31,445 | - |
| Other noncurrent liabilities | 27,852 | 33,497 | - | 61,349 | 1,500 |
| | <u>\$ 421,252</u> | <u>\$ 360,046</u> | <u>\$ 337,306</u> | <u>\$ 443,992</u> | <u>\$ 63,042</u> |

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

Other liability activity for the primary institution for the year ended June 30, 2012 is as follows:

| | Primary Institution | | | | |
|---|---------------------|-------------------|-------------------|-------------------|------------------|
| | Beginning Balance | Additions | Reductions | Ending Balance | Current Portion |
| Compensated absences | \$ 124,646 | \$ 26,009 | \$ 12,134 | \$ 138,521 | \$ 12,134 |
| Self-insurance accruals | 150,138 | 291,068 | 277,664 | 163,542 | 48,334 |
| Amounts due to third party payors | 38,939 | 9,537 | 23,450 | 25,026 | 11,310 |
| Obligations under life income agreements | 39,518 | 1,848 | 3,761 | 37,605 | 3,517 |
| Refundable advances for Federal Perkins loans | 28,887 | | 181 | 28,706 | - |
| Other noncurrent liabilities | 6,000 | 21,852 | | 27,852 | - |
| | <u>\$ 388,128</u> | <u>\$ 350,314</u> | <u>\$ 317,190</u> | <u>\$ 421,252</u> | <u>\$ 75,295</u> |

NOTE 13 – RENTALS UNDER OPERATING LEASES

The university is the lessor of certain land, buildings, office and retail space under operating lease agreements. Future minimum rental income from non-cancelable operating leases for the primary institution as of June 30, 2013 is as follows:

| Year Ending June 30, | |
|------------------------------|-------------------|
| 2014 | \$ 8,987 |
| 2015 | 7,287 |
| 2016 | 6,597 |
| 2017 | 6,330 |
| 2018 | 6,246 |
| 2019-2023 | 29,223 |
| 2024-2028 | 28,283 |
| 2029-2033 | 27,413 |
| 2034-2038 | 26,781 |
| 2039-2043 | 26,767 |
| 2044-2048 | 2,669 |
| 2049-2053 | - |
| Total minimum future rentals | <u>\$ 176,583</u> |

NOTE 14 – OPERATING EXPENSES BY OBJECT

In accordance with requirements set forth by the Ohio Board of Regents, the university reports operating expenses by functional classification on the Statement of Revenues, Expenses and Other Changes in Net Position. Operating expenses by object for the primary institution for the years ended June 30, 2013 and 2012 are summarized as follows:

Notes to Financial Statements – Years Ended June 30, 2013 and 2012
(dollars in thousands)

Year Ended June 30, 2013

| | Primary Institution | | | | Total |
|------------------------------------|---------------------------------|-----------------------------|------------------------------------|--------------|--------------|
| | Compensation and Benefits | Supplies and Services | Scholarships and Fellowships | Depreciation | |
| Instruction | \$ 794,042 | \$ 112,297 | \$ - | \$ - | \$ 906,339 |
| Separately budgeted research | 274,865 | 139,120 | - | - | 413,985 |
| Public service | 73,476 | 23,102 | - | - | 96,578 |
| Academic support | 134,030 | 36,112 | - | - | 170,142 |
| Student services | 71,901 | 22,336 | - | - | 94,237 |
| Institutional support | 159,208 | 112,529 | - | - | 271,737 |
| Operation and maintenance of plant | 32,224 | 61,543 | - | - | 93,767 |
| Scholarships and fellowships | 7,517 | 961 | 102,886 | - | 111,364 |
| Auxiliary enterprises | 140,533 | 101,843 | - | - | 242,376 |
| OSU Health System | 977,766 | 818,815 | - | - | 1,796,581 |
| Depreciation | - | - | - | 257,606 | 257,606 |
| Total operating expenses | \$ 2,665,564 | \$ 1,428,657 | \$ 102,886 | \$ 257,606 | \$ 4,454,712 |

Year Ended June 30, 2012

| | Primary Institution | | | | Total |
|------------------------------------|--------------------------|----------------------|-----------------------------|--------------|--------------|
| | Compensation Benefits | Supplies Services | Scholarships Fellowships | Depreciation | |
| Instruction | \$ 803,848 | \$ 71,952 | \$ - | \$ - | \$ 875,800 |
| Separately budgeted research | 272,539 | 156,737 | - | - | 429,276 |
| Public service | 72,013 | 26,673 | - | - | 98,686 |
| Academic support | 124,659 | 38,124 | - | - | 162,783 |
| Student services | 68,026 | 22,467 | - | - | 90,493 |
| Institutional support | 150,265 | 67,383 | - | - | 217,648 |
| Operation and maintenance of plant | 35,413 | 67,682 | - | - | 103,095 |
| Scholarships and fellowships | 7,216 | 3,484 | 100,048 | - | 110,748 |
| Auxiliary enterprises | 137,027 | 102,543 | - | - | 239,570 |
| OSU Health System | 986,718 | 710,910 | - | - | 1,697,628 |
| Depreciation | - | - | - | 236,180 | 236,180 |
| Total operating expenses | \$ 2,657,725 | \$ 1,267,955 | \$ 100,048 | \$ 236,180 | \$ 4,261,907 |

NOTE 15 — RETIREMENT PLANS

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

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

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

Defined Benefit Plans

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

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

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

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

OPERS currently provides post-employment health care benefits to retirees with ten or more years of qualifying service credit. These benefits are advance-funded on an actuarially determined basis and are financed through employer contributions and investment earnings. OPERS determines the amount, if any, of the associated health care costs that will be absorbed by OPERS. Under the Ohio Revised Code (ORC), funding for medical costs paid from the funds of OPERS is included in the employer contribution rate. For calendar year 2012, OPERS allocated 4.0% of the employer contribution rate to fund the health care program for retirees, and this rate was reduced to 1% for calendar year 2013 as recommended by the OPERS actuary.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012 with a transition plan commencing January 1, 2014. OPERS expects to be able to allocate on a consistent basis 4% of employer contributions toward the health care fund after the end of the transition period.

STRS Ohio currently provides access to health care coverage to retirees who participated in the deferred benefit or combined plans and their dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Pursuant to ORC, STRS Ohio has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care costs in the form of monthly premiums. Under ORC, medical costs paid from the funds of STRS Ohio are included in the employer contribution rate. For the fiscal year ended June 30, 2012, STRS Ohio allocated employer contributions equal to 1% of covered payroll for post-employment health care.

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

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

Defined Contribution Plans

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

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

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

Combined Plans

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

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

OPERS currently provides post-employment 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 calendar year 2012,

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

OPERS allocated 6.05% of the employer contribution rate to fund the health care program for retirees, and this rate was reduced to 1% for calendar year 2013 as recommended by the OPERS actuary.

Funding Policy

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

| | STRS Ohio | OPERS | ARP |
|---------------------------|-----------|--------|----------|
| Faculty: | | | |
| Plan member (entire year) | 10.00% | | 10.00% |
| university (entire year) | 14.00% | | 14.00%* |
| Staff: | | | |
| Plan member (entire year) | | 10.00% | 10.00% |
| university (entire year) | | 14.00% | 14.00%** |
| Law Enforcement: | | | |
| Plan member (entire year) | | 12.10% | 12.10% |
| university (entire year) | | 18.10% | 17.33%** |

* Employer contributions include 3.5% paid to STRS Ohio.

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

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

The university's contributions, which represent 100% of required employer contributions, for the year ended June 30, 2013 and for each of the two preceding years are as follows:

| Year Ended June 30, | STRS Ohio Annual Required Contribution | OPERS Annual Required Contribution | ARP Annual Required Contribution |
|---------------------|--|------------------------------------|----------------------------------|
| 2011 | \$54,725 | \$148,120 | \$40,835 |
| 2012 | \$58,006 | \$153,118 | \$43,523 |
| 2013 | \$61,667 | \$159,903 | \$47,062 |

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

OSU Physicians Retirement Plan

Retirement benefits are provided for the employees of OSUP through a tax-sheltered 403(b) and 401(a) program administered by an insurance company. OSUP is required to make nondiscretionary contributions of no less than 7.5% under the Interim Retirement Plan; however, some subsidiaries make an additional discretionary contribution of up to 17.5%, for a range of total employer contributions of 7.5% to 25%. Employees are allowed, but not required, to make contributions to the 403(b) plan. OSUP's share of the cost of these benefits was \$3,850 and \$7,119 for the years ended June 30, 2013 and 2012, respectively.

Employee contributions were \$1,096 and \$1,895 for the years ended June 30, 2013 and 2012. The reduction in Fiscal Year 2013 was directly related to physician integration into the Faculty Practice Group.

NOTE 16 — CAPITAL PROJECT COMMITMENTS

At June 30, 2013, the university is committed to future contractual obligations for capital expenditures of approximately \$750,682.

These projects are funded by the following sources:

| | |
|----------------------------|-------------------|
| State appropriations | \$ 41,212 |
| Internal and other sources | <u>709,470</u> |
| Total | <u>\$ 750,682</u> |

NOTE 17 — CONTINGENCIES AND RISK MANAGEMENT

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

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

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

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

NOTE 18 — PARKING LEASE AND CONCESSION AGREEMENT

On September 21, 2012, the university entered into a 50-year lease and concession agreement with QIC Global Infrastructure (QIC GI). CampusParc LP, a QIC GI affiliate, owns and operates the university's parking concession on QIC GI's behalf. Under the agreement, CampusParc will operate, maintain and retain parking revenues from the university's parking lots and garages. This agreement also regulates the parking rates that may be charged and future increases in these rates. The university received lump-sum payments totaling \$483,000 from QIC GI and used the proceeds to establish endowment funds, with income distributions internally designated to support student scholarships, faculty initiatives and research, transportation and sustainability and the university arts district. The university reports the parking lots and garages as capital assets with a carrying amount of \$124,009 at June 30, 2013 and reports a deferred inflow of resources in the amount of \$474,332 at June 30, 2013, pursuant to the service concession arrangement.

NOTE 19 – COMBINING INFORMATION FOR BLENDED COMPONENT UNITS

As indicated in the Basis of Presentation in Note 1, the university consolidates certain component units in a blended presentation. Condensed combining financial information for the years ended June 30, 2013 and 2012 is presented below.

Notes to Financial Statements – Years Ended June 30, 2013 and 2012
(dollars in thousands)

Condensed Combining Information – Year Ended June 30, 2013

| | OSU Foundation | OSU Health Plan | Oval Limited |
|--|-------------------|--------------------|------------------|
| Condensed statements of net position: | | | |
| Current assets | \$ 36,509 | \$ 3,076 | \$ 50,207 |
| Capital assets, net | 3,853 | (6) | - |
| Other assets | 711,372 | 586 | - |
| Amounts receivable from the university | - | - | - |
| Deferred outflows | - | - | - |
| Total assets and deferred inflows | <u>\$ 751,734</u> | <u>\$ 3,656</u> | <u>\$ 50,207</u> |
| Current liabilities | \$ 6,760 | \$ 129 | \$ 3,046 |
| Noncurrent liabilities | 33,272 | - | 35,313 |
| Amounts payable to the university | 137 | - | - |
| Deferred inflows | - | - | - |
| Total liabilities and deferred inflows | <u>40,169</u> | <u>129</u> | <u>38,359</u> |
| Invested in capital assets, net of related debt | 7,934 | - | - |
| Restricted: | | | |
| Nonexpendable | 587,508 | - | - |
| Expendable | 120,994 | - | - |
| Unrestricted | (4,871) | 3,527 | 11,848 |
| Total net position | <u>711,565</u> | <u>3,527</u> | <u>11,848</u> |
| Total liabilities, deferred inflows and net position | <u>\$ 751,734</u> | <u>\$ 3,656</u> | <u>\$ 50,207</u> |

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

| | OSU Foundation | OSU Health Plan | Oval Limited |
|--|-------------------|--------------------|------------------|
| Condensed statements of revenues, expenses and changes in net position: | | | |
| Operating revenues: | | | |
| Grants and contracts | \$ - | \$ - | \$ - |
| Sales and services of OSU Physicians | - | - | - |
| Other sales, services and rental income | 768 | 12,376 | (986) |
| Other operating | - | - | - |
| Total operating revenues | <u>768</u> | <u>12,376</u> | <u>(986)</u> |
| Operating expenses, excluding depreciation | 5,295 | 11,660 | 169 |
| Depreciation expense | 228 | - | - |
| Total operating expenses | <u>5,522</u> | <u>11,660</u> | <u>169</u> |
| Net operating income (loss) | (4,755) | 716 | (1,155) |
| Non-operating revenues and expenses: | | | |
| Gifts for current use | 122,208 | - | - |
| Net investment income (loss) | 71,420 | - | 1,837 |
| Interest expense | - | - | - |
| Other non-operating revenue (expense) | - | (137) | - |
| Net non-operating revenue (expense) | <u>193,628</u> | <u>(137)</u> | <u>1,837</u> |
| Capital contributions and additions to permanent endowments | 96,653 | - | - |
| Transfers from (to) the university | <u>(168,878)</u> | <u>-</u> | <u>-</u> |
| Change in net position | 116,648 | 579 | 682 |
| Beginning net position | 594,916 | 2,948 | 11,166 |
| Ending net position | <u>\$ 711,565</u> | <u>\$ 3,527</u> | <u>\$ 11,848</u> |
| Condensed statements of cash flows: | | | |
| Net cash provided (used) by: | | | |
| Operating activities | \$ (4,176) | \$ 682 | \$ (1,280) |
| Noncapital financing activities | (23,978) | - | - |
| Capital and related financing activities | 41,176 | (136) | - |
| Investing activities | (13,036) | 6 | (1,492) |
| Net increase (decrease) in cash | <u>(14)</u> | <u>552</u> | <u>(2,772)</u> |
| Beginning cash and cash equivalents | 2,562 | 2,077 | 12,291 |
| Ending cash and cash equivalents | <u>\$ 2,548</u> | <u>\$ 2,629</u> | <u>\$ 9,519</u> |

Notes to Financial Statements – Years Ended June 30, 2013 and 2012
(dollars in thousands)

Condensed Combining Information – Year Ended June 30, 2012

| | OSU Foundation | OSU Health Plan | Oval Limited |
|--|-------------------|--------------------|-----------------|
| Condensed statements of net position: | | | |
| Current assets | 28,975 | 2,524 | 46,312 |
| Capital assets, net | 4,081 | (5) | - |
| Other assets | 600,294 | 593 | - |
| Amounts receivable from the university | 804 | - | - |
| Deferred outflows | - | - | - |
| Total assets and deferred inflows | <u>634,153</u> | <u>3,111</u> | <u>46,312</u> |
| Current liabilities | 5,288 | 163 | 43 |
| Noncurrent liabilities | 33,647 | - | 35,103 |
| Amounts payable to the university | 302 | - | - |
| Deferred inflows | - | - | - |
| Total liabilities and deferred inflows | <u>39,237</u> | <u>163</u> | <u>35,146</u> |
| Invested in capital assets, net of related debt | 4,081 | - | - |
| Restricted: | | | |
| Nonexpendable | 509,066 | - | - |
| Expendable | 81,871 | - | - |
| Unrestricted | (101) | 2,948 | 11,166 |
| Total net position | <u>594,916</u> | <u>2,948</u> | <u>11,166</u> |
| Total liabilities, deferred inflows and net position | <u>634,153</u> | <u>3,111</u> | <u>46,312</u> |

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

| | OSU Foundation | OSU Health Plan | Oval Limited |
|--|-------------------|--------------------|-----------------|
| Condensed statements of revenues, expenses and changes in net position: | | | |
| Operating revenues: | | | |
| Grants and contracts | - | - | - |
| Sales and services of OSU Physicians | - | - | - |
| Other sales, services and rental income | 2,216 | 12,674 | 1,884 |
| Other operating | - | - | - |
| Total operating revenues | 2,216 | 12,674 | 1,884 |
| Operating expenses, excluding depreciation | 4,854 | 11,723 | 152 |
| Depreciation expense | 228 | - | - |
| Total operating expenses | 5,082 | 11,723 | 152 |
| Net operating income (loss) | (2,866) | 951 | 1,733 |
| Non-operating revenues and expenses: | | | |
| Gifts for current use | 139,599 | - | - |
| Net investment income (loss) | 10,662 | (2) | 219 |
| Interest expense | - | - | - |
| Other non-operating revenue (expense) | - | 3,375 | - |
| Net non-operating revenue (expense) | 150,261 | 3,373 | 219 |
| Capital contributions and additions to permanent endowments | 60,262 | - | - |
| Transfers from (to) the university | (171,156) | (9) | - |
| Change in net position | 36,501 | 4,316 | 1,951 |
| Beginning net position | 558,416 | (1,367) | 9,215 |
| Ending net position | 594,916 | 2,948 | 11,166 |
| Condensed statements of cash flows: | | | |
| Net cash provided (used) by: | | | |
| Operating activities | (356) | 1,085 | 1,544 |
| Noncapital financing activities | (13,875) | (9) | - |
| Capital and related financing activities | 19,072 | 3,381 | - |
| Investing activities | (5,243) | (595) | (1,454) |
| Net increase (decrease) in cash | (402) | 3,862 | 90 |
| Beginning cash and cash equivalents | 2,964 | (1,786) | 12,201 |
| Ending cash and cash equivalents | 2,562 | 2,077 | 12,291 |

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

NOTE 20 – COMBINING INFORMATION FOR DISCRETELY PRESENTED COMPONENT UNITS

As indicated in the Basis of Presentation in Note 1, the university consolidates certain component units in a discrete presentation. Condensed combining financial information for the years ended June 30, 2013 and 2012 is presented below.

Condensed Combining Information – Year Ended June 30, 2013

| | OSU Physicians | Campus Partners | Transportation Research Center | Dental Faculty Practice Plan |
|--|-------------------|--------------------|--------------------------------------|------------------------------------|
| Condensed statements of net position: | | | | |
| Current assets | \$ 97,054 | \$ 9,488 | \$ 8,275 | \$ 1,069 |
| Capital assets, net | 29,731 | 49,573 | 633 | 225 |
| Other assets | 1,843 | 1,643 | - | - |
| Amounts receivable from the university | 10,275 | - | 3,535 | - |
| Deferred outflows | - | - | - | - |
| Total assets and deferred inflows | <u>\$ 138,904</u> | <u>\$ 60,705</u> | <u>\$ 12,443</u> | <u>\$ 1,294</u> |
| Current liabilities | \$ 18,957 | \$ 3,229 | \$ 3,596 | \$ 115 |
| Noncurrent liabilities | 18,637 | 168 | - | - |
| Amounts payable to the university | 22,862 | 70,438 | - | - |
| Deferred inflows | - | - | - | - |
| Total liabilities and deferred inflows | <u>60,457</u> | <u>73,835</u> | <u>3,596</u> | <u>115</u> |
| Invested in capital assets, net of related debt | 3,016 | 49,448 | - | - |
| Restricted: | | | | |
| Nonexpendable | - | - | - | - |
| Expendable | - | - | - | - |
| Unrestricted | 75,431 | (62,579) | 8,846 | 1,179 |
| Total net position | <u>78,447</u> | <u>(13,130)</u> | <u>8,846</u> | <u>1,179</u> |
| Total liabilities, deferred inflows and net position | <u>\$ 138,904</u> | <u>\$ 60,705</u> | <u>\$ 12,443</u> | <u>\$ 1,294</u> |

Notes to Financial Statements – Years Ended June 30, 2013 and 2012
(dollars in thousands)

| | OSU Physicians | Campus Partners | Transportation Research Center | Dental Faculty Practice Plan |
|--|-------------------|--------------------|--------------------------------------|------------------------------------|
| Condensed statements of revenues, expenses and changes in net position: | | | | |
| Operating revenues: | | | | |
| Grants and contracts | \$ - | \$ 10,811 | \$ 50,420 | \$ - |
| Sales and services of OSU Physicians | 331,817 | - | - | - |
| Other sales, services and rental income | - | 941 | - | 7,354 |
| Other operating | - | - | - | - |
| Total operating revenues | 331,817 | 11,753 | 50,420 | 7,354 |
| Operating expenses, excluding depreciation | 316,080 | 8,535 | 50,105 | 4,877 |
| Depreciation expense | 4,317 | 2,380 | 419 | - |
| Total operating expenses | 320,398 | 10,915 | 50,524 | 4,877 |
| Net operating income (loss) | 11,419 | 838 | (104) | 2,478 |
| Non-operating revenues and expenses: | | | | |
| Gifts for current use | - | - | - | - |
| Net investment income (loss) | 239 | - | 131 | - |
| Interest expense | (713) | - | - | - |
| Other non-operating revenue (expense) | 2,115 | 10,440 | - | - |
| Net non-operating revenue (expense) | 1,641 | 10,440 | 131 | - |
| Capital contributions and additions to permanent endowments | - | - | - | - |
| Transfers from (to) the university | (7,895) | (3,374) | (1,589) | (3,110) |
| Change in net position | 5,165 | 7,904 | (1,562) | (632) |
| Beginning net position | 73,282 | (21,035) | 10,408 | 1,811 |
| Ending net position | \$ 78,447 | \$ (13,130) | \$ 8,846 | \$ 1,179 |
| Condensed statements of cash flows: | | | | |
| Net cash provided (used) by: | | | | |
| Operating activities | \$ 16,364 | \$ 1,913 | \$ 546 | \$ 2,457 |
| Noncapital financing activities | (8,670) | 32,327 | (1,734) | (3,110) |
| Capital and related financing activities | (933) | (34,296) | (565) | - |
| Investing activities | 3,591 | - | 131 | 521 |
| Net increase (decrease) in cash | 10,352 | (56) | (1,621) | (132) |
| Beginning cash and cash equivalents | 35,933 | 5,321 | 2,327 | 371 |
| Ending cash and cash equivalents | \$ 46,285 | \$ 5,265 | \$ 706 | \$ 239 |

Notes to Financial Statements – Years Ended June 30, 2013 and 2012
(dollars in thousands)

Condensed Combining Information – Year Ended June 30, 2012

| | OSU Physicians | Campus Partners | Transportation Research Center | Dental Faculty Practice Plan |
|--|-------------------|--------------------|--------------------------------------|------------------------------------|
| Condensed statements of net position: | | | | |
| Current assets | \$ 92,605 | \$ 7,665 | \$ 10,825 | \$ 1,708 |
| Capital assets, net | 31,965 | 49,893 | 797 | 225 |
| Other assets | 5,464 | 2,713 | - | - |
| Amounts receivable from the university | 6,440 | - | 3,390 | - |
| Deferred outflows | - | - | - | - |
| Total assets and deferred inflows | <u>\$ 136,474</u> | <u>\$ 60,272</u> | <u>\$ 15,012</u> | <u>\$ 1,934</u> |
| Current liabilities | \$ 21,497 | \$ 25,696 | \$ 4,272 | \$ 123 |
| Noncurrent liabilities | 19,779 | 10,433 | 332 | - |
| Amounts payable to the university | 21,917 | 45,178 | - | - |
| Deferred inflows | - | - | - | - |
| Total liabilities and deferred inflows | <u>63,192</u> | <u>81,306</u> | <u>4,604</u> | <u>123</u> |
| Invested in capital assets, net of related debt | 5,400 | 17,533 | - | - |
| Restricted: | | | | |
| Nonexpendable | - | - | - | - |
| Expendable | - | - | - | - |
| Unrestricted | <u>67,882</u> | <u>(38,568)</u> | <u>10,408</u> | <u>1,811</u> |
| Total net position | <u>73,282</u> | <u>(21,035)</u> | <u>10,408</u> | <u>1,811</u> |
| Total liabilities, deferred inflows and net position | <u>\$ 136,474</u> | <u>\$ 60,272</u> | <u>\$ 15,012</u> | <u>\$ 1,934</u> |

Notes to Financial Statements – Years Ended June 30, 2013 and 2012
(dollars in thousands)

| | OSU Physicians | Campus Partners | Transportation Research Center | Dental Faculty Practice Plan |
|--|-------------------|--------------------|--------------------------------------|------------------------------------|
| Condensed statements of revenues, expenses and changes in net position: | | | | |
| Operating revenues: | | | | |
| Grants and contracts | \$ - | \$ 11,874 | \$ 44,404 | \$ - |
| Sales and services of OSU Physicians | 302,802 | - | - | - |
| Other sales, services and rental income | 986 | 963 | 463 | 7,256 |
| Other operating | - | - | - | - |
| Total operating revenues | 303,788 | 12,837 | 44,867 | 7,256 |
| Operating expenses, excluding depreciation | 285,446 | 11,028 | 42,210 | 4,242 |
| Depreciation expense | 4,178 | 1,601 | 431 | - |
| Total operating expenses | 289,624 | 12,629 | 42,641 | 4,242 |
| Net operating income (loss) | 14,164 | 208 | 2,226 | 3,014 |
| Non-operating revenues and expenses: | | | | |
| Gifts for current use | - | - | - | - |
| Net investment income (loss) | 866 | - | 127 | - |
| Interest expense | (764) | (2,505) | - | - |
| Other non-operating revenue (expense) | - | (27) | - | - |
| Net non-operating revenue (expense) | 102 | (2,532) | 127 | - |
| Capital contributions and additions to permanent endowments | - | - | - | - |
| Transfers from (to) the university | (6,455) | 1,456 | (2,222) | (2,640) |
| Change in net position | 7,811 | (868) | 131 | 374 |
| Beginning net position | 65,471 | (20,167) | 10,277 | 1,437 |
| Ending net position | \$ 73,282 | \$ (21,035) | \$ 10,408 | \$ 1,811 |
| Condensed statements of cash flows: | | | | |
| Net cash provided (used) by: | | | | |
| Operating activities | \$ 9,210 | \$ 1,700 | \$ 3,517 | \$ 2,999 |
| Noncapital financing activities | 566 | 15,241 | (2,365) | (2,640) |
| Capital and related financing activities | (5,835) | (16,900) | (463) | (225) |
| Investing activities | (10,886) | - | 127 | (36) |
| Net increase (decrease) in cash | (6,945) | 41 | 816 | 97 |
| Beginning cash and cash equivalents | 42,878 | 5,280 | 1,511 | 274 |
| Ending cash and cash equivalents | \$ 35,933 | \$ 5,321 | \$ 2,327 | \$ 371 |

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

NOTE 21 – SEGMENT INFORMATION

A segment is an identifiable activity for which one or more revenue bonds are outstanding. A segment has a specific identifiable revenue stream pledged in support of revenue bonds or other revenue-backed debt and has related expenses, gains, losses, assets and liabilities that can be identified. The university has one segment that meets the GASB reporting requirements.

The Office of Student Life operates student housing, dining and recreational sports facilities on the university's main and regional campuses. In January 2013, the university issued \$337,955 of Special Purpose General Receipts Bonds, Series 2013A. These bonds are solely payable from, and secured by, a pledge of the gross revenues of Special Purpose Revenue Facilities. Special Purpose Revenue Facilities are defined in the Series 2013 Supplement as all housing and dining facilities and such auxiliary facilities as shall constitute recreation facilities owned by the university. Special Purpose Pledged Revenues include all revenues, fees, rentals, rates, charges, insurance proceeds and other moneys derived from the ownership or operation of these facilities. Special Purpose Pledged Revenues totaled \$147,956 and \$137,307 for the years ended June 30, 2013 and 2012, respectively.

Condensed financial information for the Special Purpose Revenue Facilities, before the elimination of certain intra-university transactions, as of and for the years ended June 30, 2013 and 2012 is as follows:

Notes to Financial Statements – Years Ended June 30, 2013 and 2012
(dollars in thousands)

Segment Disclosure Information – Year Ended June 30, 2013

| | 2013 | 2012 |
|--|-------------------|-------------------|
| Condensed Statement of Net Position | | |
| Assets and deferred outflows: | | |
| Current assets | \$ 33,264 | \$ 26,345 |
| Capital assets | 419,281 | 354,653 |
| Other assets | - | - |
| Amounts receivable from the university | - | - |
| Deferred outflows | - | - |
| Total assets and deferred inflows | <u>\$ 452,545</u> | <u>\$ 380,999</u> |
| Liabilities and deferred inflows: | | |
| Current liabilities | \$ 5,644 | \$ 5,166 |
| Noncurrent liabilities | - | - |
| Amounts payable to the university | 293,147 | 303,905 |
| Deferred inflows | - | - |
| Total liabilities and deferred inflows | <u>298,790</u> | <u>309,071</u> |
| Net position: | | |
| Invested in capital assets, net of related debt | 126,135 | 50,748 |
| Restricted: | | |
| Nonexpendable | - | - |
| Expendable | - | - |
| Unrestricted | 27,620 | 21,179 |
| Total net position | <u>153,754</u> | <u>71,928</u> |
| Total liabilities, deferred inflows and net position | <u>\$ 452,545</u> | <u>\$ 380,999</u> |
| Condensed Statement of Revenues, Expenses and Changes in Net Position | | |
| Special-purpose pledged revenues - operating | \$ 147,956 | \$ 137,307 |
| Operating expenses, excluding depreciation | (116,060) | (110,852) |
| Depreciation expense | (16,375) | (11,387) |
| Operating income | 15,521 | 15,068 |
| Nonoperating revenues, net | (13,569) | (13,910) |
| Net income (loss) before transfers | 1,952 | 1,158 |
| Transfers from (to) other university units, net | 79,874 | 96,009 |
| Increase (decrease) in net assets | 81,827 | 97,167 |
| Beginning net position | 71,928 | (25,240) |
| Ending net position | <u>\$ 153,754</u> | <u>\$ 71,928</u> |
| Condensed Statement of Cash Flows | | |
| Net cash provided (used) by: | | |
| Operating activities | \$ 29,370 | \$ 20,066 |
| Noncapital financing activities | - | - |
| Capital and related financing activities | (21,409) | (13,211) |
| Investing activities | 105 | 120 |
| Net increase (decrease) in cash | 8,066 | 6,976 |
| Beginning cash and cash equivalents | 23,695 | 16,719 |
| Ending cash and cash equivalents | <u>\$ 31,762</u> | <u>\$ 23,695</u> |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Federal Expenditures |
|---|---|-------------------------|
| Research and Development Cluster — | | |
| Funds received directly from the following agencies | | |
| Department of Agriculture | | |
| 10.001 | USDA Forest Service | \$ 5,247 |
| 10.001 | USDA Agricultural Res Service | 1,303,675 |
| 10.025 | Animal & Plant Health Inspection Service | 573,782 |
| 10.163 | Agricultural Marketing Service | 20,527 |
| 10.168 | Agricultural Marketing Service | 36,483 |
| 10.200 | National Institute of Food & Agriculture | 444,091 |
| 10.202 | Cooperative Forestry Research | 650,361 |
| 10.203 | Payments to Agriculture Experiment Stations | 6,990,255 |
| 10.206 | National Institute of Food & Agriculture | 228,496 |
| 10.206 | Nat Res Init Competitive Grants Program | 42,005 |
| 10.207 | Animal Health & Disease Research | 31,315 |
| 10.207 | National Institute of Food & Agriculture | 12,712 |
| 10.210 | National Institute of Food & Agriculture | 9,410 |
| 10.217 | National Institute of Food & Agriculture | 186,590 |
| 10.219 | National Institute of Food & Agriculture | 187,948 |
| 10.220 | National Institute of Food & Agriculture | 50,119 |
| 10.226 | National Institute of Food & Agriculture | 45,489 |
| 10.250 | Economic Res Service | 15,335 |
| 10.290 | USDA Office of the Chief Economist | 35,187 |
| 10.303 | National Institute of Food & Agriculture | 1,697,326 |
| 10.305 | National Institute of Food & Agriculture | (2,099) |
| 10.307 | National Institute of Food & Agriculture | 772,686 |
| 10.309 | National Institute of Food & Agriculture | 438,932 |
| 10.310 | National Institute of Food & Agriculture | 2,177,652 |
| 10.311 | National Institute of Food & Agriculture | 38,624 |
| 10.312 | National Institute of Food & Agriculture | 886,760 |
| 10.314 | National Institute of Food & Agriculture | 125,357 |
| 10.40020000 | USDA Forest Service | 175,294 |
| 10.40040200 | USDA Agricultural Res Service | 85 |
| 10.445 | USDA Forest Service | 85,810 |
| 10.500 | National Institute of Food & Agriculture | 396,593 |
| 10.500 | Cooperative Extension Service | 13,193,270 |
| 10.500 | National Institute of Food & Agriculture | 245,081 |
| 10.614 | USDA Foreign Ag Serve | 10,871 |
| 10.652 | USDA Forest Service | 44,315 |
| 10.680 | USDA Forest Service | 30,721 |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Federal Expenditures |
|--|---|-------------------------|
| Research and Development Cluster — | | |
| Funds received directly from the following agencies | | |
| 10.771 | USDA Rural Development | 171,310 |
| 10.912 | Natural Resources Conservation Service | 228,832 |
| 10.960 | USDA Foreign Ag Serve | 125,842 |
| 10.961 | USDA Foreign Ag Serve | 54,206 |
| 10.962 | USDA Foreign Ag Serve | (131) |
| Total Department of Agriculture Direct Awards | | 31,766,364 |
| Department of Commerce | | |
| 11.417 | Nat Oceanic & Atmospheric Admin | 1,810,237 |
| 11.431 | Nat Oceanic & Atmospheric Admin | 94,128 |
| 11.609 | Nat Inst of Standards & Tech | 48,853 |
| Total Department of Commerce Direct Awards | | 1,953,218 |
| Department of Defense | | |
| 12.300 | Office of Naval Res | 1,186,348 |
| 12.300 | Nav Postgraduate School | 43,671 |
| 12.351 | Defense Threat Reduction Agency | 1,053,823 |
| 12.420 | Army Medical Res & Materiel Command | 49,684 |
| 12.420 | Army Medical Res Acquisition Activity | 2,131,943 |
| 12.431 | Army | 70,669 |
| 12.431 | Army Research, Development and Eng Cmd | 642,084 |
| 12.431 | Army Res Office | 1,902,518 |
| 12.50000100 | Secretary of Defense Historical Office | 38,478 |
| 12.50010000 | Air Force | (1,678) |
| 12.50010100 | Air Force Materiel Command | (2) |
| 12.50010105 | Air Force Office of Scientific Res | 170,919 |
| 12.50010126 | Air Force Research Laboratory | 3,360,944 |
| 12.50010201 | Air Force Institute of Technology | 8,285 |
| 12.50020100 | Army Corps of Engineers | 444,567 |
| 12.50020106 | Humphreys Engineer Ctr Support Activity | (5,772) |
| 12.50020400 | Army Res Office | 5,881 |
| 12.50040000 | Navy | 9,205 |
| 12.50040600 | Naval Medical Center San Diego | 41,328 |
| 12.50041004 | Naval Health Research Center | 74,304 |
| 12.50070001 | US Special Operations Command | 215,806 |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Federal Expenditures |
|--|---|-------------------------|
| Research and Development Cluster — | | |
| Funds received directly from the following agencies | | |
| 12.50080000 | Nat Geospatial-Intelligence Agcy | 211,412 |
| 12.50140000 | Nat Security Agency | 340,589 |
| 12.630 | Army Aviation Applied Tech Directorate | 175,534 |
| 12.630 | Nat Geospatial-Intelligence Agcy | 178,438 |
| 12.750 | Uniformed Services Univ Health Sciences | 281,475 |
| 12.800 | Air Force Office of Scientific Res | 5,695,408 |
| 12.800 | Air Force Research Laboratory | 207,841 |
| 12.800 | Air Force Academy | 702,342 |
| 12.901 | Nat Security Agency | 9,363 |
| 12.902 | Nat Security Agency | 22,042 |
| 12.910 | Space & Naval Warfare Systems Ctr | 728,549 |
| Total Department of Defense Direct Awards | | 19,995,998 |
| Department of Housing and Urban Development | | |
| 14.516 | Dept of Housing & Urban Dev | (130) |
| Total Department of Housing and Urban Development Direct Awards | | (130) |
| Department of the Interior | | |
| 15.608 | US Fish and Wildlife Service | 25,770 |
| 15.637 | US Fish and Wildlife Service | 28,131 |
| 15.647 | US Fish and Wildlife Service | 12,226 |
| 15.650 | US Fish and Wildlife Service | 112,098 |
| 15.72040000 | US Geological Survey | 17,405 |
| 15.805 | US Geological Survey | 102,401 |
| 15.808 | US Geological Survey | 31,942 |
| Total Department of the Interior Direct Awards | | 329,973 |
| Department of Labor | | |
| 17.502 | Occupational Safety & Health Admin | 5,574 |
| Total Department of Labor Direct Awards | | 5,574 |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Federal Expenditures |
|--|--|-------------------------|
| Research and Development Cluster — | | |
| Funds received directly from the following agencies | | |
| Department of State | | |
| 19.408 | Bureau of Educ & Cultural Affairs | 1,173,947 |
| Total Department of State | | 1,173,947 |
| Department of Transportation | | |
| 20.108 | Federal Aviation Administration | 377,130 |
| 20.109 | Federal Aviation Administration | 2,698 |
| 20.215 | Federal Highway Administration | 2,670 |
| 20.514 | Federal Transit Administration | 236,961 |
| 20.82040000 | Nat Highway Traffic Safety Admin | 429,704 |
| Total Department of Transportation Direct Awards | | 1,049,163 |
| National Aeronautics and Space Administration | | |
| unknown | Goddard Space Flight Center | 102,748 |
| 43.001 | Nat Aeronautics & Space Admin | 432,346 |
| 43.001 | NASA Headquarters | 1,701,706 |
| 43.002 | John Glenn Research Center-Lewis Field | 64,261 |
| 43.002 | NASA Headquarters | 1,194,178 |
| 43.002 | Goddard Space Flight Center | 99,163 |
| 43.008 | Nat Aeronautics & Space Admin | 38,851 |
| 43.008 | NASA Headquarters | 154,360 |
| 43.009 | Nat Aeronautics & Space Admin | 132,690 |
| 43.330 | Nat Aeronautics & Space Admin | 56,484 |
| 43.33000303 | Jet Propulsion Lab | 135,614 |
| 43.AAA | Nat Aeronautics & Space Admin | 131,077 |
| 43.AAA | John Glenn Research Center-Lewis Field | 24,923 |
| 43.AAA | NASA Headquarters | 78,724 |
| Total National Aeronautics and Space Administration Direct Awards | | 4,347,125 |
| National Endowment for the Humanities | | |
| 45.149 | National Endowment For The Humanities | 44,211 |
| 45.161 | National Endowment For The Humanities | 69,532 |
| 45.169 | National Endowment For The Humanities | 25,544 |
| 45.301 | Institute Of Museum And Library Services | 32,018 |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Federal Expenditures |
|--|---|-------------------------|
| Research and Development Cluster — | | |
| Funds received directly from the following agencies | | |
| Total National Endowment for the Humanities Direct Awards | | 171,305 |
| National Science Foundation | | |
| 47.041 | Nat Science Foundation | 27,010 |
| 47.041 | NSF Div Info Robotics & Intelligent Systems | 59,281 |
| 47.041 | NSF Engineering | 89,994 |
| 47.041 | NSF Div Engineering Education & Centers | 3,205,023 |
| 47.041 | NSF DIV Elect, Comm, & CyberSystems | 810,367 |
| 47.041 | NSF Div Chem, Bioeng, Environ, & Trnsp S | 2,186,326 |
| 47.041 | NSF Div Civil, Mechanical & Manufact Innv | 1,856,765 |
| 47.041 | NSF Industrial Innovation & Partnerships | 953,403 |
| 47.049 | Nat Science Foundation | (103,190) |
| 47.049 | NSF DIV Elect, Comm, & CyberSystems | 2,249 |
| 47.049 | NSF Div Design & Manufacturing Innovation | 104,942 |
| 47.049 | NSF Div Mathematical Sciences | 6,298,762 |
| 47.049 | NSF Div Physics | 1,553,733 |
| 47.049 | NSF Div Chemistry | 2,304,016 |
| 47.049 | NSF Div Materials Research | 3,898,714 |
| 47.049 | NSF Div Astronomical Sciences | 1,184,714 |
| 47.050 | Nat Science Foundation | 18,063 |
| 47.050 | NSF Geosciences | 174,515 |
| 47.050 | NSF Div Atmospheric Sciences | 242,674 |
| 47.050 | NSF Div Earth Sciences | 898,280 |
| 47.050 | NSF Div Ocean Sciences | 279,291 |
| 47.050 | NSF Div Mathematical Sciences | 28,071 |
| 47.070 | NSF Computer & Info Sciences & Eng | 243,787 |
| 47.070 | NSF Div Info Robotics & Intelligent Systems | 841,422 |
| 47.070 | NSF Div of Computer & Network Systems | 1,309,873 |
| 47.070 | NSF Div Computing & Communication Fdn | 2,031,608 |
| 47.070 | NSF Social, Behavioral & Economic Res | 341,395 |
| 47.074 | NSF Biological Sciences | 207,516 |
| 47.074 | NSF Integrative Organismal Biology | 2,567,172 |
| 47.074 | NSF Molecular & Cellular Biosciences | 2,480,287 |
| 47.074 | NSF Environmental Biology | 629,258 |
| 47.074 | NSF Biological Infrastructure | 2,077,470 |
| 47.074 | NSF Div Emerging Frontiers | 142,036 |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Federal Expenditures |
|--|--|-------------------------|
| Research and Development Cluster — | | |
| Funds received directly from the following agencies | | |
| 47.074 | NSF Div Bioengineering & Environmental | 130,121 |
| 47.074 | NSF Div Earth Sciences | 153,127 |
| 47.074 | NSF Div Ocean Sciences | 164,709 |
| 47.075 | Nat Science Foundation | 48,927 |
| 47.075 | NSF Social & Economic Sciences | 209,310 |
| 47.075 | NSF Social, Behavioral & Economic Sci | 17,495 |
| 47.075 | NSF Social, Behavioral & Economic Res | 1,716,934 |
| 47.075 | NSF Behavioral & Cognitive Sciences | 775,518 |
| 47.076 | NSF Education & Human Resources | 730,943 |
| 47.076 | NSF Div Undergraduate Education | 1,102,885 |
| 47.076 | NSF Div Human Resource Development | 942,239 |
| 47.076 | NSF Div Graduate Educ & Res Development | 1,540,404 |
| 47.076 | NSF Div of Research on Learning | 173,398 |
| 47.078 | NSF Ofc Polar Programs | 1,652,916 |
| 47.079 | NSF Ofc of International Science & Eng | 541,081 |
| 47.080 | NSF Office of Cyberinfrastructure | 657,269 |
| 47.082 | ARRA NSF Integrative Organismal Biology | 333,637 |
| 47.082 | ARRA NSF Molecular & Cellular Biosciences | 264,362 |
| 47.082 | ARRA NSF Environmental Biology | 58,497 |
| 47.082 | ARRA NSF Biological Infrastructure | 130,044 |
| 47.082 | ARRA NSF Div Info Robotics & Intelligent Systems | 65,715 |
| 47.082 | ARRA NSF Div of Computer & Network Systems | 280,203 |
| 47.082 | ARRA NSF DIV Elect, Comm, & CyberSystems | 282,229 |
| 47.082 | ARRA NSF Div Chem, Bioeng, Environ, & Trnsp S | (5,516) |
| 47.082 | ARRA NSF Div Civil, Mechanical & Manufact Innv | (11,010) |
| 47.082 | ARRA NSF Div Earth Sciences | 53,289 |
| 47.082 | ARRA NSF Ofc Polar Programs | 209,419 |
| 47.082 | ARRA NSF Div Chemistry | 41,129 |
| 47.082 | ARRA NSF Div Materials Research | 114,099 |
| 47.082 | ARRA NSF Div Astronomical Sciences | 174,465 |
| 47.082 | ARRA NSF Social, Behavioral & Economic Res | 201,063 |
| 47.082 | ARRA NSF Office of Cyberinfrastructure | 569,660 |
| Total National Science Foundation Direct Awards | | 52,263,388 |
| | | |
| Department of Veterans Affairs | | |
| 64.30170300 | VA Nat Ctr Post Traumatic Stress Disord | 40,312 |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Federal Expenditures |
|---|--|-------------------------|
| Research and Development Cluster — Funds received directly from the following agencies | | |
| Total Department of Veterans Affairs Direct Awards | | 40,312 |
| Environmental Protection Agency | | |
| 66.320 | Environmental Protection Agency | 322,957 |
| 66.469 | Environmental Protection Agency | 2,370 |
| 66.509 | Environmental Protection Agency | 198,638 |
| 66.611 | Environmental Protection Agency | 16,281 |
| Total Environmental Protection Agency Direct Awards | | 540,246 |
| Nuclear Regulatory Commission | | |
| 77.006 | Nuclear Regulatory Commission | 42,100 |
| 77.008 | Nuclear Regulatory Commission | 560,944 |
| Total Nuclear Regulatory Commission Direct Awards | | 603,044 |
| Department of Energy | | |
| 81.049 | ARRA US Department of Energy | 236,954 |
| 81.049 | US Department of Energy | 7,904,395 |
| 81.057 | Nat Energy Tech Lab | 151,048 |
| 81.086 | Oak Ridge Nat Lab | (33,961) |
| 81.087 | US Department of Energy | 478,069 |
| 81.089 | US Department of Energy | 117,040 |
| 81.089 | Nat Energy Tech Lab | 1,443,452 |
| 81.112 | Nat Nuclear Security Admin | 126,833 |
| 81.117 | US Department of Energy | 130,899 |
| 81.117 | Nat Energy Tech Lab | 172,639 |
| 81.121 | US Department of Energy | 779,592 |
| 81.122 | ARRA US Department of Energy | 655,985 |
| 81.133 | ARRA Nat Energy Tech Lab | 28,786 |
| 81.135 | ARRA Advanced Res Projects Agency-Energy | 2,656,423 |
| 81.55180000 | Fermi National Accelerator Laboratory | 78,981 |
| Total Department of Energy Direct Awards | | 14,927,135 |
| Department of Education | | |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Federal Expenditures |
|---|---|-------------------------|
| Research and Development Cluster — | | |
| Funds received directly from the following agencies | | |
| 84.015 | US Department of Education | 1,238,482 |
| 84.133 | Nat Inst Disability & Rehabilitation Res | 1,269,834 |
| 84.200 | US Department of Education | 92,113 |
| 84.220 | Ofc of Postsecondary Education | 165,345 |
| 84.224 | US Department of Education | 669,033 |
| 84.229 | US Department of Education | 177,104 |
| 84.305 | US Department of Education | 349,822 |
| 84.305 | Institute of Education Sciences | 6,102,292 |
| 84.324 | US Department of Education | 769,433 |
| 84.324 | Institute of Education Sciences | 471,134 |
| 84.325 | US Department of Education | 151,995 |
| 84.325 | Office of Special Education Programs | 175,117 |
| 84.327 | US Department of Education | 142,829 |
| 84.350 | US Department of Education | 1,331,852 |
| 84.396 | ARRA US Department of Education | 9,087,461 |
| 84.407 | US Department of Education | 544,876 |
| Total Department of Education Direct Awards | | 22,738,722 |
| Department of Health and Human Services | | |
| 93.103 | Food and Drug Administration | 297,317 |
| 93.110 | Health Resources & Services Admin | 885,529 |
| 93.113 | Nat Inst of Environ Health Scis | 1,925,667 |
| 93.121 | Nat Inst of Dental & Craniofacial Res | 2,745,823 |
| 93.173 | Nat In Deafness & Other Communication Disorders | 1,855,810 |
| 93.184 | Centers for Disease Control & Prevention | 248,478 |
| 93.213 | Nat Ctr Complementary & Alternative Med | 2,295,435 |
| 93.226 | Agency for Healthcare Res & Quality | 162,988 |
| 93.233 | National Heart, Lung, and Blood Inst | 309,433 |
| 93.242 | National Institute of Mental Health | 3,723,129 |
| 93.247 | Health Resources & Services Admin | 359,975 |
| 93.262 | Centers for Disease Control & Prevention | 246,188 |
| 93.262 | Nat Inst Occupational Safety & Health | 436,880 |
| 93.273 | Nat Inst on Alcohol Abuse & Alcoholism | 715,012 |
| 93.279 | National Institute on Drug Abuse | 1,826,743 |
| 93.282 | National Institute of Mental Health | 51,890 |
| 93.286 | National Heart, Lung, and Blood Inst | 39,751 |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Federal Expenditures |
|---|--|-------------------------|
| Research and Development Cluster — | | |
| Funds received directly from the following agencies | | |
| 93.286 | Nat In Biomedical Imaging & Bioengineering | 1,275,460 |
| 93.306 | Nat Inst of Health, Ofc of the Director | 78,330 |
| 93.307 | Nat Ctr Minority Hlth & Hlth Disparities | 321,166 |
| 93.350 | Nat Inst Gen Medical Scis | 175,504 |
| 93.350 | Nat Ctr for Advancing Translational Scis | 6,172,838 |
| 93.351 | Nat Inst of Health, Ofc of the Director | 933,601 |
| 93.358 | Health Resources & Services Admin | (8,571) |
| 93.359 | Health Resources & Services Admin | 279,589 |
| 93.361 | National Institute of Nursing Research | 1,785,384 |
| 93.369 | National Cancer Institute | 149,284 |
| 93.387 | National Heart, Lung, and Blood Inst | 100,442 |
| 93.389 | Nat Center for Research Resources | 97,088 |
| 93.389 | Nat Inst of Health, Ofc of the Director | 179,251 |
| 93.389 | Nat Inst Gen Medical Scis | 29,403 |
| 93.393 | National Cancer Institute | 8,871,547 |
| 93.394 | National Cancer Institute | 2,475,911 |
| 93.395 | National Cancer Institute | 12,223,249 |
| 93.396 | National Cancer Institute | 9,835,542 |
| 93.397 | National Cancer Institute | 6,271,181 |
| 93.398 | National Cancer Institute | 3,097,010 |
| 93.399 | National Cancer Institute | 2,223,970 |
| 93.510 | Health Resources & Services Admin | 560,467 |
| 93.542 | Centers for Disease Control & Prevention | 318,503 |
| 93.632 | Admin Developmental Disabilities | 612,393 |
| 93.640 | National Institutes of Health | 18,928 |
| 93.64000002 | ARRA National Cancer Institute | 69,424 |
| 93.64000002 | National Cancer Institute | 648,943 |
| 93.64000003 | National Heart, Lung, and Blood Inst | 2,502,780 |
| 93.64000008 | Nat Inst Neurological Disorders & Stroke | 1,321,603 |
| 93.64000009 | ARRA National Library of Medicine | (6,365) |
| 93.64000019 | Nat In Arthritis & Muscoskeletal & Skin Diseases | 34,290 |
| 93.701 | ARRA National Cancer Institute | 202,432 |
| 93.701 | ARRA National Heart, Lung, and Blood Inst | 468,202 |
| 93.701 | ARRA Nat Inst of Allergy & Infectious Diseases | 1,397,958 |
| 93.701 | ARRA Nat In Diabetes & Digestive & Kidney Diseases | 2,949 |
| 93.701 | ARRA Nat Inst Child Health & Human Development | 127,080 |
| 93.701 | ARRA Nat Inst Gen Medical Scis | (12,743) |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Federal Expenditures |
|--|---|-------------------------|
| Research and Development Cluster — | | |
| Funds received directly from the following agencies | | |
| 93.701 | ARRA Nat Inst Neurological Disorders & Stroke | (22,931) |
| 93.701 | ARRA National Library of Medicine | 67,857 |
| 93.701 | ARRA Nat Center for Research Resources | 250,203 |
| 93.701 | ARRA Nat Inst of Environ Health Scis | 15,154 |
| 93.701 | ARRA Nat In Arthritis & Muscoskeletal & Skin Diseases | 452,900 |
| 93.701 | ARRA Nat In Deafness & Other Communication Disorders | 11,517 |
| 93.701 | ARRA National Institute on Drug Abuse | 46,169 |
| 93.701 | ARRA Nat Ctr Complementary & Alternative Med | (2,471) |
| 93.837 | National Heart, Lung, and Blood Inst | 8,660,381 |
| 93.837 | National Institute on Aging | 637,432 |
| 93.837 | Nat In Arthritis & Muscoskeletal & Skin Diseases | 543,078 |
| 93.838 | National Heart, Lung, and Blood Inst | 2,728,556 |
| 93.839 | National Heart, Lung, and Blood Inst | 630,123 |
| 93.846 | Nat In Arthritis & Muscoskeletal & Skin Diseases | 2,127,912 |
| 93.847 | Nat In Diabetes & Digestive & Kidney Diseases | 2,625,187 |
| 93.848 | Nat In Diabetes & Digestive & Kidney Diseases | 23,865 |
| 93.853 | Nat Inst Neurological Disorders & Stroke | 9,449,381 |
| 93.855 | Nat Inst of Allergy & Infectious Diseases | 12,682,912 |
| 93.859 | Nat Inst Gen Medical Scis | 14,196,339 |
| 93.864 | Nat Inst Child Health & Human Development | 300,591 |
| 93.865 | Nat Inst Child Health & Human Development | 5,872,281 |
| 93.866 | National Institute on Aging | 1,626,125 |
| 93.867 | National Eye Institute | 4,121,174 |
| 93.875 | Nat Inst Neurological Disorders & Stroke | 82,293 |
| 93.879 | National Library of Medicine | 480,209 |
| 93.884 | Health Resources & Services Admin | 593,505 |
| 93.941 | National Cancer Institute | (24) |
| 93.964 | Health Resources & Services Admin | 6,034 |
| 93.989 | John E Fogarty International Center | 307,973 |
| 93.999 | National Cancer Institute | 468,494 |
| 93.999 | Nat Inst Child Health & Human Development | 81,824 |
| Total Department of Health and Human Services Direct Awards | | 152,024,114 |
| Agency for International Development | | |
| 98.001 | Agency for Intl Dev | 2,887,919 |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Federal Expenditures |
|--|------------------------------|-------------------------|
| Research and Development Cluster — Funds received directly from the following agencies | | |
| Total Agency for International Development Direct Awards | | 2,887,919 |
| Other | | |
| 99.31020000 | National Academy of Sciences | 16,637 |
| 99.31020100 | National Research Council | 7,519 |
| Total Other Direct Awards | | 24,156 |
| Subtotal of Research and Development Cluster funds received directly from federal agencies | | <u>\$ 306,841,573</u> |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|------------------------------------|--|---|-----------------------------|-------------------------|
| Research and Development Cluster — | | | | |
| Pass-through from other sources: | | | | |
| Department of Agriculture | | | | |
| 10.001 | United Soybean Board | USDA Agricultural Res Service | 40040200 \$ | 152,147 |
| 10.001 | USDA Agricultural Res Service | Biotechnology Res & Dev Corp | 10011994 | 86,482 |
| 10.001 | USDA Agricultural Res Service | Univ of Illinois | 22000009 | 26,498 |
| 10.025 | Animal & Plant Health Inspection Service | California Dept of Food and Agriculture | 24000377 | 311 |
| 10.169 | Agricultural Marketing Service | OH Department Of Agriculture | 26390000 | 37,197 |
| 10.170 | US Department of Agriculture | OH Department Of Agriculture | 26390000 | 32,337 |
| 10.170 | Agricultural Marketing Service | OH Department Of Agriculture | 26390000 | 217,088 |
| 10.200 | National Institute of Food & Agriculture | Michigan State University | 22000044 | 109,478 |
| 10.200 | National Institute of Food & Agriculture | Iowa State University | 22000047 | 25,873 |
| 10.200 | National Institute of Food & Agriculture | Univ of Maine at Orono | 22000048 | 8,851 |
| 10.200 | National Institute of Food & Agriculture | Southern Illinois University | 22000055 | 6,373 |
| 10.200 | National Institute of Food & Agriculture | Univ of Missouri | 22000073 | 2,136 |
| 10.200 | National Institute of Food & Agriculture | Cornell University | 22000081 | 4,954 |
| 10.200 | National Institute of Food & Agriculture | Univ of Nebraska | 22000085 | (11,527) |
| 10.200 | National Institute of Food & Agriculture | Univ of Toledo | 22000277 | 2,938 |
| 10.200 | USDA Agricultural Res Service | Michigan State University | 22000044 | 951 |
| 10.206 | National Institute of Food & Agriculture | Iowa State University | 22000047 | 8,636 |
| 10.206 | National Institute of Food & Agriculture | Kansas State University | 22000062 | 17,558 |
| 10.206 | National Institute of Food & Agriculture | Univ of Maryland | 22000120 | 29,099 |
| 10.206 | National Institute of Food & Agriculture | Indiana Univ-Purdue Univ Indianapolis | 22010034 | (18,942) |
| 10.206 | USDA Agricultural Res Service | Mississippi State University | 22000196 | 175 |
| 10.215 | National Institute of Food & Agriculture | Fruit Growers Marketing Assn | 20021863 | 156 |
| 10.215 | National Institute of Food & Agriculture | Iowa State University | 22000047 | 31,623 |
| 10.215 | National Institute of Food & Agriculture | Univ of Minnesota | 22000067 | 15,014 |
| 10.217 | US Department of Agriculture | Michigan State University | 22000044 | 9,809 |
| 10.303 | National Institute of Food & Agriculture | Univ of Wisconsin | 22000006 | 24,655 |
| 10.303 | National Institute of Food & Agriculture | Univ of Illinois | 22000009 | 8,688 |
| 10.303 | National Institute of Food & Agriculture | Virginia Polytechnic Inst | 22000023 | 2,261 |
| 10.303 | National Institute of Food & Agriculture | Michigan State University | 22000044 | 11,619 |
| 10.303 | National Institute of Food & Agriculture | Iowa State University | 22000047 | 2,169 |
| 10.303 | National Institute of Food & Agriculture | Univ of Nebraska | 22000085 | 13,607 |
| 10.303 | National Institute of Food & Agriculture | North Carolina State University | 22000136 | (5,227) |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|------------------------------------|--|--|-----------------------------|-------------------------|
| Research and Development Cluster — | | | | |
| Pass-through from other sources: | | | | |
| 10.303 | USDA Agricultural Res Service | Univ of Wisconsin | 22000006 | 49,608 |
| 10.304 | National Institute of Food & Agriculture | Michigan State University | 22000044 | 32,499 |
| 10.307 | National Institute of Food & Agriculture | Rutgers University | 22000003 | 2,442 |
| 10.307 | National Institute of Food & Agriculture | USDA Agricultural Res Service | 40040200 | 19,008 |
| 10.309 | National Institute of Food & Agriculture | Virginia Polytechnic Inst | 22000023 | 162,902 |
| 10.309 | National Institute of Food & Agriculture | Iowa State University | 22000047 | 93,578 |
| 10.309 | National Institute of Food & Agriculture | Univ of Florida | 22000108 | 38,184 |
| 10.309 | National Institute of Food & Agriculture | Colorado State University | 22000110 | 470 |
| 10.309 | National Institute of Food & Agriculture | Univ of Maryland | 22000120 | 292,296 |
| 10.309 | National Institute of Food & Agriculture | North Carolina State University | 22000136 | 100,807 |
| 10.309 | National Institute of Food & Agriculture | Saint Joseph's University | 22000388 | 17,570 |
| 10.309 | National Institute of Food & Agriculture | USDA Agricultural Res Service | 40040200 | 45,199 |
| 10.310 | US Department of Agriculture | Univ of Maryland | 22000120 | (6,231) |
| 10.310 | National Institute of Food & Agriculture | Univ of California - Davis | 22000013 | 144,795 |
| 10.310 | National Institute of Food & Agriculture | Pennsylvania State University | 22000030 | 22,960 |
| 10.310 | National Institute of Food & Agriculture | Michigan State University | 22000044 | 243,574 |
| 10.310 | National Institute of Food & Agriculture | Iowa State University | 22000047 | 709,635 |
| 10.310 | National Institute of Food & Agriculture | Texas A & M University | 22000053 | 2,245 |
| 10.310 | National Institute of Food & Agriculture | Kansas State University | 22000062 | 275,334 |
| 10.310 | National Institute of Food & Agriculture | Univ of Minnesota | 22000067 | 23,313 |
| 10.310 | National Institute of Food & Agriculture | Cornell University | 22000081 | 78,142 |
| 10.310 | National Institute of Food & Agriculture | North Carolina State University | 22000136 | 379,192 |
| 10.310 | National Institute of Food & Agriculture | Univ of Delaware | 22000138 | 112,178 |
| 10.310 | National Institute of Food & Agriculture | Univ at Buffalo | 22000240 | 31,036 |
| 10.310 | National Institute of Food & Agriculture | South Dakota State University | 22000262 | 5,180 |
| 10.320 | National Institute of Food & Agriculture | Univ of Hawaii | 22000265 | 12,845 |
| 10.350 | US Department of Agriculture | Ohio Soybean Council | 20021130 | 25,642 |
| 10.40080000 | USDA Food and Nutrition Service | Univ of Kentucky | 22000143 | 142,047 |
| 10.500 | National Institute of Food & Agriculture | Univ of Minnesota | 22000067 | 80,259 |
| 10.500 | National Institute of Food & Agriculture | Univ of Nebraska | 22000085 | 88,001 |
| 10.500 | Navy | National Institute of Food & Agriculture | 40040100 | 674,651 |
| 10.560 | US Department of Agriculture | OH Dept of Educ | 26080000 | 33,744 |
| 10.912 | Natural Resources Conservation Service | Pollinator Partnership | 20021915 | 6,415 |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|--|--|---|-----------------------------|-------------------------|
| Research and Development Cluster — | | | | |
| Pass-through from other sources: | | | | |
| 10.912 | Natural Resources Conservation Service | OH Dept of Natural Resources | 26110000 | 1,470 |
| Total Department of Agriculture Pass-Through Awards | | | | 4,793,977 |
| Department of Commerce | | | | |
| 11.417 | Nat Oceanic & Atmospheric Admin | Univ of Wisconsin | 22000006 | 4,848 |
| 11.417 | Nat Oceanic & Atmospheric Admin | Texas A & M University | 22000053 | (4,959) |
| 11.419 | Nat Oceanic & Atmospheric Admin | OH Dept of Natural Resources | 26110000 | 50,502 |
| 11.42040000 | Nat Inst of Standards & Tech | PaneraTech Inc. | 10013192 | 26,059 |
| 11.431 | Nat Oceanic & Atmospheric Admin | Univ of Michigan | 22000005 | 8,290 |
| 11.432 | Nat Oceanic & Atmospheric Admin | Univ of Michigan | 22000005 | 16,105 |
| 11.473 | Nat Oceanic & Atmospheric Admin | Great Lakes Observing System | 20021890 | 66,475 |
| 11.611 | US Department of Commerce | Appalachian Partnership Economic Growth | 20022111 | 94,259 |
| 11.611 | Nat Inst of Standards & Tech | PolymerOhio, Inc. | 20021637 | 77,752 |
| 11.616 | Nat Inst of Standards & Tech | Hyper Tech Res Inc. | 10020102 | 50,357 |
| 11.643 | Nat Oceanic & Atmospheric Admin | The Nature Conservancy | 20020999 | 11,493 |
| Total Department of Commerce Pass-Through Awards | | | | 401,181 |
| Department of Defense | | | | |
| 12.300 | Air Force Research Laboratory | Univ of Notre Dame | 22000140 | 11,970 |
| 12.300 | Army Aviation Applied Tech Directorate | Vertical Lift Consortium | 20020103 | 75,000 |
| 12.300 | Office of Naval Res | Michigan State University | 22000044 | 55,624 |
| 12.300 | Office of Naval Res | Carnegie-Mellon Univ | 22000051 | 73,936 |
| 12.300 | Office of Naval Res | Cornell University | 22000081 | 12,954 |
| 12.300 | Office of Naval Res | Univ of Notre Dame | 22000140 | 488,256 |
| 12.300 | Office of Naval Res | Univ of California - Santa Barbara | 22000315 | 592,117 |
| 12.351 | Defense Threat Reduction Agency | North Carolina State University | 22000136 | (227) |
| 12.351 | Defense Threat Reduction Agency | Univ of California - Santa Barbara | 22000315 | 72,492 |
| 12.420 | US Department of Defense | Research Institute at Nationwide Children | 20010182 | 31,373 |
| 12.420 | Army Medical Res & Materiel Command | BioPhyZica, Inc. | 10013257 | 256,267 |
| 12.420 | Army Medical Res & Materiel Command | Virginia Polytechnic Inst | 22000023 | 331,213 |
| 12.420 | Army Medical Res Acquisition Activity | Henry M Jackson Fdn | 20010473 | 231,289 |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|------------------------------------|--|---------------------------------------|-----------------------------|-------------------------|
| Research and Development Cluster — | | | | |
| Pass-through from other sources: | | | | |
| 12.420 | Army Medical Res Acquisition Activity | Purdue University | 22000002 | 16,943 |
| 12.420 | Army Medical Res Acquisition Activity | Virginia Polytechnic Inst | 22000023 | (1) |
| 12.420 | Army Medical Res Acquisition Activity | Mount Sinai School of Medicine | 22010031 | 33,652 |
| 12.420 | Army Medical Res Acquisition Activity | Univ of Alberta | 22010081 | 24,655 |
| 12.420 | National Institutes of Health | Army Medical Res Acquisition Activity | 50022700 | 1,173,935 |
| 12.431 | US Department of Defense | Univ of Michigan | 22000005 | 248,541 |
| 12.431 | Army Research, Development and Eng Cmd | Cornell University | 22000081 | 58,611 |
| 12.431 | Army Res Office | Massachusetts Inst Tech | 22000001 | 184,412 |
| 12.431 | Army Res Office | Pennsylvania State University | 22000030 | (1,372) |
| 12.431 | Army Res Office | Univ of Maryland | 22000120 | 3,362 |
| 12.431 | Army Res Office | Rice University | 22000231 | 87,245 |
| 12.431 | Defense Advanced Res Projects Agency | American Museum of Natural History | 20021138 | 9,259 |
| 12.431 | Defense Advanced Res Projects Agency | Rice University | 22000231 | 114,563 |
| 12.500 | US Department of Defense | Northrop Grumman Corp | 10011657 | 1,812 |
| 12.500 | US Department of Defense | PH Matter LLC | 10020259 | 29,578 |
| 12.500 | US Department of Defense | NeuroWave Systems Inc. | 10020303 | 3,824 |
| 12.500 | US Department of Defense | Henry M Jackson Fdn | 20010473 | 7,010 |
| 12.500 | US Department of Defense | Virginia Polytechnic Inst | 22000023 | 74,512 |
| 12.500 | US Department of Defense | Johns Hopkins University | 22000133 | 126,649 |
| 12.50010000 | Air Force | Universal Tech Corp | 10011471 | 298,368 |
| 12.50010000 | Air Force | Applied EM, Inc. | 10012411 | 51,331 |
| 12.50010000 | Air Force | Ball Aerospace & Technologies Corp | 10012578 | 484 |
| 12.50010000 | Air Force | Mandaree Enterprise Corporation | 10012865 | (8,998) |
| 12.50010000 | Air Force | Voss Scientific, LLC | 10013299 | 20,685 |
| 12.50010000 | Air Force | Innovative Scientific Solutions Inc. | 10020096 | 11,374 |
| 12.50010000 | Air Force | BerrieHill Research Corp | 10020202 | 106,312 |
| 12.50010000 | Air Force | EDAptive Computing, Inc. | 10020211 | 19,873 |
| 12.50010000 | Air Force | Etegent Technologies, Ltd. | 10020293 | 49,859 |
| 12.50010000 | Air Force | Massachusetts Inst Tech - Lincoln Lab | 22000228 | 137,958 |
| 12.50010000 | Air Force | Wichita State University | 22000353 | 50,334 |
| 12.50010100 | Air Force Materiel Command | UES Inc. | 10020049 | 66,732 |
| 12.50010105 | Air Force Office of Scientific Res | Q-Peak | 10012442 | 23,631 |
| 12.50010105 | Air Force Office of Scientific Res | RNET Technologies | 10012505 | 4,899 |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|------------------------------------|--|--------------------------------------|-----------------------------|-------------------------|
| Research and Development Cluster — | | | | |
| Pass-through from other sources: | | | | |
| 12.50010105 | Air Force Office of Scientific Res | Jacobs Technology Inc. | 10012861 | 17,197 |
| 12.50010126 | Air Force Research Laboratory | Lockheed Martin Corp | 10010042 | 30,322 |
| 12.50010126 | Air Force Research Laboratory | Universal Tech Corp | 10011471 | 237,342 |
| 12.50010126 | Air Force Research Laboratory | Honeywell International Inc. | 10011512 | 78,607 |
| 12.50010126 | Air Force Research Laboratory | Raytheon BBN Technologies | 10012357 | 157,647 |
| 12.50010126 | Air Force Research Laboratory | Scientific Systems Company, Inc. | 10012390 | 35,735 |
| 12.50010126 | Air Force Research Laboratory | Syntonics LLC | 10012399 | 57,102 |
| 12.50010126 | Air Force Research Laboratory | RNET Technologies | 10012505 | 214,376 |
| 12.50010126 | Air Force Research Laboratory | Jacobs Technology Inc. | 10012861 | 7,065 |
| 12.50010126 | Air Force Research Laboratory | PaneraTech Inc. | 10013192 | 101,395 |
| 12.50010126 | Air Force Research Laboratory | Metron, Inc. | 10013243 | 45,601 |
| 12.50010126 | Air Force Research Laboratory | Advanced Conductor Technologies LLC | 10013255 | 34,779 |
| 12.50010126 | Air Force Research Laboratory | XCOM Wireless, Inc. | 10013301 | 1,331 |
| 12.50010126 | Air Force Research Laboratory | Innovative Scientific Solutions Inc. | 10020096 | 93,034 |
| 12.50010126 | Air Force Research Laboratory | Michigan State University | 22000044 | 395,136 |
| 12.50010126 | Air Force Research Laboratory | Univ of Toledo | 22000277 | 5,127 |
| 12.50010126 | Air Force Research Laboratory | Wichita State University | 22000353 | (9,842) |
| 12.50020000 | Army | Sikorsky Aircraft | 10011823 | 60,684 |
| 12.50020000 | Army | Triumph Engine Control Systems, LLC | 10013094 | 101,405 |
| 12.50020000 | Army | American Engineering & Manufacturing | 10020196 | 15,531 |
| 12.50020000 | Army | Georgia Inst of Tech | 22000189 | 65,307 |
| 12.50020213 | Army Natick Res, Dev & Eng Ctr | Infoscitex Corporation | 10011833 | 21,472 |
| 12.50020219 | Army Research, Development and Eng Cmd | Syntonics LLC | 10012399 | 29,762 |
| 12.50020219 | Army Research, Development and Eng Cmd | IERUS Technologies | 10013315 | 32,857 |
| 12.500202200 | Army Contracting Command | Applied Optimization, Inc. | 10020309 | 26,584 |
| 12.50020400 | Army Res Office | Edison Welding Inst Inc. | 10011218 | 35,250 |
| 12.50020400 | Army Res Office | Honeywell International Inc. | 10011512 | 71,051 |
| 12.50021500 | Missile Defense Agency | Charles River Analytics Inc. | 10011429 | 24,977 |
| 12.50021500 | Missile Defense Agency | Virtual EM | 10013124 | 14,563 |
| 12.50021500 | Missile Defense Agency | Amtec Corporation | 10013144 | 40,354 |
| 12.50021500 | Missile Defense Agency | Applied Quantum Technologies | 10013222 | 259,532 |
| 12.50021500 | Missile Defense Agency | Systems & Processes Engineering Corp | 10013225 | 10,109 |
| 12.50021500 | Missile Defense Agency | DGNSS Solutions, LLC | 10020266 | 2,098 |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|------------------------------------|--------------------------------------|---|-----------------------------|-------------------------|
| Research and Development Cluster — | | | | |
| Pass-through from other sources: | | | | |
| 12.50040000 | Navy | Charles River Analytics Inc. | 10011429 | 33,615 |
| 12.50040000 | Navy | Scientific Systems Company, Inc. | 10012390 | 31,597 |
| 12.50040000 | Navy | Syntonics LLC | 10012399 | 5,210 |
| 12.50040000 | Navy | Applied EM, Inc. | 10012411 | 70,571 |
| 12.50040000 | Navy | Wang Electro-Opto Corporation | 10012847 | 22,244 |
| 12.50040000 | Navy | PaneraTech Inc. | 10013192 | 112,189 |
| 12.50040000 | Navy | Applied Optimization, Inc. | 10020309 | 77,518 |
| 12.50040101 | Naval Air Systems Cmd | MARK Resources, Inc. | 10012927 | 17,349 |
| 12.50040110 | Space & Naval Warfare Systems Ctr | Syntonics LLC | 10012399 | 24,000 |
| 12.50040112 | Naval Surface Warfare Center | Wang Electro-Opto Corporation | 10012847 | 100 |
| 12.50040300 | Office of Naval Res | Yotta Navigation Corporation | 10013120 | 100,410 |
| 12.50040300 | Office of Naval Res | DJW Technology, LLC | 10020182 | 132,062 |
| 12.50040300 | Office of Naval Res | Battelle Memorial Inst | 20020012 | 36,983 |
| 12.50040300 | Office of Naval Res | Univ of Michigan | 22000005 | 396,767 |
| 12.50041600 | Naval Air Warfare Ctr Aircraft Div | STAR Dynamics Corporation | 10011732 | 90 |
| 12.50041600 | Naval Air Warfare Ctr Aircraft Div | Scientific Systems Company, Inc. | 10012390 | 32,032 |
| 12.50041600 | Naval Air Warfare Ctr Aircraft Div | Syntonics LLC | 10012399 | 14,680 |
| 12.50041600 | Naval Air Warfare Ctr Aircraft Div | Applied EM, Inc. | 10012411 | 313,507 |
| 12.50060000 | Defense Advanced Res Projects Agency | Boeing Co, The | 10010013 | 150,509 |
| 12.50060000 | Defense Advanced Res Projects Agency | Northrop Grumman Corp | 10011657 | 455,848 |
| 12.50060000 | Defense Advanced Res Projects Agency | Sikorsky Aircraft | 10011823 | 217,148 |
| 12.50060000 | Defense Advanced Res Projects Agency | Porifera, Inc. | 10013067 | 65,421 |
| 12.50060000 | Defense Advanced Res Projects Agency | Systems & Technology Research | 10013305 | 27,391 |
| 12.50060000 | Defense Advanced Res Projects Agency | Srico, Inc. | 10020134 | (1,823) |
| 12.50060000 | Defense Advanced Res Projects Agency | Univ of Maryland | 22000120 | 24,719 |
| 12.50130000 | Defense Logistics Agency | Advanced Technology International | 10012322 | 141,788 |
| 12.502 | Nat Reconnaissance Office | Lockheed Martin Corp | 10010042 | 163,015 |
| 12.50220000 | Defense Threat Reduction Agency | Scientic | 10013179 | 8,433 |
| 12.550 | US Department of Defense | Institute of International Education | 20021662 | 3,150 |
| 12.630 | Air Force Research Laboratory | Dayton Area Graduate Studies Inst | 20021372 | 21,070 |
| 12.630 | Space & Naval Warfare Systems Ctr | Drexel University | 22000246 | 43,189 |
| 12.800 | US Department of Defense | Research Institute at Nationwide Children | 20010182 | (1) |
| 12.800 | Air Force | Research Institute at Nationwide Children | 20010182 | 84,374 |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|--|--------------------------------------|--------------------------------------|-----------------------------|-------------------------|
| Research and Development Cluster — Pass-through from other sources: | | | | |
| 12.800 | Air Force Office of Scientific Res | Kuzer Co | 10013134 | 43,957 |
| 12.800 | Air Force Office of Scientific Res | Indiana University | 22000012 | 40,874 |
| 12.800 | Air Force Office of Scientific Res | Univ of New Mexico | 22000056 | 55,524 |
| 12.800 | Air Force Office of Scientific Res | Cornell University | 22000081 | 13,059 |
| 12.800 | Air Force Office of Scientific Res | Georgia Inst of Tech | 22000189 | 48,603 |
| 12.910 | Defense Advanced Res Projects Agency | Celgene Corp | 10012174 | 31,870 |
| 12.910 | Defense Advanced Res Projects Agency | Univ of Illinois | 22000009 | 59,324 |
| Total Department of Defense Pass-Through Awards | | | | 10,694,152 |
| Department of Housing and Urban Development | | | | |
| 14.700 | Dept of Housing & Urban Dev | Abt Associates Inc. | 10011122 | 24,140 |
| 14.703 | Dept of Housing & Urban Dev | Gulf Regional Planning Commission | 24000571 | 77,852 |
| 14.704 | Dept of Housing & Urban Dev | Mid-OH Regional Planning Commission | 26270000 | 59,636 |
| Total Department of Housing and Urban Development Pass-Through Awards | | | | 161,628 |
| Department of the Interior | | | | |
| 15.608 | US Fish and Wildlife Service | Univ of Minnesota | 22000067 | 35,366 |
| 15.608 | US Fish and Wildlife Service | Columbus Zoo | 24000299 | 2,760 |
| 15.634 | US Fish and Wildlife Service | OH Division of Wildlife | 26110100 | 973,143 |
| 15.650 | US Fish and Wildlife Service | OH Division of Wildlife | 26110100 | (4,622) |
| 15.72030000 | US Fish and Wildlife Service | OH Division of Wildlife | 26110100 | 45,269 |
| Total Department of the Interior Pass-Through Awards | | | | 1,051,916 |
| Department of Labor | | | | |
| 17.261 | US Department of Labor | OH Dept of Job & Family Services | 26630000 | 336,793 |
| 17.283 | US Department of Labor | Wargo-Brock Workforce Dimensions LLC | 10020314 | 74,034 |
| 17.760 | US Department of Labor | Mathematica Policy Research | 10011423 | 1,134 |
| 17.760 | US Department of Labor | Univ of Baltimore | 22000347 | 73 |
| 17.76050000 | Bureau of Labor Statistics | Nat Opinion Res Ctr | 20020932 | 4,018,350 |

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FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|--|----------------------------------|--|-----------------------------|-------------------------|
| Research and Development Cluster — | | | | |
| Pass-through from other sources: | | | | |
| Total Department of Labor Pass-Through Awards | | | | 4,430,384 |
| Department of Transportation | | | | |
| 20.701 | US Department of Transportation | Purdue University | 22000002 | 470,421 |
| 20.701 | US Department of Transportation | Univ of Akron | 22000066 | (85) |
| 20.761 | US Department of Transportation | Cornell University | 22000081 | 137,220 |
| 20.800 | US Department of Transportation | Ctr Transportation and the Environment | 20022049 | 379,772 |
| 20.820 | US Department of Transportation | Univ of Tennessee | 22000010 | 34,678 |
| 20.82010000 | Federal Highway Administration | SRF Consulting Group | 10013053 | 12,065 |
| 20.82030000 | Federal Aviation Administration | Honeywell International Inc. | 10011512 | 142,728 |
| 20.82030000 | Federal Aviation Administration | Nat Inst of Aerospace | 20021607 | 68,947 |
| 20.931 | Nat Highway Traffic Safety Admin | Transportation Res Ctr Inc. | 20021338 | 33,891 |
| Total Department of Transportation Pass-Through Awards | | | | 1,279,637 |
| Department of the Treasury | | | | |
| 21.840 | Dept of Treasury | Patient-Centered Outcomes Res Inst | 20012278 | 218,118 |
| Total Department of the Treasury Pass-Through Awards | | | | 218,118 |
| Appalachian Regional Commission | | | | |
| 23.009 | Appalachian Regional Commission | OH Development Services Agency | 26140000 | 2,420 |
| Total Appalachian Regional Commission Pass-Through Awards | | | | 2,420 |
| National Aeronautics and Space Administration | | | | |
| 43.000 | Nat Aeronautics & Space Admin | Univ of Alaska - Fairbanks | 22000037 | 99,001 |
| 43.001 | Nat Aeronautics & Space Admin | Univ of Houston | 22000092 | 75,643 |
| 43.001 | NASA Headquarters | Pennsylvania State University | 22000030 | 610 |
| 43.001 | NASA Headquarters | Tennessee Technological University | 22000368 | 61,980 |
| 43.001 | NASA Headquarters | Smithsonian Astrophysical Observatory | 30060200 | 26,495 |
| 43.002 | NASA Headquarters | Univ of Washington | 22000212 | 39,073 |
| 43.002 | NASA Headquarters | Smithsonian Astrophysical Observatory | 30060200 | 3,506 |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|--|--|--|-----------------------------|-------------------------|
| Research and Development Cluster — | | | | |
| Pass-through from other sources: | | | | |
| 43.002 | NASA Headquarters | Jet Propulsion Lab | 33000303 | 19,600 |
| 43.002 | Goddard Space Flight Center | Univ of Colorado | 22000039 | 38,147 |
| 43.003 | Nat Aeronautics & Space Admin | Nat Space Grant Foundation | 20022037 | 12,523 |
| 43.008 | Nat Aeronautics & Space Admin | Ohio Aerospace Inst | 20021048 | 98,706 |
| 43.330 | Nat Aeronautics & Space Admin | ASRC Aerospace Corporation | 10012863 | (569) |
| 43.330 | Nat Aeronautics & Space Admin | Vantage Partners, LLC | 10013302 | 206,329 |
| 43.330 | Nat Aeronautics & Space Admin | Micro Cooling Concepts | 10013309 | 12,871 |
| 43.330 | Nat Aeronautics & Space Admin | Innovative Scientific Solutions Inc. | 10020096 | 16,130 |
| 43.330 | Nat Aeronautics & Space Admin | Space Telescope Sci Inst | 20021006 | 27,896 |
| 43.330 | Nat Aeronautics & Space Admin | Univ of Michigan | 22000005 | 40,609 |
| 43.330 | Nat Aeronautics & Space Admin | Jet Propulsion Lab | 33000303 | 115,595 |
| 43.33000104 | John Glenn Research Center-Lewis Field | N&R Engineering and Management Svcs Corp | 10020244 | 3,948 |
| 43.33000105 | NASA Headquarters | Makel Engineering, Inc. | 10012377 | 86,861 |
| 43.33000105 | NASA Headquarters | ASRC Aerospace Corporation | 10012863 | (5,698) |
| 43.33000105 | NASA Headquarters | Advanced Materials Technology, Inc. | 10013324 | 18,998 |
| 43.33000105 | NASA Headquarters | Innovation Laboratory, Inc. | 10013341 | 3,103 |
| 43.33000105 | NASA Headquarters | Space Telescope Sci Inst | 20021006 | 134,463 |
| 43.33000105 | NASA Headquarters | Smithsonian Astrophysical Observatory | 30060200 | 160,243 |
| 43.33000105 | NASA Headquarters | Jet Propulsion Lab | 33000303 | 98,360 |
| 43.33000301 | Goddard Space Flight Center | Science Systems and Applications, Inc. | 10013125 | 67,604 |
| 43.33000303 | Jet Propulsion Lab | California Inst of Tech | 22000054 | 25,505 |
| Total National Aeronautics and Space Administration Pass-Through Awards | | | | 1,487,532 |
| National Endowment for the Humanities | | | | |
| 45.129 | National Endowment For The Humanities | OH Humanities Council | 26290000 | 4,150 |
| 45.161 | National Endowment For The Humanities | Univ of Central Florida | 22010046 | 4,292 |
| 45.312 | Institute Of Museum And Library Services | National Audubon Society, Inc. | 20020425 | 1,222 |
| Total National Endowment for the Humanities Pass-Through Awards | | | | 9,664 |
| National Science Foundation | | | | |
| 47.014 | NSF Industrial Innovation & Partnerships | PaneraTech Inc. | 10013192 | 27,369 |

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| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|------------------------------------|---|--|-----------------------------|-------------------------|
| Research and Development Cluster — | | | | |
| Pass-through from other sources: | | | | |
| 47.041 | Nat Science Foundation | Nanomaterial Innovation, Ltd | 10020152 | 19,925 |
| 47.041 | Nat Science Foundation | Univ of Illinois | 22000009 | (6,380) |
| 47.041 | Nat Science Foundation | Georgia Tech Res Inst | 22000245 | 2,655 |
| 47.041 | NSF DIV Elect, Comm, & CyberSystems | Wang Electro-Opto Corporation | 10012847 | 58,731 |
| 47.041 | NSF DIV Elect, Comm, & CyberSystems | North Carolina State University | 22000136 | 5,693 |
| 47.041 | NSF Div Chem, Bioeng, Environ, & Trnsp S | Georgia Inst of Tech | 22000189 | 27,667 |
| 47.041 | NSF Div Civil, Mechanical & Manufact Innv | Univ of Pennsylvania | 22000195 | 99,267 |
| 47.041 | NSF Industrial Innovation & Partnerships | Bioprocessing Innovative Co Inc. | 10020039 | 38,325 |
| 47.041 | NSF Industrial Innovation & Partnerships | Phycal | 10020228 | 58,760 |
| 47.041 | NSF Industrial Innovation & Partnerships | PH Matter LLC | 10020259 | (2,115) |
| 47.041 | NSF Ofc of International Science & Eng | XtendWave | 10013158 | 33,840 |
| 47.049 | Nat Science Foundation | Univ of Cincinnati | 22000074 | 29,456 |
| 47.049 | Nat Science Foundation | Univ of California - Santa Cruz | 22000369 | 134,218 |
| 47.049 | NSF Mathematical & Physical Sciences | Univ of California - Los Angeles | 22000269 | (87,112) |
| 47.049 | NSF Div Physics | Univ of Notre Dame | 22000140 | 17,143 |
| 47.049 | NSF Div Physics | Princeton University | 22000289 | 566,813 |
| 47.049 | NSF Div Chemistry | Montana State University | 22000236 | 6,539 |
| 47.049 | NSF Div Astronomical Sciences | Assn Universities Res in Astronomy, Inc. | 20021158 | 326,926 |
| 47.049 | NSF Div Astronomical Sciences | Nat Radio Astronomy Observatory | 20021638 | 30,000 |
| 47.050 | Nat Science Foundation | Consortium for Ocean Leadership, Inc. | 20021599 | 18,256 |
| 47.050 | Nat Science Foundation | Boston College | 22000310 | 23,213 |
| 47.050 | NSF Div Ocean Sciences | Consortium for Ocean Leadership, Inc. | 20021599 | 38,273 |
| 47.070 | Nat Science Foundation | Raytheon BBN Technologies | 10012357 | 37,973 |
| 47.070 | Nat Science Foundation | Univ of Tennessee | 22000010 | 55,753 |
| 47.070 | NSF Div of Computer & Network Systems | Computing Research Association | 20021373 | 19,620 |
| 47.074 | Nat Science Foundation | Henry M Jackson Fdn for the Advn Mil Med | 20012161 | 66,710 |
| 47.074 | Nat Science Foundation | Miami University | 22000049 | 62,517 |
| 47.074 | Nat Science Foundation | Colorado State University | 22000110 | 77,286 |
| 47.074 | Nat Science Foundation | Univ of Delaware | 22000138 | 47,363 |
| 47.074 | Nat Science Foundation | South Dakota State University | 22000262 | 55,231 |
| 47.074 | NSF Environmental Biology | Univ of North Carolina | 22000146 | 109,704 |
| 47.074 | NSF Environmental Biology | Georgia Southern University | 22000365 | 40,870 |
| 47.075 | Nat Science Foundation | Univ of Missouri | 22000073 | 21,809 |

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| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|--|---------------------------------------|---|-----------------------------|-------------------------|
| Research and Development Cluster — | | | | |
| Pass-through from other sources: | | | | |
| 47.075 | NSF Social, Behavioral & Economic Res | Univ of Maryland | 22000120 | 18,656 |
| 47.076 | Nat Science Foundation | Iowa State University | 22000047 | 1,252 |
| 47.076 | Nat Science Foundation | Lorain County Community College | 22000199 | 65,264 |
| 47.076 | Nat Science Foundation | Winston-Salem State University | 22000360 | 25,755 |
| 47.076 | Nat Science Foundation | Stevens Institute of Technology | 22000376 | 146 |
| 47.076 | Nat Science Foundation | Stark State College of Technology | 22010051 | 33,125 |
| 47.076 | NSF Education & Human Resources | Michigan State University | 22000044 | 434 |
| 47.076 | NSF Education & Human Resources | Fayetteville State University | 22010068 | 1,822 |
| 47.076 | NSF Div Undergraduate Education | Univ Corp for Atmospheric Res | 20020793 | 43,985 |
| 47.076 | NSF Div Undergraduate Education | Delaware Valley Industrial Resource Ctr | 20021918 | 8,481 |
| 47.076 | NSF Div Undergraduate Education | Macalester College | 22000355 | 25,676 |
| 47.076 | NSF Div of Research on Learning | The Algebra Project | 20021829 | 153,036 |
| 47.076 | NSF Div of Research on Learning | Univ of Chicago | 22000018 | 26,688 |
| 47.078 | Nat Science Foundation | Univ Corp for Atmospheric Res | 20020793 | 115,457 |
| 47.078 | Nat Science Foundation | Univ of Colorado | 22000039 | 171,800 |
| 47.078 | Nat Science Foundation | Oregon State University | 22000103 | 4,073 |
| 47.078 | NSF Ofc Polar Programs | Univ of Nebraska | 22000085 | 1,693 |
| 47.079 | Nat Science Foundation | Louisiana State University | 22000091 | 8,436 |
| 47.080 | Nat Science Foundation | Univ of Illinois | 22000009 | 291,263 |
| 47.080 | Nat Science Foundation | Univ of Texas at Austin | 22000270 | 106,582 |
| 47.082 | ARRA Nat Science Foundation | Raytheon BBN Technologies | 10012357 | 18,014 |
| 47.082 | ARRA Nat Science Foundation | Univ of Tennessee | 22000010 | 115,523 |
| 47.082 | ARRA Nat Science Foundation | Univ of Florida | 22000108 | 53,820 |
| 47.082 | ARRA Nat Science Foundation | Drexel University | 22000246 | 110,252 |
| 47.082 | ARRA Nat Science Foundation | Univ of California - Los Angeles | 22000269 | 198,156 |
| 47.082 | ARRA NSF Div Emerging Frontiers | Univ of Arizona | 22000116 | 4,881 |
| 47.350 | Nat Science Foundation | Univ of Texas at Austin | 22000270 | 156 |
| 47.35000207 | NSF Div of Computer & Network Systems | Univ of Missouri | 22000073 | 4,407 |
| Total National Science Foundation Pass-Through Awards | | | | 3,671,131 |
| Small Business Administration | | | | |
| 59.30140000 | Small Business Administration | OH Development Services Agency | 26140000 | 244,784 |

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
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| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|--|---------------------------------|--|-----------------------------|-------------------------|
| Research and Development Cluster — Pass-through from other sources: | | | | |
| Total Small Business Administration Pass-Through Awards | | | | 244,784 |
| Department of Veterans Affairs | | | | |
| 64.30170000 | Veterans Affairs | OH Willow Wood Co, Inc. | 10020287 | 230,950 |
| 64.30170000 | Veterans Affairs | Univ of Pittsburgh | 22000036 | 44,313 |
| Total Department of Veterans Affairs Pass-Through Awards | | | | 275,263 |
| Environmental Protection Agency | | | | |
| 66.001 | Environmental Protection Agency | OH Environ Protection Agency | 26340000 | 12,614 |
| 66.041 | Environmental Protection Agency | Mid-OH Regional Planning Commission | 26270000 | 51,319 |
| 66.320 | Environmental Protection Agency | SRA International, Inc. | 10012759 | 833 |
| 66.320 | Environmental Protection Agency | Parsons Environmental & Infrastructure | 10013335 | 39,931 |
| 66.320 | Environmental Protection Agency | Res Triangle Inst | 20020058 | 50,923 |
| 66.460 | Environmental Protection Agency | Franklin Soil & Water Conservation Distr | 24000541 | 2,376 |
| 66.460 | Environmental Protection Agency | OH Environ Protection Agency | 26340000 | 31,032 |
| 66.469 | Environmental Protection Agency | The Nature Conservancy | 20020999 | 2,519 |
| 66.469 | Environmental Protection Agency | Univ of Michigan | 22000005 | 17,532 |
| 66.469 | Environmental Protection Agency | Univ of Illinois | 22000009 | 4,540 |
| 66.469 | Environmental Protection Agency | Pennsylvania State University | 22000030 | 12,469 |
| 66.469 | Environmental Protection Agency | Univ of Minnesota | 22000067 | 9,967 |
| 66.469 | Environmental Protection Agency | OH Division of Wildlife | 26110100 | 30,761 |
| 66.469 | Environmental Protection Agency | OH Environ Protection Agency | 26340000 | 54,799 |
| 66.469 | Environmental Protection Agency | Lake Erie Commission | 26550000 | 56,537 |
| 66.509 | Environmental Protection Agency | Michigan State University | 22000044 | 350,447 |
| 66.814 | Environmental Protection Agency | California Dept Toxic Substances Control | 24000543 | 35,763 |
| Total Environmental Protection Agency Pass-Through Awards | | | | 764,362 |
| Nuclear Regulatory Commission | | | | |
| 77.007 | Nuclear Regulatory Commission | Wilberforce University | 22000119 | 27,166 |
| 77.30220000 | Nuclear Regulatory Commission | Edison Welding Inst Inc. | 10011218 | 14,279 |

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| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|--|------------------------------|---|-----------------------------|-------------------------|
| Research and Development Cluster — | | | | |
| Pass-through from other sources: | | | | |
| Total Nuclear Regulatory Commission Pass-Through Awards | | | | 41,445 |
| Department of Energy | | | | |
| 81.049 | US Department of Energy | Makel Engineering, Inc. | 10012377 | 62,949 |
| 81.049 | ARRA US Department of Energy | RNET Technologies | 10012505 | 76,151 |
| 81.049 | US Department of Energy | RNET Technologies | 10012505 | 65,216 |
| 81.049 | US Department of Energy | Kitware, Inc. | 10012569 | 27,233 |
| 81.049 | US Department of Energy | Lambda Instruments, Inc. | 10013169 | 65,830 |
| 81.049 | US Department of Energy | Sinmat, Inc. | 10013285 | 32,368 |
| 81.049 | US Department of Energy | Hyper Tech Res Inc. | 10020102 | 179,027 |
| 81.049 | US Department of Energy | Global Res & Dev Inc. | 10020103 | 128 |
| 81.049 | US Department of Energy | AltaSim Technologies | 10020187 | 18,359 |
| 81.049 | US Department of Energy | Spectral Energies, LLC | 10020205 | 3,719 |
| 81.049 | US Department of Energy | Samraksh Company | 10020285 | 68,928 |
| 81.049 | US Department of Energy | Rutgers University | 22000003 | 81,405 |
| 81.049 | US Department of Energy | Univ of Michigan | 22000005 | 154,184 |
| 81.049 | US Department of Energy | Michigan State University | 22000044 | 178,023 |
| 81.049 | US Department of Energy | Cornell University | 22000081 | 19,515 |
| 81.049 | US Department of Energy | Louisiana State University | 22000091 | 62,879 |
| 81.049 | US Department of Energy | Univ of Rochester | 22000193 | 132,264 |
| 81.049 | US Department of Energy | Princeton University | 22000289 | 104,619 |
| 81.049 | US Department of Energy | Carnegie Institution of Washington | 22000354 | 7,269 |
| 81.086 | US Department of Energy | General Motors Corp | 10010246 | 57,393 |
| 81.086 | US Department of Energy | US Automotive Material Partnership | 10012073 | 25,165 |
| 81.086 | ARRA US Department of Energy | Clean Fuels Ohio | 20022016 | 70,408 |
| 81.086 | US Department of Energy | Clean Fuels Ohio | 20022016 | 904 |
| 81.087 | ARRA US Department of Energy | Chrysler Group LLC | 10011706 | 434,980 |
| 81.087 | US Department of Energy | Consortium Plant Biotechnology Res Inc. | 20021036 | 17,357 |
| 81.087 | US Department of Energy | Univ of Michigan | 22000005 | 582,449 |
| 81.087 | US Department of Energy | Northwestern University | 22000041 | 14,836 |
| 81.087 | US Department of Energy | Arizona State University | 22000109 | (1,526) |
| 81.089 | US Department of Energy | General Electric Co | 10010024 | 5,464 |

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| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|------------------------------------|-------------------------------------|--|-----------------------------|-------------------------|
| Research and Development Cluster — | | | | |
| Pass-through from other sources: | | | | |
| 81.089 | US Department of Energy | Babcock & Wilcox | 10010026 | 88,527 |
| 81.089 | US Department of Energy | Rolls-Royce North American Technologies | 10011861 | 4,232 |
| 81.089 | US Department of Energy | Southern Company Services, Inc. | 10012954 | 10,328 |
| 81.089 | US Department of Energy | Nat Ctr for Manufacturing Sciences | 20021452 | 51,590 |
| 81.089 | US Department of Energy | Univ of North Dakota | 22000072 | 57,989 |
| 81.089 | Nat Energy Tech Lab | Tuskegee University | 22010053 | 37,419 |
| 81.112 | US Department of Energy | Univ of Texas at Austin | 22000270 | 15,290 |
| 81.122 | ARRA US Department of Energy | Univ of Minnesota | 22000067 | 9,462 |
| 81.134 | ARRA Nat Energy Tech Lab | Touchstone Research Laboratory | 10013054 | 372,775 |
| 81.135 | Advanced Res Projects Agency-Energy | Chromatin, Inc. | 10013224 | 263,812 |
| 81.135 | Advanced Res Projects Agency-Energy | Von Braun Ctr for Science and Innovation | 20022136 | 45,007 |
| 81.550 | US Department of Energy | Sandia Corp | 10011170 | 234,232 |
| 81.550 | US Department of Energy | Honeywell International Inc. | 10011512 | 7,717 |
| 81.550 | US Department of Energy | Advanced Technology International | 10012322 | 95,513 |
| 81.550 | US Department of Energy | RNET Technologies | 10012505 | 42,121 |
| 81.550 | US Department of Energy | General Atomics | 10012568 | (8,760) |
| 81.550 | US Department of Energy | SupraMagnetics, Inc. | 10012900 | 52,279 |
| 81.550 | US Department of Energy | ZT Plus, LLC | 10013127 | 146 |
| 81.550 | US Department of Energy | Battelle Memorial Inst | 20020012 | 227,201 |
| 81.550 | US Department of Energy | Nat Renewable Energy Lab | 20020800 | 7,745 |
| 81.550 | US Department of Energy | Pacific Northwest National Laboratory | 20021070 | 71,886 |
| 81.550 | US Department of Energy | Universities Res Assn Inc. | 20021485 | 32,138 |
| 81.550 | ARRA US Department of Energy | UT-Battelle LLC | 20021486 | 656 |
| 81.550 | US Department of Energy | UT-Battelle LLC | 20021486 | 99,775 |
| 81.550 | US Department of Energy | Brookhaven Sci Assoc, LLC | 20021624 | 256,456 |
| 81.550 | US Department of Energy | Battelle Energy Alliance, LLC | 20021641 | 1,468,291 |
| 81.550 | US Department of Energy | Alliance for Sustainable Energy, LLC | 20021831 | 130,338 |
| 81.550 | US Department of Energy | Univ of Wisconsin | 22000006 | 14,184 |
| 81.550 | US Department of Energy | Univ of California | 22000011 | 7,070 |
| 81.550 | US Department of Energy | Univ of Idaho | 22000016 | 11,658 |
| 81.550 | US Department of Energy | Univ of California - Berkeley | 22000294 | 65,277 |
| 81.550 | US Department of Energy | Los Alamos Nat Lab | 55050000 | 26,518 |
| 81.550 | US Department of Energy | Lawrence Berkeley National Laboratory | 55080000 | 153,152 |

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| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|---|--|--|-----------------------------|-------------------------|
| Research and Development Cluster — | | | | |
| Pass-through from other sources: | | | | |
| 81.550 | US Department of Energy | Lawrence Livermore National Laboratory | 55100000 | (18,069) |
| 81.550 | US Department of Energy | Oak Ridge Nat Lab | 55110000 | 197,918 |
| 81.550 | US Department of Energy | Fermi National Accelerator Laboratory | 55180000 | 2,274 |
| Total Department of Energy Pass-Through Awards | | | | 6,681,643 |
| Department of Education | | | | |
| 84.002 | US Department of Education | OH Board of Regents | 26060000 | 529 |
| 84.002 | US Department of Education | OH Dept of Administrative Services | 26180000 | 246,361 |
| 84.002 | Ofc Vocational & Adult Education Programs | OH Board of Regents | 26060000 | 307,136 |
| 84.048 | US Department of Education | OH Dept of Educ | 26080000 | 33,831 |
| 84.126 | Small Business Administration | OH Development Services Agency | 26140000 | 40,879 |
| 84.126 | US Department of Education | OH Rehabilitation Services Commission | 26120000 | 144,494 |
| 84.126 | Rehabilitation Services Admin | OH Rehabilitation Services Commission | 26120000 | 8,259 |
| 84.133 | US Department of Education | Georgia Inst of Tech | 22000189 | 11,517 |
| 84.133 | Nat Inst Disability & Rehabilitation Res | Carolinas HealthCare System | 20021451 | 87,604 |
| 84.287 | US Department of Education | OH Dept of Educ | 26080000 | 165,809 |
| 84.305 | US Department of Education | Educational Testing Service | 20020742 | 2,274 |
| 84.305 | US Department of Education | Michigan State University | 22000044 | 188,716 |
| 84.324 | US Department of Education | Univ of Kansas | 22000219 | 526,443 |
| 84.325 | US Department of Education | Salus University | 22000322 | 73,101 |
| 84.366 | US Department of Education | Miami University | 22000049 | 5,400 |
| 84.366 | US Department of Education | OH Dept of Educ | 26080000 | 2,022,984 |
| 84.367 | US Department of Education | OH Board of Regents | 26060000 | 114,770 |
| 84.367 | US Department of Education | OH Dept of Educ | 26080000 | 71,991 |
| 84.367D | US Department of Education | Nat Writing Project Corp | 20021378 | 10,309 |
| 84.378 | US Department of Education | OH Board of Regents | 26060000 | 228,598 |
| 84.395 | ARRA US Department of Education | Battelle Memorial Inst | 20020012 | 17,064 |
| 84.395 | ARRA US Department of Education | Battelle for Kids | 20022022 | (130,396) |
| 84.395 | ARRA US Department of Education | Miami University | 22000049 | 18,314 |
| 84.395 | ARRA US Department of Education | OH Dept of Educ | 26080000 | 1,389,124 |
| 84.395 | ARRA US Department of Education | OH Dept of Administrative Services | 26180000 | 184,724 |
| 84.395 | ARRA Ofc of Elementary & Secondary Education | OH Dept of Educ | 26080000 | 171,676 |

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| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|--|---|---|-----------------------------|-------------------------|
| Research and Development Cluster — | | | | |
| Pass-through from other sources: | | | | |
| 84.530 | US Department of Education | OH Dept of Educ | 26080000 | 63,905 |
| 84.928A | US Department of Education | Nat Writing Project Corp | 20021378 | 20,806 |
| Total Department of Education Pass-Through Awards | | | | 6,026,222 |
| Department of Health and Human Services | | | | |
| 93.006 | US Department of Health & Human Services | OH Commission on Minority Health | 26490000 | 7,348 |
| 93.070 | Centers for Disease Control & Prevention | OH Dept of Health | 26090000 | 40,607 |
| 93.077 | National Institutes of Health | Univ of Memphis | 22000325 | 35,564 |
| 93.077 | National Cancer Institute | Univ of Minnesota | 22000067 | 103,376 |
| 93.092 | Administration for Children and Families | Research Institute at Nationwide Children | 20010182 | 1,559 |
| 93.103 | Food and Drug Administration | Univ of Kansas | 22000219 | 29,490 |
| 93.110 | Health Resources & Services Admin | Research Institute at Nationwide Children | 20010182 | 6,994 |
| 93.110 | Health Resources & Services Admin | Massachusetts General Hospital | 20021587 | 76,816 |
| 93.110 | Health Resources & Services Admin | OH Dept of Developmental Disabilities | 26430000 | 51,843 |
| 93.110 | Maternal & Child Health Bureau | Hemophilia Fdn of Michigan | 20021026 | 37,885 |
| 93.113 | National Institutes of Health | Research Institute at Nationwide Children | 20010182 | 49,755 |
| 93.113 | Nat Inst of Environ Health Scis | Wayne State University | 22000034 | 44,756 |
| 93.113 | Nat Inst of Environ Health Scis | Univ of Pittsburgh | 22000036 | 89,768 |
| 93.113 | Nat Inst of Environ Health Scis | Univ of Connecticut | 22000076 | 52,322 |
| 93.113 | Nat Inst of Environ Health Scis | Univ of Texas Hlth Sci Ctr - San Antonio | 22000330 | 42,229 |
| 93.121 | National Institutes of Health | North Carolina State University | 22000136 | 6,738 |
| 93.121 | National Institutes of Health | Univ at Buffalo | 22000240 | 98,034 |
| 93.121 | Nat Inst of Dental & Craniofacial Res | Johns Hopkins University | 22000133 | 481,002 |
| 93.145 | Health Resources & Services Admin | Univ of Pittsburgh | 22000036 | 235,534 |
| 93.172 | National Institutes of Health | Fred Hutchinson Cancer Research Center | 20021734 | 17,973 |
| 93.172 | National Institutes of Health | Georgetown University | 22000339 | 38,006 |
| 93.172 | National Human Genome Research Institute | Fred Hutchinson Cancer Research Center | 20021734 | 20,794 |
| 93.172 | National Human Genome Research Institute | Univ of Southern California | 22000206 | 23,804 |
| 93.173 | National Institutes of Health | Univ of Pittsburgh | 22000036 | 1,293 |
| 93.173 | Nat Inst Child Health & Human Development | Oregon Health and Science University | 22000252 | 14,549 |
| 93.173 | Nat In Deafness & Other Communication Disorders | Research Institute at Nationwide Children | 20010182 | 864,965 |
| 93.173 | Nat In Deafness & Other Communication Disorders | Univ of Wisconsin | 22000006 | 63,059 |

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| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|------------------------------------|---|---|-----------------------------|-------------------------|
| Research and Development Cluster — | | | | |
| Pass-through from other sources: | | | | |
| 93.173 | Nat In Deafness & Other Communication Disorders | Vanderbilt University | 22000296 | 3,672 |
| 93.184 | Centers for Disease Control & Prevention | Hemophilia Fdn of Michigan | 20021026 | 13,017 |
| 93.184 | Centers for Disease Control & Prevention | Univ of Florida | 22000108 | 82 |
| 93.184 | Centers for Disease Control & Prevention | Univ of Louisville | 22000299 | 142,034 |
| 93.213 | National Institutes of Health | Hypnalgessics, LLC | 10013193 | 19,045 |
| 93.213 | Nat Ctr Complementary & Alternative Med | Massachusetts General Hospital | 20021587 | 8,108 |
| 93.226 | Agency for Healthcare Res & Quality | Arizona State University | 22000109 | 13,767 |
| 93.226 | Agency for Healthcare Res & Quality | Case Western Reserve Univ | 22000238 | 7,889 |
| 93.233 | National Heart, Lung, and Blood Inst | Case Western Reserve Univ | 22000238 | 9,809 |
| 93.234 | US Department of Health & Human Services | OH Rehabilitation Services Commission | 26120000 | 134,831 |
| 93.239 | Substance Abuse & Mental Health Servs Admin | Univ of California - Davis | 22000013 | 19,291 |
| 93.242 | Nat Inst of Allergy & Infectious Diseases | Social & Scientific Systems, Inc. | 10012044 | (198) |
| 93.242 | Nat Inst of Allergy & Infectious Diseases | Johns Hopkins University | 22000133 | 10,039 |
| 93.242 | National Institute of Mental Health | Johns Hopkins University | 22000133 | 2,929 |
| 93.242 | National Institute of Mental Health | Columbia University | 22000135 | 54,317 |
| 93.242 | National Institute of Mental Health | Univ of Massachusetts - Worcester | 22000318 | 167,281 |
| 93.242 | National Institute of Mental Health | Univ of California - Irvine | 22010062 | 60,343 |
| 93.243 | Substance Abuse & Mental Health Servs Admin | First Call Alcohol/Drug Prev & Recov | 20022115 | 40,720 |
| 93.243 | Substance Abuse & Mental Health Servs Admin | Wright State University | 22000087 | (36) |
| 93.262 | Nat Inst Occupational Safety & Health | Research Institute at Nationwide Children | 20010182 | 50,771 |
| 93.279 | National Institutes of Health | Univ of Memphis | 22000325 | 1,678 |
| 93.279 | National Institute on Drug Abuse | Univ of Washington | 22000212 | (707) |
| 93.283 | Centers for Disease Control & Prevention | OH Dept of Health | 26090000 | 124,815 |
| 93.286 | National Institutes of Health | Wayne State University | 22000034 | 6,999 |
| 93.286 | Nat In Biomedical Imaging & Bioengineering | Columbia University | 22000135 | 16,215 |
| 93.307 | Nat Ctr Minority Hlth & Hlth Disparities | Central State University | 22000111 | 50,999 |
| 93.350 | Nat Ctr for Advancing Translational Scis | EXCMR, Ltd. | 10020229 | 33,142 |
| 93.359 | Health Resources & Services Admin | Arizona State University | 22000109 | 7,258 |
| 93.361 | National Institute of Nursing Research | Vidatak, LLC | 10013342 | 44,237 |
| 93.361 | National Institute of Nursing Research | Univ of Medic & Dentistry of New Jersey | 22000004 | 2,762 |
| 93.361 | National Institute of Nursing Research | Univ of Colorado | 22000039 | (12,085) |
| 93.361 | National Institute of Nursing Research | Arizona State University | 22000109 | 131,073 |
| 93.361 | National Institute of Nursing Research | Emory University | 22000295 | 28,867 |

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| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|------------------------------------|--|--|-----------------------------|-------------------------|
| Research and Development Cluster — | | | | |
| Pass-through from other sources: | | | | |
| 93.361 | National Institute of Nursing Research | Boston College | 22000310 | 29,169 |
| 93.387 | National Heart, Lung, and Blood Inst | Social & Scientific Systems, Inc. | 10012044 | 11,725 |
| 93.387 | National Heart, Lung, and Blood Inst | Mount Sinai School of Medicine | 22010031 | 13 |
| 93.389 | Nat Ctr for Advancing Translational Scis | Univ of Rochester | 22000193 | 64,995 |
| 93.393 | National Institutes of Health | Univ of Michigan | 22000005 | 72,753 |
| 93.393 | National Cancer Institute | Roswell Park Cancer Institute | 20021570 | 10,153 |
| 93.393 | National Cancer Institute | Univ of Michigan | 22000005 | 61,329 |
| 93.393 | National Cancer Institute | Univ of Illinois | 22000009 | 40,974 |
| 93.393 | National Cancer Institute | Pennsylvania State University | 22000030 | 33,090 |
| 93.393 | National Cancer Institute | Univ of Pittsburgh | 22000036 | 33,652 |
| 93.393 | National Cancer Institute | Arizona State University | 22000109 | 138,770 |
| 93.393 | National Cancer Institute | Univ of North Texas | 22000124 | 22,060 |
| 93.393 | National Cancer Institute | Univ of Pennsylvania | 22000195 | 174,312 |
| 93.393 | National Cancer Institute | Washington University | 22000209 | (6,792) |
| 93.393 | National Cancer Institute | Case Western Reserve Univ | 22000238 | 12,068 |
| 93.393 | National Cancer Institute | Univ of Miami | 22000255 | 10,650 |
| 93.393 | National Cancer Institute | Univ of Texas Hlth Sci Ctr - San Antonio | 22000330 | 52 |
| 93.393 | National Cancer Institute | Georgetown University | 22000339 | 38,929 |
| 93.393 | National Cancer Institute | Univ of Texas at Dallas | 22000363 | 3,677 |
| 93.393 | National Cancer Institute | East Tennessee State Univ | 22010025 | 7,809 |
| 93.393 | National Cancer Institute | Mount Sinai School of Medicine | 22010031 | 51,897 |
| 93.393 | National Cancer Institute | Univ of Massachusetts Medical School | 22010069 | 6,359 |
| 93.393 | National Heart, Lung, and Blood Inst | Duke University | 22000094 | 44,634 |
| 93.394 | National Institutes of Health | Hyper Tech Res Inc. | 10020102 | 79,760 |
| 93.394 | National Cancer Institute | Brigham & Women's Hospital Inc. | 20021152 | 1,253,333 |
| 93.394 | National Cancer Institute | Univ of Nebraska | 22000085 | 77,732 |
| 93.394 | National Cancer Institute | Columbia University | 22000135 | 52,758 |
| 93.394 | National Cancer Institute | Stanford University | 22000142 | 67,841 |
| 93.394 | National Cancer Institute | Cleveland Clinic Lerner College of Med | 22010063 | 164,077 |
| 93.395 | National Institutes of Health | Mount Sinai Medical Center | 10011783 | 252 |
| 93.395 | National Institutes of Health | Cancer & Leukemia Group B Fdn | 20010031 | 671 |
| 93.395 | National Institutes of Health | Cornell University | 22000081 | 23,538 |
| 93.395 | National Cancer Institute | Myatt & Johnson, Inc. | 10012955 | 134,660 |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|------------------------------------|--|--|-----------------------------|-------------------------|
| Research and Development Cluster — | | | | |
| Pass-through from other sources: | | | | |
| 93.395 | National Cancer Institute | Mayo Fdn for Medical Educ & Res | 20010289 | 205,888 |
| 93.395 | National Cancer Institute | NSABP Fdn Inc. | 20010527 | 9,040 |
| 93.395 | National Cancer Institute | The Children's Hospital of Philadelphia | 20020015 | 105,403 |
| 93.395 | National Cancer Institute | Gynecologic Oncology Group | 20020024 | 335,108 |
| 93.395 | National Cancer Institute | American College of Radiology | 20020917 | 169,774 |
| 93.395 | National Cancer Institute | Brigham & Women's Hospital Inc. | 20021152 | 1,241,955 |
| 93.395 | National Cancer Institute | John Wayne Cancer Inst | 20021377 | 8,527 |
| 93.395 | National Cancer Institute | Massachusetts General Hospital | 20021587 | (1,023) |
| 93.395 | National Cancer Institute | Intl Breast Cancer Research Foundation | 20021976 | 57,833 |
| 93.395 | National Cancer Institute | Univ of Michigan | 22000005 | 56,028 |
| 93.395 | National Cancer Institute | Univ of Chicago | 22000018 | 18,179 |
| 93.395 | National Cancer Institute | West Virginia University | 22000032 | 200,403 |
| 93.395 | National Cancer Institute | Univ of Minnesota | 22000067 | 41,579 |
| 93.395 | National Cancer Institute | Univ of South Florida | 22000123 | 27,459 |
| 93.395 | National Cancer Institute | Virginia Commonwealth Univ | 22000259 | 36,985 |
| 93.395 | National Cancer Institute | Univ of California - San Diego | 22000288 | 247,265 |
| 93.395 | National Cancer Institute | Univ of California - San Francisco | 22000317 | 47,281 |
| 93.395 | National Cancer Institute | Univ of Texas M D Anderson Cancer Center | 22010039 | 88,839 |
| 93.396 | National Cancer Institute | Cleveland Clinic Fdn | 20010421 | 2,163 |
| 93.396 | National Cancer Institute | Univ of Kentucky | 22000143 | 17,651 |
| 93.396 | National Cancer Institute | New York University School of Medicine | 22000371 | 80,729 |
| 93.396 | National Cancer Institute | Thomas Jefferson University | 22010026 | 22,936 |
| 93.397 | National Cancer Institute | Columbia University | 22000135 | 24,819 |
| 93.397 | National Cancer Institute | Univ of Kentucky | 22000143 | 382,282 |
| 93.397 | National Cancer Institute | Washington University | 22000209 | (307) |
| 93.397 | National Cancer Institute | Univ of Texas Hlth Sci Ctr - San Antonio | 22000330 | 108,422 |
| 93.397 | National Cancer Institute | Univ of Texas M D Anderson Cancer Center | 22010039 | 26,659 |
| 93.507 | Centers for Disease Control & Prevention | OH Dept of Health | 26090000 | 39,600 |
| 93.524 | Centers for Disease Control & Prevention | OH Dept of Health | 26090000 | 27,500 |
| 93.600 | Administration for Children and Families | OH Dept of Educ | 26080000 | 26,310 |
| 93.600 | US Department of Health & Human Services | After-School All-Stars Columbus | 20022119 | 21,680 |
| 93.60041200 | Agency for Healthcare Res & Quality | Truven Health Analytics | 10030250 | 39,762 |
| 93.60041200 | Agency for Healthcare Res & Quality | Health Research & Educational Trust | 20021687 | 76,299 |

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|------------------------------------|---|--|-----------------------------|-------------------------|
| Research and Development Cluster — | | | | |
| Pass-through from other sources: | | | | |
| 93.630 | US Department of Health & Human Services | Wright State University | 22000087 | 4,061 |
| 93.630 | US Department of Health & Human Services | OH Dept of Developmental Disabilities | 26430000 | 39,924 |
| 93.630 | US Department of Health & Human Services | OH Developmental Disabilities Plng Cncl | 26430100 | 102,274 |
| 93.630 | Administration for Children and Families | Wright State University | 22000087 | 7,058 |
| 93.640 | National Institutes of Health | Fisher BioServices, Inc. | 10012728 | 28 |
| 93.640 | National Institutes of Health | Cancer & Leukemia Group B Fdn | 20010031 | 3,028 |
| 93.640 | National Institutes of Health | Southern Research Institute | 20021971 | 31,218 |
| 93.640 | National Institutes of Health | Alliance for Clinical Trials in Oncology | 20022076 | 325 |
| 93.640 | National Institutes of Health | Rutgers University | 22000003 | 11,642 |
| 93.640 | National Institutes of Health | Univ of Chicago | 22000018 | 16,511 |
| 93.640 | National Institutes of Health | Emory University | 22000295 | 10,294 |
| 93.640 | National Institutes of Health | Mount Sinai School of Medicine | 22010031 | 93,199 |
| 93.640 | ARRA National Cancer Institute | SAIC, Inc. | 10011324 | 22,432 |
| 93.640 | National Cancer Institute | SAIC, Inc. | 10011324 | 82,891 |
| 93.640 | National Cancer Institute | The EMMES Corp | 10012757 | (248) |
| 93.640 | National Cancer Institute | Enlyton, Ltd | 10020220 | 12,163 |
| 93.640 | National Cancer Institute | Cancer & Leukemia Group B Fdn | 20010031 | 49,954 |
| 93.640 | National Cancer Institute | Brigham & Women's Hospital Inc. | 20021152 | 1,307 |
| 93.640 | National Cancer Institute | Fred Hutchinson Cancer Research Center | 20021734 | 30,870 |
| 93.640 | National Cancer Institute | Eastern Cooperative Oncology Group | 20021810 | 125 |
| 93.640 | National Cancer Institute | Alliance for Clinical Trials in Oncology | 20022076 | 5,346 |
| 93.640 | National Cancer Institute | Johns Hopkins University | 22000133 | 4,522 |
| 93.640 | ARRA National Cancer Institute | Case Western Reserve Univ | 22000238 | 953 |
| 93.640 | ARRA National Heart, Lung, and Blood Inst | Case Western Reserve Univ | 22000238 | 4,257 |
| 93.640 | National Heart, Lung, and Blood Inst | Case Western Reserve Univ | 22000238 | 236,730 |
| 93.640 | National Heart, Lung, and Blood Inst | Vanderbilt University | 22000296 | 54,743 |
| 93.640 | Nat Inst of Allergy & Infectious Diseases | Univ of Minnesota | 22000067 | 801,530 |
| 93.640 | Nat Inst of Allergy & Infectious Diseases | Univ of California - San Francisco | 22000317 | 89,458 |
| 93.64000009 | National Library of Medicine | Aquilent, Inc. | 10013206 | 2,971 |
| 93.64000009 | National Library of Medicine | Univ of Illinois | 22000009 | 250 |
| 93.64000011 | National Eye Institute | The EMMES Corp | 10012757 | 23,254 |
| 93.652 | Administration for Children and Families | Franklin Co Children Services | 24000056 | 119,949 |
| 93.701 | ARRA National Cancer Institute | American College of Radiology | 20020917 | 5,030 |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|------------------------------------|--|---|-----------------------------|-------------------------|
| Research and Development Cluster — | | | | |
| Pass-through from other sources: | | | | |
| 93.701 | ARRA National Cancer Institute | Univ of Michigan | 22000005 | (6,507) |
| 93.701 | ARRA Nat In Diabetes & Digestive & Kidney Diseases | Univ of Massachusetts - Worcester | 22000318 | 9,107 |
| 93.701 | ARRA National Cancer Institute | John Wayne Cancer Inst | 20021377 | (256) |
| 93.701 | ARRA National Cancer Institute | Univ of Toledo | 22000277 | 7,387 |
| 93.701 | ARRA National Heart, Lung, and Blood Inst | Mount Sinai School of Medicine | 22010031 | (1,328) |
| 93.701 | ARRA Nat Inst Gen Medical Scis | Dartmouth College | 22000234 | (4,033) |
| 93.701 | ARRA Nat Inst Neurological Disorders & Stroke | The EMMES Corp | 10012757 | 4,812 |
| 93.701 | ARRA Nat Inst Neurological Disorders & Stroke | Univ of California - Los Angeles | 22000269 | (9,377) |
| 93.701 | ARRA National Eye Institute | St. Luke's-Roosevelt Hospital Center | 20021423 | (300) |
| 93.701 | ARRA National Institute on Aging | Univ of California - San Diego | 22000288 | 200,355 |
| 93.701 | ARRA Nat In Biomedical Imaging & Bioengineering | Hyper Tech Res Inc. | 10020102 | 35,817 |
| 93.715 | ARRA Agency for Healthcare Res & Quality | AcademyHealth | 20022065 | 6,070 |
| 93.715 | ARRA Agency for Healthcare Res & Quality | Univ of Colorado | 22000039 | 315,783 |
| 93.791 | Ctrs for Medicare & Medicaid Services | OH Dept of Job & Family Services | 26630000 | 865,905 |
| 93.837 | National Institutes of Health | Yale University | 22000088 | 10,239 |
| 93.837 | National Heart, Lung, and Blood Inst | Research Institute at Nationwide Children | 20010182 | 105,120 |
| 93.837 | National Heart, Lung, and Blood Inst | Jewish General Hospital | 20021801 | 260,374 |
| 93.837 | National Heart, Lung, and Blood Inst | Univ of Illinois | 22000009 | 26,753 |
| 93.837 | National Heart, Lung, and Blood Inst | Univ of California - Davis | 22000013 | 20,190 |
| 93.837 | National Heart, Lung, and Blood Inst | Pennsylvania State University | 22000030 | 39,472 |
| 93.837 | National Heart, Lung, and Blood Inst | Univ of Pittsburgh | 22000036 | 105,158 |
| 93.837 | National Heart, Lung, and Blood Inst | Univ of Minnesota | 22000067 | (6,179) |
| 93.837 | National Heart, Lung, and Blood Inst | Yale University | 22000088 | 3,036 |
| 93.837 | National Heart, Lung, and Blood Inst | Duke University | 22000094 | 40,372 |
| 93.837 | National Heart, Lung, and Blood Inst | Univ of Maryland | 22000120 | 106,701 |
| 93.837 | National Heart, Lung, and Blood Inst | Univ of North Carolina | 22000146 | 16,984 |
| 93.837 | National Heart, Lung, and Blood Inst | Univ of Toledo | 22000277 | 2,997 |
| 93.837 | National Heart, Lung, and Blood Inst | Univ of Louisville | 22000299 | 112,550 |
| 93.837 | National Heart, Lung, and Blood Inst | Yeshiva University | 22000331 | 28,129 |
| 93.837 | National Heart, Lung, and Blood Inst | Mount Sinai School of Medicine | 22010031 | 5,005 |
| 93.838 | National Heart, Lung, and Blood Inst | Research Institute at Nationwide Children | 20010182 | 23,972 |
| 93.838 | National Heart, Lung, and Blood Inst | Am Lung Assn | 20020041 | 98,751 |
| 93.838 | National Heart, Lung, and Blood Inst | Fred Hutchinson Cancer Research Center | 20021734 | 22,676 |

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FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|------------------------------------|--|---|-----------------------------|-------------------------|
| Research and Development Cluster — | | | | |
| Pass-through from other sources: | | | | |
| 93.838 | National Heart, Lung, and Blood Inst | Univ of Michigan | 22000005 | 785 |
| 93.839 | National Institutes of Health | Nat Marrow Donor Program | 20021576 | 283,316 |
| 93.839 | National Heart, Lung, and Blood Inst | Arteriocyte, Inc. | 10020226 | (36) |
| 93.839 | National Heart, Lung, and Blood Inst | Nat Marrow Donor Program | 20021576 | 67,219 |
| 93.839 | National Heart, Lung, and Blood Inst | Case Western Reserve Univ | 22000238 | 6,324 |
| 93.846 | Nat In Arthritis & Muscoskeletal & Skin Diseases | Tufts Medical Ctr | 20021543 | (975) |
| 93.846 | Nat In Arthritis & Muscoskeletal & Skin Diseases | Hospital For Special Surgery | 20021549 | 76,870 |
| 93.846 | Nat In Arthritis & Muscoskeletal & Skin Diseases | Cincinnati Children's Hos Med Ctr | 20021628 | 109 |
| 93.846 | Nat In Arthritis & Muscoskeletal & Skin Diseases | Children's Mercy Hospitals and Clinics | 20021968 | 13,796 |
| 93.846 | Nat In Arthritis & Muscoskeletal & Skin Diseases | Northwestern University | 22000041 | 5,708 |
| 93.846 | Nat In Arthritis & Muscoskeletal & Skin Diseases | Univ of Iowa | 22000137 | 128,697 |
| 93.846 | Nat In Arthritis & Muscoskeletal & Skin Diseases | Vanderbilt University | 22000296 | 15,528 |
| 93.847 | National Institutes of Health | Univ of Pittsburgh | 22000036 | 22,219 |
| 93.847 | Nat In Diabetes & Digestive & Kidney Diseases | Research Institute at Nationwide Children | 20010182 | 46,592 |
| 93.847 | Nat In Diabetes & Digestive & Kidney Diseases | Minneapolis Medical Research Foundation | 20012090 | 1,828 |
| 93.847 | Nat In Diabetes & Digestive & Kidney Diseases | Univ of Louisville | 22000299 | 153 |
| 93.848 | National Institutes of Health | Univ of Pittsburgh | 22000036 | 12,358 |
| 93.849 | Nat In Diabetes & Digestive & Kidney Diseases | Univ of Minnesota | 22000067 | 4,538 |
| 93.853 | National Institutes of Health | Case Western Reserve Univ | 22000238 | 20,802 |
| 93.853 | National Institutes of Health | Army Medical Res Acquisition Activity | 50022700 | (20,984) |
| 93.853 | Nat Inst Neurological Disorders & Stroke | Mount Sinai Medical Center | 10011783 | 26,585 |
| 93.853 | Nat Inst Neurological Disorders & Stroke | Research Institute at Nationwide Children | 20010182 | 52,608 |
| 93.853 | Nat Inst Neurological Disorders & Stroke | Brigham & Women's Hospital Inc. | 20021152 | 10,896 |
| 93.853 | Nat Inst Neurological Disorders & Stroke | Massachusetts General Hospital | 20021587 | 203,604 |
| 93.853 | Nat Inst Neurological Disorders & Stroke | Univ of Michigan | 22000005 | 4,653 |
| 93.853 | Nat Inst Neurological Disorders & Stroke | Indiana University | 22000012 | 26,402 |
| 93.853 | Nat Inst Neurological Disorders & Stroke | Yale University | 22000088 | 149 |
| 93.853 | Nat Inst Neurological Disorders & Stroke | Johns Hopkins University | 22000133 | 34,640 |
| 93.853 | Nat Inst Neurological Disorders & Stroke | Univ of Rochester | 22000193 | 6,121 |
| 93.853 | Nat Inst Neurological Disorders & Stroke | Washington University | 22000209 | 29,025 |
| 93.853 | Nat Inst Neurological Disorders & Stroke | Univ of Miami | 22000255 | 71,370 |
| 93.853 | Nat Inst Neurological Disorders & Stroke | Univ of Louisville | 22000299 | 149,408 |
| 93.853 | Nat Inst Neurological Disorders & Stroke | Univ of British Columbia | 22010079 | 1,212 |

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|------------------------------------|---|---|-----------------------------|-------------------------|
| Research and Development Cluster — | | | | |
| Pass-through from other sources: | | | | |
| 93.855 | National Institutes of Health | Univ of North Carolina | 22000146 | 88,424 |
| 93.855 | Nat Inst of Allergy & Infectious Diseases | Social & Scientific Systems, Inc. | 10012044 | (3,955) |
| 93.855 | Nat Inst of Allergy & Infectious Diseases | Research Institute at Nationwide Children | 20010182 | 14,398 |
| 93.855 | Nat Inst of Allergy & Infectious Diseases | Brigham & Women's Hospital Inc. | 20021152 | 111,620 |
| 93.855 | Nat Inst of Allergy & Infectious Diseases | Weill Cornell Medical College | 20021833 | 26,826 |
| 93.855 | Nat Inst of Allergy & Infectious Diseases | Institute for Clinical Research Inc. | 20022020 | 24,436 |
| 93.855 | Nat Inst of Allergy & Infectious Diseases | Univ of Chicago | 22000018 | 329,111 |
| 93.855 | Nat Inst of Allergy & Infectious Diseases | Univ of Pittsburgh | 22000036 | 187,254 |
| 93.855 | Nat Inst of Allergy & Infectious Diseases | Kansas State University | 22000062 | 272,335 |
| 93.855 | Nat Inst of Allergy & Infectious Diseases | Wake Forest University | 22000286 | 2,350 |
| 93.855 | Nat Inst of Allergy & Infectious Diseases | Univ of Rijeka | 22010055 | 6,838 |
| 93.855 | Nat Inst of Allergy & Infectious Diseases | Univ of California - Irvine | 22010062 | 99,629 |
| 93.855 | Nat Inst of Health, Ofc of the Director | Yeshiva University | 22000331 | 7,389 |
| 93.856 | Nat Inst of Allergy & Infectious Diseases | Pennsylvania State University | 22000030 | 17,785 |
| 93.859 | National Institutes of Health | Univ of Florida | 22000108 | 72,782 |
| 93.859 | Nat Inst Gen Medical Scis | Research Institute at Nationwide Children | 20010182 | 18,662 |
| 93.859 | Nat Inst Gen Medical Scis | Cleveland Clinic | 20021182 | 29,416 |
| 93.859 | Nat Inst Gen Medical Scis | The Scripps Research Institute | 20021352 | 119,964 |
| 93.859 | Nat Inst Gen Medical Scis | Univ of Michigan | 22000005 | 70,313 |
| 93.859 | Nat Inst Gen Medical Scis | Univ of Wisconsin | 22000006 | 77,070 |
| 93.859 | Nat Inst Gen Medical Scis | Univ of Chicago | 22000018 | 56,959 |
| 93.859 | Nat Inst Gen Medical Scis | Ohio University | 22000130 | 49,895 |
| 93.859 | Nat Inst Gen Medical Scis | Univ of Texas at Austin | 22000270 | 48,584 |
| 93.859 | Nat Inst Gen Medical Scis | Univ of California - San Francisco | 22000317 | 86,477 |
| 93.859 | Nat Inst Gen Medical Scis | Tulane University | 22000372 | 31,901 |
| 93.865 | US Department of Health & Human Services | Univ of Michigan | 22000005 | 4,716 |
| 93.865 | National Institutes of Health | Univ of Colorado | 22000039 | 159,755 |
| 93.865 | National Institutes of Health | Univ of Texas at San Antonio | 22000348 | 54,274 |
| 93.865 | Nat Inst of Allergy & Infectious Diseases | Virginia Polytechnic Inst | 22000023 | 36,507 |
| 93.865 | Nat Inst Child Health & Human Development | Rand Corp | 20021340 | 27,606 |
| 93.865 | Nat Inst Child Health & Human Development | Indiana University | 22000012 | 82,044 |
| 93.865 | Nat Inst Child Health & Human Development | George Washington University | 22000025 | 592,766 |
| 93.865 | Nat Inst Child Health & Human Development | Pennsylvania State University | 22000030 | 19,655 |

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|---|---|--|-----------------------------|-------------------------|
| Research and Development Cluster — | | | | |
| Pass-through from other sources: | | | | |
| 93.865 | Nat Inst Child Health & Human Development | Univ of Alabama at Birmingham | 22000207 | 10,946 |
| 93.865 | Nat Inst Child Health & Human Development | Case Western Reserve Univ | 22000238 | 183,984 |
| 93.865 | Nat Inst Child Health & Human Development | Univ of California - Irvine | 22010062 | 109,392 |
| 93.866 | National Institute on Aging | Case Western Reserve Univ | 22000238 | 8,727 |
| 93.866 | National Institute on Aging | Univ of California - San Diego | 22000288 | 55,043 |
| 93.866 | National Institute on Aging | Vanderbilt University | 22000296 | 75,579 |
| 93.867 | National Institutes of Health | St. Luke's-Roosevelt Hospital Center | 20021423 | 4,361 |
| 93.867 | National Eye Institute | Precision Vision | 10013290 | 5,908 |
| 93.867 | National Eye Institute | Jaeb Ctr for Health Res | 20021387 | 44,883 |
| 93.867 | National Eye Institute | Univ of Houston | 22000092 | 12,423 |
| 93.867 | National Eye Institute | Univ of Pennsylvania | 22000195 | 524 |
| 93.867 | National Eye Institute | Univ of California - Irvine | 22010062 | 204,449 |
| 93.945 | Centers for Disease Control & Prevention | Cincinnati Children's Hos Med Ctr | 20021628 | 12,369 |
| 93.991 | Centers for Disease Control & Prevention | Union County Health Department | 24000556 | 5,126 |
| Total Department of Health and Human Services Pass-Through Awards | | | | 19,411,759 |
| Corporation for National and Community Service | | | | |
| 94.005 | Corp for Nat & Community Service | National Education Association | 20022030 | 103,453 |
| 94.006 | Corp for Nat & Community Service | OH Commission Service and Volunteerism | 26650000 | 54,612 |
| Total Corporation for National and Community Service Pass-Through Awards | | | | 158,065 |
| Director of National Intelligence | | | | |
| 95.30350201 | Intelligence Advanced Res Projects Agcy | Applied Research Associates, Inc. | 10013004 | 17,414 |
| 95.30350201 | Intelligence Advanced Res Projects Agcy | Intl Computer Science Institute | 20022122 | 213,372 |
| Total Director of National Intelligence Pass-Through Awards | | | | 230,786 |
| Social Security Administration | | | | |
| 96.007 | Social Security Admin | Univ of Michigan | 22000005 | 89,107 |
| 96.007 | Social Security Admin | Univ of Wisconsin | 22000006 | 63,703 |

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|--|------------------------------------|----------------------------------|-----------------------------|-------------------------|
| Research and Development Cluster — Pass-through from other sources: | | | | |
| Total Social Security Administration Pass-Through Awards | | | | 152,810 |
| Department of Homeland Security | | | | |
| 97.044 | US Department of Homeland Security | Univ of Illinois | 22000009 | 193,645 |
| Total Department of Homeland Security Pass-through Awards | | | | 193,645 |
| Agency for International Development | | | | |
| 98.001 | Agency for Intl Dev | Intl Rice Res Inst | 20021413 | 57,100 |
| 98.001 | Agency for Intl Dev | Univ of California - Davis | 22000013 | 6,744 |
| 98.001 | Agency for Intl Dev | Virginia Polytechnic Inst | 22000023 | 288,234 |
| 98.001 | Agency for Intl Dev | Cornell University | 22000081 | 39,988 |
| 98.001 | Agency for Intl Dev | Univ of Nebraska | 22000085 | 107,651 |
| 98.001 | Agency for Intl Dev | Univ of Hawaii | 22000265 | (9,659) |
| 98.012 | Agency for Intl Dev | Higher Education for Development | 20021686 | 582,250 |
| Total Agency for International Development Pass-Through Awards | | | | 1,072,308 |
| Other | | | | |
| 99.31020000 | National Academy of Sciences | Queen's University | 22010008 | (5,818) |
| Total Other Pass-Through Awards | | | | (5,818) |
| Subtotal pass-through from other sources | | | | \$ 63,449,014 |
| Total Research and Development Cluster | | | | <u>\$ 370,290,587</u> |

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Federal Expenditures |
|--|--|-------------------------|
| Student Financial Aid Cluster – | | |
| Funds received directly from the following federal agencies: | | |
| Department of Education | | |
| 84.007 | Supplement Educational Opportunity Grant | \$ 1,164,283 |
| 84.033 | Federal Workstudy Program | 3,031,138 |
| 84.037 | Federal Perkins Loan Cancellations | 7,293,346 |
| 84.038 | Federal Perkins Loans | 5,000,401 |
| 84.063 | Federal Pell Grant Program | 52,612,373 |
| 84.268 | Federal Direct Lending | 369,049,092 |
| 84.379 | Teacher Ed Assistance for College and Higher Ed Grants | 17,880 |
| Total Department of Education Direct Awards | | 438,168,513 |
| Department of Health and Human Services | | |
| 93.264 | Nursing Faculty Loan | 96,000 |
| 93.342 | Health Professions Student Loans | 2,502,572 |
| 93.364 | Nursing Student Loan | 236,155 |
| Total Department of Health and Human Services Direct Awards | | 2,834,727 |
| Subtotal Student Financial Aid Cluster | | <u>\$ 441,003,240</u> |
| Economic Development Cluster – | | |
| Funds received directly from the following federal agencies: | | |
| Department of Commerce | | |
| 11.307 | Econ Dev Admin | \$ 461,264 |
| Total Department of Commerce Direct Awards | | 461,264 |
| Subtotal Economic Development Cluster | | <u>\$ 461,264</u> |

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FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | | Federal Expenditures |
|--|--------------------------------|----------|-------------------------|
| Highway and Construction Cluster – Funds received directly from the following federal agencies: | | | |
| Department of Transportation | | | |
| 20.205 | Federal Highway Administration | | \$ 189,143 |
| Total Department of Transportation Direct Awards | | | 189,143 |
| Subtotal Highway and Construction Cluster | | | \$ 189,143 |
| Trio Cluster – Funds received directly from the following federal agencies: | | | |
| Department of Education | | | |
| 84.042 | US Department of Education | | \$ 298,945 |
| 84.047 | US Department of Education | | 98,785 |
| 84.047 | US Department of Education | 53000000 | 324,202 |
| 84.047 | Ofc of Postsecondary Education | 53040000 | 103,881 |
| Total Department of Education Direct Awards | | | 825,813 |
| Subtotal Trio Cluster | | | \$ 825,813 |
| Teacher Quality Partnership Grants Cluster – Funds received directly from the following federal agencies: | | | |
| Department of Education | | | |
| 84.336 | US Department of Education | | \$ 1,420,020 |
| Total Department of Education Direct Awards | | | 1,420,020 |
| Subtotal Teacher Quality Partnership Grants Cluster | | | \$ 1,420,020 |

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|--|---------------------------------|------------------------------------|-----------------------------|-------------------------|
| Fish and Wildlife Cluster — Pass throughs from other sources: | | | | |
| Department of the Interior | | | | |
| 15.605 | US Fish and Wildlife Service | OH Division of Wildlife | 26110100 | \$ 1,636,515 |
| Total Department of the Interior Pass-Through Awards | | | | 1,636,515 |
| Subtotal Fish and Wildlife Cluster | | | | <u>\$ 1,636,515</u> |
| Highway Planning and Construction Cluster — Pass throughs from other sources: | | | | |
| Department of Transportation | | | | |
| 20.205 | US Department of Transportation | OH Dept of Transportation | 26010000 | \$ 131,687 |
| 20.205 | Federal Highway Administration | Univ of Cincinnati | 22000074 | 32,936 |
| 20.205 | Federal Highway Administration | OH Dept of Transportation | 26010000 | 735,341 |
| Total Department of Transportation Pass-Through Awards | | | | 899,964 |
| Subtotal Highway Planning and construction Cluster | | | | <u>\$ 899,964</u> |
| Special Education (IDEA) Cluster — Pass throughs from other sources: | | | | |
| Department of Education | | | | |
| 84.027 | US Department of Education | OH Dept of Educ | 26080000 | \$ (5,637) |
| 84.173 | US Department of Education | OH Dept of Educ | 26080000 | 5 |
| 84.173 | US Department of Education | OH Dept of Administrative Services | 26180000 | 229,818 |
| Total Department of Education Pass-Through Awards | | | | 224,186 |
| Subtotal Special Education (IDEA) Cluster | | | | <u>\$ 224,186</u> |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|---|---------------------------------------|-----------------------------------|-----------------------------|-------------------------|
| Educational Technolog State Grants Cluster – Pass throughs from other sources: | | | | |
| Department of Education | | | | |
| 84.386 | ARRA US Department of Education | eTech Ohio | 26660000 \$ | 15 |
| Total Department of Education Pass-Through Awards | | | | 15 |
| Subtotal Educational Technology State Grants Cluster | | | | \$ 15 |
| School Improvement Grants Cluster – Pass throughs from other sources: | | | | |
| Department of Education | | | | |
| 84.388 | ARRA US Department of Education | Tomorrow Center, The | 20022018 \$ | 58,897 |
| 84.388 | ARRA US Department of Education | OH Dept of Educ | 26080000 | 1,050,359 |
| Total Department of Education Pass-Through Awards | | | | 1,109,256 |
| Subtotal School Improvement Grants Cluster | | | | \$ 1,109,256 |
| Medicaid Cluster – Pass throughs from other sources: | | | | |
| Department of Health and Human Services | | | | |
| 93.778 | Ctrs for Medicare & Medicaid Services | OH Dept of Job & Family Services | 26630000 \$ | 64,509 |
| 93.778 | Ctrs for Medicare & Medicaid Services | Cincinnati Children's Hos Med Ctr | 20021628 | 32,400 |
| 93.778 | Ctrs for Medicare & Medicaid Services | OH Board of Regents | 26060000 | 64,449 |
| 93.778 | Ctrs for Medicare & Medicaid Services | OH Dept of Educ | 26080000 | 237,299 |
| 93.778 | Ctrs for Medicare & Medicaid Services | OH Dept of Job & Family Services | 26630000 | 10,568,625 |
| 93.778 | Ctrs for Medicare & Medicaid Services | OH Dept of Job & Family Services | 26630000 | 22,704 |
| 93.778 | Ctrs for Medicare & Medicaid Services | Franklin County Dept of Health | | 303,736 |
| Total Department of Health and Human Services Pass-Through Awards | | | | 11,293,722 |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|--|---------------------------------|---|-----------------------------|-------------------------|
| Subtotal Medicaid Cluster | | | | <u>\$ 11,293,722</u> |
| Child Nutrition Cluster — Pass throughs from other sources: | | | | |
| Department of Agriculture | | | | |
| 10.559 | US Department of Agriculture | OH Dept of Educ | 26080000 | \$ 2,587 |
| Total Department of Agriculture Pass-Through Awards | | | | <u>2,587</u> |
| Subtotal Child Nutrition Cluster | | | | <u>\$ 2,587</u> |
| Supplemental Nutrition Assistance Program Cluster — Pass throughs from other sources: | | | | |
| Department of Agriculture | | | | |
| 10.561 | US Department of Agriculture | OH Dept of Job & Family Services | 26630000 | \$ 14,732 |
| 10.561 | USDA Food and Nutrition Service | OH Dept of Job & Family Services | 26630000 | 3,202,416 |
| Total Department of Agriculture Pass-Through Awards | | | | <u>3,217,148</u> |
| Subtotal Supplemental Nutrition Assistance Program Cluster | | | | <u>\$ 3,217,148</u> |
| CDBG Entitlements Grants Cluster — Pass throughs from other sources: | | | | |
| Department of Housing and Urban Development | | | | |
| 14.218 | Dept of Housing & Urban Dev | City of Columbus | 24000306 | \$ 26,298 |
| 14.218 | Dept of Housing & Urban Dev | Cleveland Dept of Community Development | 24000528 | 54,622 |
| 14.218 | Dept of Housing & Urban Dev | City of Dayton | 24000572 | 1,777 |
| Total Department of Housing and Urban Development Pass-Through Awards | | | | <u>82,697</u> |
| Subtotal CDBG Entitlements Grants Cluster | | | | <u>\$ 82,697</u> |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|--|--|--|-----------------------------|-------------------------|
| TANF Cluster – | | | | |
| Pass throughs from other sources: | | | | |
| Department of Health and Human Services | | | | |
| 93.558 | US Department of Health & Human Services | Central Ohio Workforce Investment Corp | 20021603 \$ | 24,000 |
| 93.558 | Administration for Children and Families | Butler County Board of Commissioners | 24000522 | 239,289 |
| 93.558 | Administration for Children and Families | Perry County Job and Family Services | 24000575 | 6,472 |
| Total Department of Health and Human Services Pass-Through Awards | | | | 269,761 |
| Subtotal CDBG Entitlements Grants Cluster | | | | \$ 269,761 |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Federal Expenditures |
|---|--|-------------------------|
| Funds received directly from the following federal agencies | | |
| Other Programs: | | |
| Department of Agriculture | | |
| 10.001 | USDA Agricultural Res Service | \$ 2,151 |
| 10.025 | Animal & Plant Health Inspection Service | 30,930 |
| 10.311 | National Institute of Food & Agriculture | 235,912 |
| 10.40040100 | National Institute of Food & Agriculture | 3,211 |
| 10.558 | Child and Adult Care Food Program | 93,932 |
| Total Department of Agriculture Direct Awards | | 366,136 |
| Department of Commerce | | |
| 11.550 | Public Telecomm Facilities Planning and Construction | 20,191 |
| 11.553 | Public Telecomm Facilities Planning and Construction | 7,260 |
| Total Department of Commerce Direct Awards | | 27,451 |
| Department of Defense | | |
| 12.50022801 | Army Morale Welfare and Recreation | 16,946 |
| Total Department of Defense Direct Awards | | 16,946 |
| Department of State | | |
| 19.009 | Bureau of Educ & Cultural Affairs | 27,873 |
| 19.700 | US Department of State | 64,436 |
| Total Department of State Direct Awards | | 92,309 |
| Department of Transportation | | |
| 20.106 | Airport Improvement Program | 448,381 |
| Total Department of Transportation Direct Awards | | 448,381 |
| Department of Appalachian Regional Commission | | |
| 23.30070100 | Appalachian Regional Commission | 6,670 |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Federal Expenditures |
|--|--|-------------------------|
| Funds received directly from the following federal agencies | | |
| Other Programs: | | |
| Total Department of Appalachian Regional Commission Direct Awards | | 6,670 |
| Department of Office of Personnel Management | | |
| 27.011 | IPA Mobility Act | 20,746 |
| Total Department of Office of Personnel Management Direct Awards | | 20,746 |
| Department of Federal Communications Commission | | |
| 32.001 | Comm Info & Assistance/Investigation of Complaints | 80,557 |
| Total Department of Federal Communications Commission Direct Awards | | 80,557 |
| Department of National Endowment for the Humanities | | |
| 45.163 | National Endowment For The Humanities | 77,067 |
| 45.164 | National Endowment For The Humanities | 132,793 |
| Total Department of National Endowment for the Humanities Direct Awards | | 209,860 |
| Department of Veterans Affairs | | |
| 64.011 | Veterans Outpatient Care | 14 |
| 64.125 | Voc and Educ Counseling for Veterans | 612 |
| Total Department of Veterans Affairs Direct Awards | | 626 |
| Department of Environmental Protection Agency | | |
| 66.469 | Environmental Protection Agency | 61,254 |
| Total Department of Environmental Protection Agency Direct Awards | | 61,254 |
| Department of Education | | |
| 84.015 | US Department of Education | 716,409 |
| 84.170 | Javits Fellowships | 108,684 |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Federal Expenditures |
|--|--|-------------------------|
| Funds received directly from the following federal agencies | | |
| Other Programs: | | |
| 84.195 | US Department of Education | 148,106 |
| 84.295 | Ready to Learn Television | 3,776 |
| 84.327 | US Department of Education | 141,700 |
| 84.350 | US Department of Education | 745,739 |
| 84.022A | Student Research Abroad | 28,570 |
| 84.215X | Fund for the Improvement of Education | 2,562 |
| Total Department of Education Direct Awards | | 1,895,546 |
| Department of Health and Human Services | | |
| 93.000 | Health Resources & Services Admin 403b discount drug program | 599,586 |
| 93.243 | Substance Abuse & Mental Health Servs Admin | 74,232 |
| 93.249 | Health Resources & Services Admin | 601,069 |
| 93.395 | National Cancer Institute | 6,000 |
| 93.502 | Health Resources & Services Admin | 24,553,326 |
| 93.667 | Social Services Block Grant | 371,398 |
| 93.702 | ARRA Nat Center for Research Resources | 3,145,903 |
| 93.887 | Health Care and Other Facilities | 96,076 |
| Total Department of Health and Human Services Direct Awards | | 29,447,590 |
| Subtotal funds received directly from federal agencies | | \$ 32,674,072 |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|--|--|---|-----------------------------|-------------------------|
| Pass-through from other sources: | | | | |
| Other Programs: | | | | |
| Department of Agriculture | | | | |
| 10.025 | Animal & Plant Health Inspection Service | Ohio Department Of Agriculture | 26390000 | \$ 48,741 |
| 10.169 | US Department of Agriculture | Ohio Department Of Agriculture | 26390000 | 14,244 |
| 10.215 | National Institute of Food & Agriculture | Univ of Minnesota | 22000067 | 8,598 |
| 10.303 | National Institute of Food & Agriculture | Univ of Illinois | 22000009 | 14,387 |
| 10.319 | National Institute of Food & Agriculture | Univ of Minnesota | 22000067 | 57,200 |
| 10.319 | National Institute of Food & Agriculture | Univ of Missouri | 22000073 | 24,511 |
| 10.319 | National Institute of Food & Agriculture | North Dakota State Univ | 22000263 | 1,311 |
| 10.500 | National Institute of Food & Agriculture | Purdue University | 22000002 | 170,226 |
| 10.500 | National Institute of Food & Agriculture | Univ of Wyoming | 22000059 | 1,388 |
| 10.500 | National Institute of Food & Agriculture | Kansas State Univ | 22000062 | 162,408 |
| 10.500 | National Institute of Food & Agriculture | Univ of Minnesota | 22000067 | 49,053 |
| 10.500 | National Institute of Food & Agriculture | Cornell University | 22000081 | 588 |
| 10.500 | National Institute of Food & Agriculture | Univ of Nebraska | 22000085 | (562) |
| 10.558 | US Department of Agriculture | OH Dept of Educ | 26080000 | 52,918 |
| 10.574 | USDA Food and Nutrition Service | Wellington Exempted Village School Dist | 24000568 | (1,200) |
| 10.575 | USDA Food and Nutrition Service | Cleveland Metropolitan School District | 24000189 | 3,630 |
| 10.664 | USDA Forest Service | OH Dept of Natural Resources | 26110000 | 41,276 |
| 10.680 | USDA Forest Service | Purdue University | 22000002 | 3,079 |
| 10.680 | USDA Forest Service | OH Dept of Natural Resources | 26110000 | 26,534 |
| 10.902 | US Department of Agriculture | Great Lakes Commission | 20021027 | 530 |
| Total Department of Agriculture Pass-Through Awards | | | | 678,860 |
| Department of Commerce | | | | |
| 11.557 | ARRA US Department of Commerce | OneCommunity | 20021975 | 828,007 |
| 11.557 | ARRA US Department of Commerce | Connected Nation | 20021994 | 22,835 |
| 11.557 | ARRA Nat Telecommunications and Info Admin | Com Net, Inc. | 10020267 | 925,227 |
| 11.557 | ARRA Nat Telecommunications and Info Admin | Horizon Telcom, Inc. | 10020268 | 999,924 |
| Total Department of Commerce Pass-Through Awards | | | | 2,775,993 |
| Department of Housing and Urban Development | | | | |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|--|---------------------------------------|---|-----------------------------|-------------------------|
| Pass-through from other sources: | | | | |
| Other Programs: | | | | |
| 14.239 | Dept of Housing & Urban Dev | Maumee Valley Planning Organization | 20021779 | 600 |
| 14.70000000 | Dept of Housing & Urban Dev | City of Cleveland Dept of Economic Dev | 24000565 | 66,348 |
| 14.704 | Dept of Housing & Urban Dev | Mid-OH Regional Planning Commission | 26270000 | 63,791 |
| Total Department of Housing and Urban Development Pass-Through Awards | | | | 130,739 |
| Department of Justice | | | | |
| 16.575 | Office of Justice Programs | Ohio Office of Attorney General | 26310000 | 14,939 |
| 16.609 | US Department of Justice | Office of Criminal Justice Services | 26140401 | (1,133) |
| 16.609 | Bureau of Justice Assistance | Office of Criminal Justice Services | 26140401 | 11,483 |
| 16.726 | Office of Justice Programs | National 4-H Council | 20021037 | 103,972 |
| Total Department of Justice Pass-Through Awards | | | | 129,261 |
| Department of Labor | | | | |
| 17.268 | US Department of Labor | OH Board of Regents | 26060000 | 10,166 |
| Total Department of Labor Pass-through Awards | | | | 10,166 |
| Department of the Treasury | | | | |
| 21.84000000 | Dept of Treasury | OH Housing Finance Agency | 26190010 | 11,349 |
| Total Department of the Treasury Pass-through Awards | | | | 11,349 |
| National Endowment for the Humanities | | | | |
| 45.025 | National Endowment For The Arts | Arts Midwest | 20020844 | 4,000 |
| 45.129 | National Endowment For The Humanities | OH Humanities Council | 26290000 | 2,000 |
| Total National Endowment for the Humanities Pass-Through Awards | | | | 6,000 |
| Environmental Protection Agency | | | | |
| 66.469 | Environmental Protection Agency | Conservation Technology Information Ctr | 20021979 | 37,411 |

**THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|---|--|--|-----------------------------|-------------------------|
| Pass-through from other sources: | | | | |
| Other Programs: | | | | |
| Total Environmental Protection Agency Pass-Through Awards | | | | 37,411 |
| Department of Education | | | | |
| 84.048 | US Department of Education | OH Dept of Educ | 26080000 | 172,116 |
| 84.367 | US Department of Education | OH Board of Regents | 26060000 | 113,980 |
| Total Department of Education Pass-Through Awards | | | | 286,096 |
| Department of Health and Human Services | | | | |
| 93.086 | Administration for Children and Families | Marriage Resource Center of Miami Valley | 20022040 | 649 |
| 93.135 | Centers for Disease Control & Prevention | Case Western Reserve Univ | 22000238 | 578 |
| 93.184 | Centers for Disease Control & Prevention | Univ of Louisville | 22000299 | (446) |
| 93.236 | US Department of Health & Human Services | OH Dept of Health | 26090000 | 73,209 |
| 93.283 | Centers for Disease Control & Prevention | Cols Public Health | 24000032 | (274) |
| 93.507 | Centers for Disease Control & Prevention | OH Public Health Partnership | 20022059 | 14,512 |
| 93.507 | Centers for Disease Control & Prevention | Licking County Health Department | 24000581 | 1,016 |
| 93.600 | US Department of Health & Human Services | Child Dev Council of Franklin County, Inc. | 20021104 | 60,345 |
| 93.600 | Administration for Children and Families | Vanderbilt University | 22000296 | 33,419 |
| 93.602 | Administration for Children and Families | Ohio CDC Association | 20021740 | 1,260 |
| 93.658 | US Department of Health & Human Services | Ohio Dept of Jobs and Family Services | | 148,500 |
| 93.940 | Centers for Disease Control & Prevention | Cols Public Health | 24000032 | 10,043 |
| 93.988 | Centers for Disease Control & Prevention | Friends of Congressional Glaucoma Caucus | 20021914 | 592 |
| 93.991 | Centers for Disease Control & Prevention | Cuyahoga County Board of Health | 24000524 | 23,413 |
| Total Department of Health and Human Services Pass-Through Awards | | | | 366,816 |
| Corporation for National and Community Service | | | | |
| 94.006 | Corp for Nat & Community Service | OH Commission Service and Volunteerism | 26650000 | 245,455 |
| Total Corporation for National and Community Service Pass-Through Awards | | | | 245,455 |
| Agency for International Development | | | | |
| 98.001 | Agency for Intl Dev | Indiana Univ | 22000012 | 1,474,026 |

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| CFDA Number | Federal Agency Sponsor | Pass-Through Sponsor | Pass-Through I.D. Number | Federal Expenditures |
|---|------------------------|----------------------|-----------------------------|------------------------------|
| Pass-through from other sources: | | | | |
| Other Programs: | | | | |
| Total Agency for International Development Pass-Through Awards | | | | <u>1,474,026</u> |
| Subtotal pass-through from other sources | | | | <u>6,152,172</u> |
| Total Federal Expenditures | | | | <u><u>\$ 871,752,162</u></u> |

The Ohio State University

Notes to Schedule of Expenditures of Federal Awards

June 30, 2013

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "schedule") includes the federal grant activity of the following entities, which constitute the primary government for financial reporting purposes:

- The Ohio State University and its hospitals and clinics
- Ohio Agricultural Research and Development Center
- The Ohio Technology Consortium (OH-TECH)

In addition, the university's component units are included in the university's financial statements and schedule of expenditures of federal awards of the following component units:

- The Ohio State University Foundation
- OSU Health Plan, Inc.
- Oval Limited

In addition to the blended component units above, the university's financial statements include the following discretely presented component units:

- The Ohio State University Physicians, Inc.
- Campus Partners for Community Urban Redevelopment, Inc.
- Transportation Research Center of Ohio, Inc.
- Dental Faculty Practice Association, Inc.

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

2. Noncash Federal Awards

During the year ended June 30, 2013, the university did not receive nonmonetary assistance.

The Ohio State University
Notes to Schedule of Expenditures of Federal Awards
June 30, 2013

3. Reimbursement of Facilities and Administrative Costs

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

The Office of Sponsored Programs 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 Office of Sponsored Programs are remitted to the university.

On September 21, 2012, DHHS approved facilities and administrative cost recovery rates effective from July 1, 2012 through June 30, 2016. The facilities and administrative cost rate structure, including the rates submitted within the certificate, are as follows:

| Rate Type | Negotiated Rates | | | |
|----------------------------|------------------|-------|-------|-------|
| | FY13 | FY14 | FY15 | FY16 |
| Organized Research | | | | |
| On campus | 52.5% | 53.5% | 54.0% | 54.0% |
| Off campus | 26.0% | 26.0% | 26.0% | 26.0% |
| Instruction | | | | |
| On campus | 52.0% | 52.0% | 52.0% | 52.0% |
| Off campus | 26.0% | 26.0% | 26.0% | 26.0% |
| Other Sponsored Activities | | | | |
| On campus | 38.0% | 38.0% | 38.0% | 38.0% |
| Off campus | 26.0% | 26.0% | 26.0% | 26.0% |

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

4. Subrecipient Awards

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

The Ohio State University
Notes to Schedule of Expenditures of Federal Awards
June 30, 2013

During the fiscal year ended June 30, 2013, the university passed funds to sub-grantees for the following programs:

| CFDA Number | Program | Total |
|------------------------|--|-----------------------------|
| 10.311 | National Institute of Food & Agriculture | \$ 84,517 |
| 10.500 | National Institute of Food & Agriculture | 9,072 |
| 10.500 | National Institute of Food & Agriculture | 55,904 |
| 10.500 | National Institute of Food & Agriculture | 63,288 |
| 20.205 | Highway and Construction | 495,880 |
| 45.164 | National Endowment for the Humanities | 51,878 |
| 84.015 | US Department of Education | 8,330 |
| 84.336 | Teacher Quality Partnership Grants | 390,851 |
| 84.350 | Transition to Teaching | 357,549 |
| 84.388 | School Improvement Grants | 24,500 |
| 93.249 | Health Resources & Services Admin | 39,639 |
| 93.778 | Medicaid | 6,758,967 |
| Various | Research and Development | 42,403,384 |
| | Total | <u><u>\$ 50,743,759</u></u> |

5. Federal Direct Loan Program

Under the William D. Ford Federal Direct Loan Program, students and parents borrow funds directly from the federal government; the university is responsible for verifying student eligibility, electronically transmitting the loan records to the federal processor and distributing the loan funds directly to the student account or parent borrower. During the fiscal year ended June 30, 2013, the university's students and parents received the following amount of new loans under this program:

| | CFDA Number | Loan Issued |
|--|------------------------|------------------------------|
| Direct Student Loans | 84.268 | |
| Undergraduate subsidized | | \$ 93,411,256 |
| Undergraduate unsubsidized | | 201,292,253 |
| Direct Parent Loans for Undergraduate Students | 84.268 | 46,692,042 |
| Direct Parent Loans for Graduate Students | 84.268 | 27,653,541 |
| | | <u><u>\$ 369,049,092</u></u> |

The Ohio State University
Notes to Schedule of Expenditures of Federal Awards
June 30, 2013

The university is responsible only for the performance of certain administrative duties with respect to the Federal Direct Loan Programs and, accordingly, these loans are not included in the university's basic consolidated financial statements. It is not practical to determine the balance of loans outstanding under these programs at June 30, 2013.

6. University-Administered Federal Loan Programs

The university had the following loan balances outstanding at June 30, 2013. These balances are not included in the schedule of federal expenditures.

| | CFDA Number | Outstanding balance at June 30, 2013 |
|---|----------------|--|
| Department of Education | | |
| Federal Perkins Program | 84.038 | \$ 35,877,207 |
| | | <u>35,877,207</u> |
| Department of Health and Human Services | | |
| Health Professions Student Loan Program | 93.342 | |
| Dentistry | | 9,554,670 |
| Optometry | | 2,023,786 |
| Medicine | | 53,470 |
| Pharmacy | | 1,234,738 |
| Veterinary | | 5,242,098 |
| Primary Care Loan Program | 93.342 | |
| Medicine | | 1,912,130 |
| Loans to Disadvantaged Student Program | 93.342 | |
| Dentistry | | 106,416 |
| Optometry | | 6,000 |
| Medicine | | 173,013 |
| Veterinary | | 10,152 |
| | | <u>20,316,473</u> |
| Nursing Student Loan Program | 93.364 | <u>1,706,046</u> |
| ARRA - Nursing Faculty Loan Program | 93.408 | <u>22,098</u> |
| Nursing Faculty Loan Program | 93.264 | <u>424,330</u> |
| Total Federal Loans Outstanding | | <u>\$ 58,346,154</u> |

The loan programs noted above are administered directly by the university and balances and transactions relating to these programs are included in the University's basic consolidated

The Ohio State University
Notes to Schedule of Expenditures of Federal Awards
June 30, 2013

financial statements. Loan cancellations, under CFDA Number 84.037, for the fiscal year ended June 30, 2013 were \$7,293,346. The schedule of expenditures of federal awards includes loan expenditures and disbursements to students and administrative costs of the loan program for the fiscal year ended June 30, 2013. In addition note that the university received administrative cost allowances and collection costs related to the Perkins Loan of \$398,627 and \$967,335, respectively, for the fiscal year ended June 30, 2013.

The university issued the following amounts of new loans during the fiscal year ended June 30, 2013:

| | CFDA Number | FY13 Loan Advances |
|--|------------------------|-------------------------------|
| Department of Education | | |
| Federal Perkins Program | 84.038 | \$ 5,000,401 |
| | | <u>5,000,401</u> |
| Department of Health and Human Services | | |
| Health Professions Student Loan Program | 93.342 | |
| Dentistry | | 1,134,056 |
| Optometry | | 231,500 |
| Pharmacy | | 163,900 |
| Veterinary | | 815,116 |
| Primare Care Loan Program | 93.342 | |
| Medicine | | 119,000 |
| Loans to Disadvantaged Student Program | 93.342 | |
| Dentistry | | 28,000 |
| Medicine | | - |
| Optometry | | 6,000 |
| Veterinary | | 5,000 |
| | | <u>2,502,572</u> |
| Nursing Student Loan Program | 93.364 | <u>236,155</u> |
| Nursing Faculty Loan Program | 93.264 | <u>96,000</u> |
| | | <u>7,835,128</u> |
| Total Federal Loans Issued July 1, 2012 through June 30, 2013 | | <u>\$ 7,835,128</u> |



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

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

We have audited, 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, the financial statements of the primary institution and the aggregate discretely presented component units of The Ohio State University (the “University”), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the University’s basic financial statements, and have issued our report thereon dated October 22, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University’s internal control over financial reporting (“internal control”) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University’s internal control. Accordingly, we do not express an opinion on the effectiveness of the University’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Compliance and Other Matters

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

We noted certain matters that we have reported to management of the University in a separate letter dated October 22, 2013.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Princeton House Cooper LLP

Columbus, OH
October 22, 2013



**Independent Auditor's Report on Compliance with Requirements
That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over
Compliance in Accordance with OMB Circular A-133**

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

Report on Compliance for Each Major Federal Program

We have audited The Ohio State University's (the "University") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2013. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above. We did not audit the University's compliance with the billings, cash receipts, due diligence, and portfolio management compliance requirements specified by the Federal Perkins Loan Program ("Perkins Loan"), or the University's compliance with reporting of student enrollment status changes compliance requirements specified by the Direct Loan program and described in the OMB Circular A-133 Compliance Supplement. Compliance with these requirements was audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the University's compliance with those requirements, is based solely on the report of the other auditors. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.



We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the University's compliance.

Opinion on Each Major Federal Program

In our opinion, based on our audit and the report of other auditors, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as Finding Numbers 2013-1 and 2013-2. Our opinion on each major federal program is not modified with respect to these matters.

The University's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. The University's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, except as noted in the following paragraph, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

We did not consider internal control over compliance with the special tests and provisions – student loan repayments compliance requirements specified by the Perkins Loan, or the over the compliance with special tests and provisions – enrollment reporting compliance requirements specified by the Direct Loan program and described in the OMB Circular A-133 Compliance Supplement. Internal control over these compliance requirements was considered by the other auditors referred to above; and our report, insofar as it relates to the University's internal control over those compliance requirements, is based solely upon the report of the other auditors.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.



A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration and the other auditors' consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. Also, the report of the other auditors did not identify any deficiencies in internal control over compliance that they consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

PricewaterhouseCoopers LLP

Columbus, Ohio
January 30, 2014

The Ohio State University
Schedule of Findings and Questioned Costs
OMB Circular A-133
June 30, 2013

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:
CFDA Number(s)

Name of Federal Program or Cluster

| | |
|---------|---|
| Various | Research and Development Cluster |
| Various | Student Financial Aid Cluster |
| 15.605 | Fish and Wildlife Cluster |
| 93.778 | Medicaid Cluster |
| 93.702 | ARRA National Center for Research Resources |
| 93.249 | DHHS Public Health Training Centers Program |
| 84.015 | DOE National Resource Centers Program for Foreign Language and Area Studies Fellowships Program |
| 11.557 | Department of Commerce – Broadband Technology Opportunity Program |

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

Auditee qualified as low-risk auditee? yes no

The Ohio State University
Schedule of Findings and Questioned Costs
OMB Circular A-133
June 30, 2013

Section II – Financial Statement Findings

None noted.

The Ohio State University
Schedule of Findings and Questioned Costs
OMB Circular A-133
June 30, 2013

Section III – Federal Award Findings and Questioned Costs

| | |
|------------------------------------|--|
| Finding Number | 2013-1 |
| CFDA Title and Number | Research and Development Cluster, CFDA 's 81.121 - Nuclear Energy Research, Development and Demonstration, 20.800 - Maritime Administration, Contract 12.50040300 - Office of Naval Research / CFDA 93.702 - ARRA National Center for Research Resources |
| Federal Award Number / Year | 2013 |
| Federal Agency | Department of Energy, Department of Transportation / Department of Health and Human Services |

Criteria – 29 CFR part 5, Labor Standards Provisions Applicable to Contacts Governing Federally Financed and Assisted Construction requires non-Federal entities to include in their construction contracts subject to Davis-Bacon Act requirement (contracts in excess of \$2,000 financed by Federal assistance funds) that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the Department of Labor Regulations. This includes a requirement for the contractor or subcontractor to pay wages not less than those established for the locality of the project (prevailing wage rates) by the DOL and to submit to the non-Federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls).

Condition – We selected two construction projects in excess of \$2,000 from the population of Ohio State University Research and Development Cluster awards and three projects from the population of CFDA 93.702 awards. For the five projects selected for testing, it was noted that the underlying University contracts did not include a reference that the contractor comply with the requirements of the Davis-Bacon Act and the Department of Labor Regulations.

Questioned Costs – None noted.

Context –The University had five federally funded construction projects for which agreements with the vendors and the related certified payrolls referenced the prevailing wage rate of the Ohio Revised Code as opposed to the Davis-Bacon Act. The prevailing wage rate requirements of the Ohio Revised Code are similar to the Davis-Bacon Act, however, for certain employee classifications the prevailing wage rate designated by the Ohio Revised Code is less than the prevailing wage rate designated by the Davis-Bacon Act.

Cause – The Facilities Operations and Development Department (FOD) is responsible for the process of developing agreements with vendors in construction projects entered into on behalf of the University and ensuring the agreements include the appropriate requirements. They have very few federally-funded projects and do not have a control in place to identify federally-funded construction projects and ensure the references to the Davis-Bacon Act are included in the related agreements.

Effect – The University did not include the required references to the Davis-Bacon Act in the agreements with contractors and therefore did not comply with the Davis-Bacon Act compliance requirement.

The Ohio State University
Schedule of Findings and Questioned Costs
OMB Circular A-133
June 30, 2013

Recommendation – The FOD should enhance their control procedures to include the identification of federally funded projects and ensuring the related compliance requirements are considered (specifically, the Davis-Bacon Act). In addition, they should contact existing contractors on federally funded projects to notify them of the requirements and work to identify instances in which their contractors paid their employees less than the prevailing wage rate required by the Davis-Bacon Act and make a good-faith effort to correct any discrepancies identified.

Views of Responsible Officials – For sponsored programs grant funded projects with federal funding FOD has inserted procedures into their existing processes to assure that all federally funded projects follow federal compliance requirements. As part of their overall review of grant requirements the project team members will review funding sources to determine which prevailing wage rate guidelines should be followed. Upon determination there will be clear communication of the appropriate guidelines to all project team members. Currently FOD is reviewing all current projects with federal funding to identify any issues. If any issues are identified we will work to remediate the issue.

Anticipated Completion Date – March 31, 2014

The Ohio State University
Schedule of Findings and Questioned Costs
OMB Circular A-133
June 30, 2013

| | |
|------------------------------------|--|
| Finding Number | 2013-2 |
| CFDA Title and Number | CFDA 93.249 Public Health Training Centers Program |
| Federal Award Number / Year | 2013 |
| Federal Agency | Department of Health and Human Services Health Resources and Services Administration |

Criteria – The award agreement states that “Grant funds may not be used for tuition remission.”

Condition – We selected three student personnel payroll transactions from a population of twelve transactions. This population includes student tuition reimbursements, scholarships, fee authorizations (collectively “tuition remission”) and stipends. It was noted that one of the selections related to student tuition and fees, which are unallowable activities per the grant agreement which disallows tuition remission.

Questioned Costs – \$6,140 in tuition remission from our sample was charged to the project in the current year; a total of \$12,280 in tuition remission was included in the population. Total questioned costs are \$12,280.

Context – The award agreement included a reference that grant funds requested for tuition and fees are not allowed. Tuition charges are recorded to projects via an allocation based on the fee code assigned to the project. The fee code was not correctly entered to reflect the tuition and fees restrictions included in the agreement.

Cause – Tuition charges are recorded to projects via an allocation based on the fee code assigned to the project. The Sponsored Program Officer did not correctly enter the fee code to reflect the tuition and fees restrictions included in the award agreement.

Effect – The University incurred unallowable charges and questioned costs related to tuition and fee remission.

Recommendation – The University should develop a process to review fee codes assigned to projects. In addition, the University should identify the total impact of tuition and fees allocated to this project and reimburse the sponsor accordingly.

Views of Responsible Officials – Since this project was established, we have added an additional review to the new awards process. In addition to the Office of Grants and Contracts managers, the institutional data group now reviews new awards; reducing the likelihood of fee code errors. For this award, the University has removed all fee charges, and the reimbursement will be deducted from our draw from DHHS.

Anticipated Completion Date – January 31, 2014

The Ohio State University
Schedule of Findings and Questioned Costs
OMB Circular A-133
June 30, 2013

Section III – Summary Schedule of Prior Audit Findings

| Number | Finding and Description | Status |
|--------|---|--|
| 2012-1 | Preparation of the SEFA – The 2011 SEFA did not include a complete listing of all expenditures of federal awards. | In FY2013, we ensured the individuals contributing to the SEFA were appropriate and knowledgeable of the subject to ensure completeness. No findings were identified by PwC in the current period. |
| 2012-2 | Return of Title IV funds – Student Financial Aid cluster – From a sample of 60 students who withdrew from the University and had received Title IV assistance, returns of funding for 1 student was not processed timely. | In FY2011 PwC identified a finding related to Title IV Refunds. In FY2012 we increased our focus on appropriate training of employees performing the Title IV refunds and as a result there was only one student identified for which the refund was not processed timely in FY2012. The refund had been processed prior to the identification of the FY2011 finding and subsequent retraining of staff. No findings noted by PwC in the current period. |
| 2012-3 | Matching – Medicaid – Two grants were selected to test for compliance with the matching requirement and one exception was noted. | We implemented additional oversight procedures related to the matching requirement. No findings noted by PwC in the current period. |



January 30, 2014

RE: Corrective Action Plans

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

R. Michael Gray
University Controller
The Ohio State University
2040 Blankenship Hall
901 Woody Hayes Drive
Columbus, OH 43210-4016
Phone: 614-292-0741
E-mail: gray.1020@osu.edu

2. Corrective actions planned:

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

| | |
|------------------------------------|--|
| Finding Number | 2013-1 |
| CFDA Title and Number | Research and Development Cluster, CFDA 's 81.121 - Nuclear Energy Research, Development and Demonstration, 20.800 - Maritime Administration, Contract 12.50040300 - Office of Naval Research / CFDA 93.702 - ARRA National Center for Research Resources |
| Federal Award Number / Year | 2013 |
| Federal Agency | Department of Energy, Department of Transportation / Department of Health and Human Services |

Criteria – 29 CFR part 5, Labor Standards Provisions Applicable to Contacts Governing Federally Financed and Assisted Construction requires non-Federal entities to include in their construction contracts subject to Davis-Bacon Act requirement (contracts in excess of \$2,000 financed by Federal assistance funds) that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the Department of Labor Regulations. This includes a requirement for the contractor or subcontractor to pay wages not less than those established for the locality of the project (prevailing wage rates) by the DOL and to submit to the non-Federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls).

Condition – We selected two construction projects in excess of \$2,000 from the population of Ohio State University Research and Development Cluster awards and three projects from the population of CFDA 93.702 awards. For the five projects selected for testing, it was noted that the underlying University contracts did not include a reference that the contractor comply with the requirements of the Davis-Bacon Act and the Department of Labor Regulations.

Questioned Costs – None noted.

Context –The University had five federally funded construction projects for which agreements with the vendors and the related certified payrolls referenced the prevailing wage rate of the Ohio Revised Code as opposed to the Davis-Bacon Act. The prevailing wage rate requirements of the Ohio Revised Code are similar to the Davis-Bacon Act, however, for certain employee classifications the prevailing wage rate designated by the Ohio Revised Code is less than the prevailing wage rate designated by the Davis-Bacon Act.

Cause – The Facilities Operations and Development Department (FOD) is responsible for the process of developing agreements with vendors in construction projects entered into on behalf of the University and ensuring the agreements include the appropriate requirements. They have very few federally-funded projects and do not have a control in place to identify federally-funded construction projects and ensure the references to the Davis-Bacon Act are included in the related agreements.

Effect – The University did not include the required references to the Davis-Bacon Act in the agreements with contractors and therefore did not comply with the Davis-Bacon Act compliance requirement.

Recommendation – The FOD should enhance their control procedures to include the identification of federally funded projects and ensuring the related compliance requirements are considered (specifically, the Davis-Bacon Act). In addition, they should contact existing contractors on federally funded projects to notify them of the requirements and work to identify instances in which their contractors paid their employees less than the prevailing wage rate required by the Davis-Bacon Act and make a good-faith effort to correct any discrepancies identified.

Views of Responsible Officials – For sponsored programs grant funded projects with federal funding FOD has inserted procedures into their existing processes to assure that all federally funded projects follow federal compliance requirements. As part of their overall review of grant requirements the project team members will review funding sources to determine which prevailing wage rate guidelines should be followed. Upon determination there will be clear communication of the appropriate guidelines to all project team members. Currently FOD is reviewing all current projects with federal funding to identify any issues. If any issues are identified we will work to remediate the issue.

Anticipated Completion Date – March 31, 2014

| | |
|------------------------------------|--|
| Finding Number | 2013-2 |
| CFDA Title and Number | CFDA 93.249 Public Health Training Centers Program |
| Federal Award Number / Year | 2013 |
| Federal Agency | Department of Health and Human Services Health Resources and Services Administration |

Criteria – The award agreement states that “Grant funds may not be used for tuition remission.”

Condition – We selected three student personnel payroll transactions from a population of twelve transactions. This population includes student tuition reimbursements, scholarships, fee authorizations (collectively “tuition remission”) and stipends. It was noted that one of the selections related to student tuition and fees, which are unallowable activities per the grant agreement which disallows tuition remission.

Questioned Costs – \$6,140 in tuition remission from our sample was charged to the project in the current year; a total of \$12,280 in tuition remission was included in the population. Total questioned costs are \$12,280.

Context – The award agreement included a reference that grant funds requested for tuition and fees are not allowed. Tuition charges are recorded to projects via an allocation based on the fee code assigned to the project. The fee code was not correctly entered to reflect the tuition and fees restrictions included in the agreement.

Cause – Tuition charges are recorded to projects via an allocation based on the fee code assigned to the project. The Sponsored Program Officer did not correctly enter the fee code to reflect the tuition and fees restrictions included in the award agreement.

Effect – The University incurred unallowable charges and questioned costs related to tuition and fee remission.

Recommendation – The University should develop a process to review fee codes assigned to projects. In addition, the University should identify the total impact of tuition and fees allocated to this project and reimburse the sponsor accordingly.

Views of Responsible Officials – Since this project was established, we have added an additional review to the new awards process. In addition to the Office of Grants and Contracts managers, the institutional data group now reviews new awards; reducing the likelihood of fee code errors. For this award, the University has removed all fee charges, and the reimbursement will be deducted from our draw from DHHS.

Anticipated Completion Date – January 31, 2014

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The Ohio State University
Wexner Center for the Arts
Financial Statements
June 30, 2013 and 2012

**The Ohio State University
Wexner Center for the Arts
Index
June 30, 2013**

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Review Report of Independent Accountants

To The Ohio State University
Wexner Center for the Arts:

We have reviewed the accompanying statement of net position of the Wexner Center for the Arts, which is a component of The Ohio State University, as of June 30, 2013 and June 30, 2012, and the related statements of revenue, expenses, and changes in net position and cash flows, for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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

The accompanying management's discussion and analysis on pages 2 through 6 are required by accounting principles generally accepted in the United States of America to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in the appropriate operational, economic, or historical context. Such information was not audited, reviewed or compiled by us and accordingly, we do not express an opinion or provide any assurance on it.

The Supplementary Information on the Elimination of the Building Contributed Capital Investment on pages 22 through 25 accompanying the basic financial statements is presented for purposes of additional analysis and has been subject to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modification that should be made to such information.

PricewaterhouseCoopers LLP

Columbus, Ohio
September 27, 2013

The Ohio State University Wexner Center for the Arts Management's Discussion and Analysis Fiscal Years Ending June 30, 2013 and 2012

The following Management's Discussion and Analysis, or MD&A, provides an overview of the financial position and activities of the Wexner Center for the Arts for the year ended June 30, 2013 and 2012. We encourage you to read this MD&A section in conjunction with the audited financial statements and footnotes appearing in this report.

About the Wexner Center

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

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

About the Financial Statements

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

Financial Highlights

The WCA's financial position improved significantly in Fiscal Year 2013. Restricted-nonexpendable net position related to endowment funds increased \$15,836,268, to \$19,288,106, due to a \$15 million gift from Leslie H. and Abigail S. Wexner and the Wexner Family Charitable Fund. Expendable net position, which includes unrestricted and restricted-expendable net position, increased \$360,288, to \$1,663,225. This is the collective result of a decrease in restricted-expendable net position of \$351,483 and an increase in unrestricted net position of \$711,771.

Gift revenues totaled \$19,503,059 and \$4,300,684 for fiscal years 2013 and 2012, respectively. These gift figures include \$2,699,650 and \$3,069,260, respectively, in direct support from the Wexner Center Foundation. Gift revenue for the year ended June 30, 2013 includes a \$15 million gift from Leslie H. and Abigail S. Wexner and the Wexner Family Charitable Fund.

The following sections provide additional details on the WCA's 2013 financial results and a look ahead at significant economic conditions that are expected to affect the Center in the future.

**The Ohio State University
Wexner Center for the Arts
Management's Discussion and Analysis
Fiscal Years Ending June 30, 2013 and 2012**

Statements of Net Position

| | 2013 | 2012 | 2011 |
|--|---------------------|---------------------|---------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 84,388 | \$ - | \$ - |
| Accounts receivable | 216,175 | 400,348 | 141,368 |
| Contributions receivable | 2,036,926 | 1,612,185 | 1,484,242 |
| Inventories and prepaid expenses | 744,462 | 1,022,210 | 890,088 |
| Total current assets | <u>3,081,951</u> | <u>3,034,743</u> | <u>2,515,698</u> |
| Endowments in OSU long-term investment pool | 19,120,832 | 3,294,866 | 3,471,430 |
| Property, plant & equipment, net | 36,169,566 | 38,343,904 | 40,521,154 |
| Total non-current assets | <u>55,290,398</u> | <u>41,638,770</u> | <u>43,992,584</u> |
| Total assets | <u>\$58,372,349</u> | <u>\$44,673,513</u> | <u>\$46,508,282</u> |
| Liabilities and Net Position | | | |
| Accounts payable | \$ 17,808 | \$ 191,010 | \$ 86,908 |
| Due university | - | 157,058 | 268,687 |
| Accrued salary and wages | 4,535 | 6,082 | 42,285 |
| Advance payment for goods and services - current | 810,188 | 257,060 | 252,542 |
| Accrued vacation and sick leave - current | 33,405 | 37,921 | 25,654 |
| Total current liabilities | <u>865,936</u> | <u>649,131</u> | <u>676,076</u> |
| Accrued vacation and sick leave - long term | 385,516 | 396,947 | 333,363 |
| Advance payment for goods and services - long term | - | 528,756 | 593,520 |
| Total non-current liabilities | <u>385,516</u> | <u>925,703</u> | <u>926,883</u> |
| Total liabilities | <u>\$ 1,251,452</u> | <u>\$ 1,574,834</u> | <u>\$ 1,602,959</u> |
| Invested in capital assets | \$36,169,566 | \$38,343,904 | \$40,521,154 |
| Restricted - nonexpendable | 19,288,106 | 3,451,838 | 3,471,430 |
| Restricted - expendable | 1,323,204 | 1,674,687 | 1,403,871 |
| Unrestricted | 340,021 | (371,750) | (491,132) |
| Total net position | <u>\$57,120,897</u> | <u>\$43,098,679</u> | <u>\$44,905,323</u> |

Total current assets increased \$47,208, to \$3,081,951 at June 30, 2013, primarily due to an increase in contributions receivable from the university's Development Office. The Statement of Cash Flows, which is discussed in more detail below, provides additional details on sources and uses of WCA cash.

**The Ohio State University
Wexner Center for the Arts
Management's Discussion and Analysis
Fiscal Years Ending June 30, 2013 and 2012**

Endowment investments in the university's long-term investment pool increased \$15,825,966, to \$19,120,832 at June 30, 2013, primarily due to a \$15 million gift to WCA from Leslie H. and Abigail S. Wexner and the Wexner Family Charitable Fund. The long-term investment pool is invested in a diversified portfolio of equities, fixed income, real estate, hedge funds, private equity, venture capital and natural resources that is intended to provide the long-term growth necessary to preserve the value of these funds, adjusted for inflation, while making distributions to support the university's mission.

The WCA's property, plant and equipment, net of accumulated depreciation, decreased \$2,174,338, to \$36,169,566, primarily due to building depreciation. University facilities assigned to the WCA include the WCA building and the adjacent Mershon Auditorium.

Current liabilities of the WCA increased \$216,805, to \$865,936 at June 30, 2013. Decreases in account payable and amounts due to the university and wages were offset by an increase in advance payments for goods and services. The major component of the increase in current liabilities is \$688,253, which reflects the remaining amount funding grant received in a prior year, which is expected to be spent fully during the next fiscal year.

Statements of Revenues, Expenses and Changes in Net Position

| | 2013 | 2012 | 2011 |
|--|---------------------|---------------------|---------------------|
| Operating Revenues | | | |
| Sales and services | \$ 2,183,128 | \$ 1,521,650 | \$ 1,715,196 |
| Grants and contracts | 328,159 | 570,039 | 288,899 |
| Total operating revenues | <u>2,511,287</u> | <u>2,091,689</u> | <u>2,004,095</u> |
| Operating Expenses | | | |
| Salaries | 4,426,151 | 4,391,394 | 4,469,216 |
| Employee benefits | 1,575,191 | 1,597,357 | 1,497,046 |
| Fees paid to performers and artists | 311,723 | 399,626 | 402,822 |
| Supplies and services | 5,096,015 | 3,747,061 | 3,657,676 |
| University overhead charges | 48,575 | 42,919 | 47,118 |
| Depreciation | 2,386,122 | 2,342,147 | 2,373,176 |
| Total operating expenses | <u>13,843,777</u> | <u>12,520,504</u> | <u>12,447,054</u> |
| Operating Loss | <u>(11,332,490)</u> | <u>(10,428,815)</u> | <u>(10,442,959)</u> |
| Nonoperating Revenues and Expenses | | | |
| University appropriations | 4,419,213 | 4,189,209 | 4,327,943 |
| Gifts | 19,503,059 | 4,300,684 | 4,393,399 |
| Endowment income distributions | 456,959 | 161,583 | 152,726 |
| Investment income | 763,694 | (196,170) | 331,900 |
| Transfers from University for capital projects | 211,783 | 166,865 | 1,089,165 |
| Increase (decrease) in net assets | 14,022,218 | (1,806,644) | (147,826) |
| Net position - beginning of year | <u>43,098,679</u> | <u>44,905,323</u> | <u>45,053,149</u> |
| Net position - end of year | <u>\$57,120,897</u> | <u>\$43,098,679</u> | <u>\$44,905,323</u> |

**The Ohio State University
Wexner Center for the Arts
Management's Discussion and Analysis
Fiscal Years Ending June 30, 2013 and 2012**

Total net position (equity) of the WCA increased \$14,022,218, to \$57,120,897 at June 30, 2013. It should be noted that the required subtotal for net operating income or loss will generally reflect a "loss", primarily due to the way operating and non-operating items are defined under GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*. Operating expenses include virtually all WCA expenses. Operating revenues, however, *exclude* certain significant revenue streams that the Center relies upon to fund current operations, including direct support from the University, current-use gifts and investment income.

Statements of Cash Flows

| | 2013 | 2012 | 2011 |
|---|---------------------|----------------|----------------|
| Cash provided by (used in): | | | |
| Operating activities | \$(8,650,771) | \$(8,394,264) | \$(7,912,588) |
| Noncapital financing activities | 23,340,473 | 8,250,320 | 8,513,683 |
| Capital and related financing activities | - | 1,967 | (816,349) |
| Investing activities | <u>(14,605,314)</u> | <u>141,977</u> | <u>167,144</u> |
| Net increase (decrease) in cash | 84,388 | - | (48,110) |
| Cash and cash equivalents - beginning of year | <u>-</u> | <u>-</u> | <u>48,110</u> |
| Cash and cash equivalents - end of year | <u>\$ 84,388</u> | <u>\$ -</u> | <u>\$ -</u> |

Total WCA cash and cash equivalents increased \$84,388, to \$84,388 at June 30, 2013. Operating activities include cash flows associated with sales and services, grants and contracts, and operating expenses. Non-capital financing activities include direct operating support from the University and gifts. Capital and related financing activities include payments for purchase or construction of capital assets and transfers for capital projects from the University. Net cash provided by investing activities consists primarily of endowment income distributions.

Economic Factors That Will Affect the Future

Notwithstanding an improving Ohio economy, the national economic climate continues to create uncertainty and present challenges for all nonprofits, including higher education and cultural organizations. The Federal government faces increasing pressure to decrease spending and increase taxes in order to reduce the national deficit. Of the many possible fiscal policies under consideration, some may have the effect of reducing investments in higher education and/or scaling back (or even eliminating) tax incentives for charitable contributions to non-profit organizations like the WCA.

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

**The Ohio State University
Wexner Center for the Arts
Management's Discussion and Analysis
Fiscal Years Ending June 30, 2013 and 2012**

In its brief 24-year history, WCA has established a solid track record of balancing its now \$10+ million annual budget; navigated a complex \$16.5 million facility renovation; recruited and retained a talented and respected curatorial and administrative team while keeping the overall staffing level "lean and mean" (70 staffers, a level unchanged since 2000); and built a respectable \$25 million endowment. Going forward, WCA will need an even stronger financial foundation to reduce the risk it will face from future economic fluctuations, the ebb and flow of annual gifts, and the potential diminishment of historically major funding sources.

To that end, WCA's strategic plan is built on two key assumptions. First, our foremost priority is to "preserve the core," which simply means securing and sustaining WCA's current base of operations, its principle audiences and funders, and its present stature in the field. Second, the plan also assumes WCA will simultaneously "leverage" that base with strategic initiatives and selective investments designed to advance and enhance institutional capacity and standing.

In support of that strategic plan, the Wexner Center Foundation Board has formulated a \$60 million capital campaign (inside of and aligned with the university's 'But for Ohio State' campaign) focused on securing new and direct investment in capital infrastructure (\$7 million), enhanced investment in programs and community engagement (\$23 million) and a significant increase in sustaining endowments (\$30 million) by 2016.

In addition to strengthening the capitalization of WCA, the board and senior leadership will continue the financial practices and protocols that have built and maintained its solid financial position through the years, including careful budget planning, regular fiscal reviews throughout the year, strategic cost-containment measures, and continued efforts to seek out creative revenue streams.

**The Ohio State University
Wexner Center for the Arts
Statement of Net Position
As of June 30, 2013**

| | 2013 | 2012 |
|--|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 84,388 | \$ - |
| Accounts receivable | 216,175 | 400,348 |
| Contributions receivable | 2,036,926 | 1,612,185 |
| Inventories and prepaid expenses | 744,462 | 1,022,210 |
| Total current assets | <u>3,081,951</u> | <u>3,034,743</u> |
| Noncurrent assets | | |
| Endowments in OSU long-term investment pool | 19,120,832 | 3,294,866 |
| Property, plant & equipment, net | 36,169,566 | 38,343,904 |
| Total non-current assets | <u>55,290,398</u> | <u>41,638,770</u> |
| Total position | <u>\$ 58,372,349</u> | <u>\$ 44,673,513</u> |
| Liabilities and Net Position | | |
| Current liabilities | | |
| Accounts payable | \$ 17,808 | \$ 191,010 |
| Due university | - | 157,058 |
| Accrued salary and wages | 4,535 | 6,082 |
| Advance payment for goods and services - current | 810,188 | 257,060 |
| Accrued vacation and sick leave - current | 33,405 | 37,921 |
| Total current liabilities | <u>865,936</u> | <u>649,131</u> |
| Noncurrent liabilities | | |
| Accrued vacation and sick leave - long term | 385,516 | 396,947 |
| Advance payment for goods and services - long term | - | 528,756 |
| Total non-current liabilities | <u>385,516</u> | <u>925,703</u> |
| Total liabilities | <u>1,251,452</u> | <u>1,574,834</u> |
| Net assets | | |
| Invested in capital assets | 36,169,566 | 38,343,904 |
| Restricted - nonexpendable | 19,288,106 | 3,451,838 |
| Restricted - expendable | 1,323,204 | 1,674,687 |
| Unrestricted | 340,021 | (371,750) |
| Total net position | <u>57,120,897</u> | <u>43,098,679</u> |
| Total liabilities and net position | <u>\$ 58,372,349</u> | <u>\$ 44,673,513</u> |

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

The Ohio State University
Wexner Center for the Arts
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2013

| | 2013 | 2012 |
|--|----------------------|----------------------|
| Operating Revenues | | |
| Sales and services | \$ 2,183,128 | \$ 1,521,650 |
| Grants and contracts | 328,159 | 570,039 |
| Total operating revenues | <u>2,511,287</u> | <u>2,091,689</u> |
| Operating Expenses | | |
| Salaries | 4,426,151 | 4,391,394 |
| Employee benefits | 1,575,191 | 1,597,357 |
| Fees paid to performers and artists | 311,723 | 399,626 |
| Supplies and services | 5,096,015 | 3,747,061 |
| University overhead charges | 48,575 | 42,919 |
| Depreciation | 2,386,122 | 2,342,147 |
| Total operating expenses | <u>13,843,777</u> | <u>12,520,504</u> |
| Operating Loss | (11,332,490) | (10,428,815) |
| Nonoperating Revenues and Expenses | | |
| University appropriations | 4,419,213 | 4,189,209 |
| Gifts | 19,503,059 | 4,300,684 |
| Endowment income distributions | 456,959 | 161,583 |
| Investment income | 763,694 | (196,170) |
| Transfers from University for capital projects | 211,783 | 166,865 |
| Increase (decrease) in net assets | 14,022,218 | (1,806,644) |
| Net position - beginning of year | <u>43,098,679</u> | <u>44,905,323</u> |
| Net position - end of year | <u>\$ 57,120,897</u> | <u>\$ 43,098,679</u> |

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

**The Ohio State University
Wexner Center for the Arts
Statement of Cash Flows
June 30, 2013**

| | 2013 | 2012 |
|---|-----------------------|-----------------------|
| Cash Flows from Operating Activities | | |
| Grant and contract receipts | \$ (200,597) | \$ 505,275 |
| Receipts for sales and services | 2,920,429 | 1,267,189 |
| Payments to or on behalf of employees | (4,427,698) | (4,427,597) |
| University employee benefit payments | (1,591,138) | (1,521,506) |
| Payments to artists and performers | (311,723) | (399,626) |
| Payments to vendors for supplies and services | <u>(5,040,044)</u> | <u>(3,817,999)</u> |
| Net cash provided (used) by operating activities | <u>(8,650,771)</u> | <u>(8,394,264)</u> |
| Cash Flows from Noncapital Financing Activities | | |
| University appropriations | 4,419,213 | 4,189,209 |
| Gifts | <u>18,921,260</u> | <u>4,061,111</u> |
| Net cash provided (used) by noncapital financing activities | <u>23,340,473</u> | <u>8,250,320</u> |
| Cash Flows from Capital Financing Activities | | |
| Payments for purchase or construction of capital assets | (211,784) | (164,898) |
| Transfers from University for capital projects | <u>211,784</u> | <u>166,865</u> |
| Net cash provided (used) by capital financing activities | <u>-</u> | <u>1,967</u> |
| Cash Flows from Investing Activities | | |
| Investment purchases | (15,000,000) | - |
| Income and dividends received | <u>394,686</u> | <u>141,977</u> |
| Net cash provided (used) by investing activities | <u>(14,605,314)</u> | <u>141,977</u> |
| Net Increase (Decrease) in Cash | 84,388 | - |
| Cash and Cash Equivalents - Beginning of Year | <u>-</u> | <u>-</u> |
| Cash and Cash Equivalents - End of Year | <u>\$ 84,388</u> | <u>\$ -</u> |
| Reconciliation of net operating loss to net cash provided (used) by operating activities | | |
| Operating loss | \$ (11,332,490) | \$ (10,428,815) |
| Adjustments to reconcile net operating loss to net cash provided (used) by operating activities | | |
| Depreciation expense | 2,386,122 | 2,342,147 |
| Changes in assets and liabilities: | | |
| Accounts receivable, net | 184,173 | (258,980) |
| Inventories and prepaid expenses | 277,748 | (132,121) |
| Accounts payable | (173,202) | 104,102 |
| Accrued salary and wages | (1,547) | (36,203) |
| Advance payment for goods and services | 24,372 | (60,245) |
| Compensated absences | <u>(15,947)</u> | <u>75,851</u> |
| Net cash provided (used) by operating activities | <u>\$ (8,650,771)</u> | <u>\$ (8,394,264)</u> |

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

**The Ohio State University
Wexner Center for the Arts
Notes to the Financial Statements
June 30, 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Entity

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

Basis of Presentation

WCA complies with generally accepted accounting principles ("GAAP"). GAAP includes all relevant Governmental Accounting Standards Board ("GASB") pronouncements. WCA reports as a special purpose government engaged solely in "business type activities" under GASB Statement No. 34.

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

Invested in capital assets, net of related debt

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

Restricted

Nonexpendable – Amounts subject to externally imposed stipulations that they be maintained permanently by WCA.

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

Unrestricted

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

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

Basis of Accounting

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

Cash

Cash of WCA is maintained by the university which commingles the funds with other university-related organizations.

**The Ohio State University
Wexner Center for the Arts
Notes to the Financial Statements
June 30, 2013**

Endowment Investments

All investments consist of amounts invested in The Ohio State University Long Term Investment Pool and are recorded at fair value. The university's Office of Financial Services commingles the funds with other university-related organizations. Earned investment income is allocated to each organization based on its share of the total funds invested at the beginning of each year. Investments are carried at market value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. The net change in the value of investments during the years ended June 30, 2013 and 2012 is an increase of \$15,825,966 and a loss of \$176,565, respectively. These amounts take into account all changes in fair value (including purchases and sales) that occurred during each respective year. WCA received a \$15,000,000 gift during the year ended June 30, 2013 which accounts for substantially all of the increase in value of investments during the year.

The calculation of realized gain or loss is independent of the calculation of the net increase in fair value of investments. As of June 30, 2013, there is a cumulative unrealized gain on investments of \$177,707. As of June 30, 2012, there was a cumulative unrealized loss on investments of \$586,264. Investment income from endowment investments is unrestricted by the donors, and as such becomes a part of unrestricted net position.

Contributions Receivable

Contributions receivable of \$2,036,926 and \$1,612,185, as of June 30, 2013 and 2012, respectively, consist mostly of contributions received by the university's Advancement Office but not transferred to the operating accounts of WCA. Amounts are deemed fully collectible.

Inventory

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

Capital Assets

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

Revenue Recognition

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

**The Ohio State University
Wexner Center for the Arts
Notes to the Financial Statements
June 30, 2013**

Support from the Wexner Center Foundation

The Wexner Center Foundation is a private, nonprofit partner of The Ohio State University Board of Trustees established for the overall purpose of advancing the interests of WCA. Its primary role is to provide trustee guidance and sustained support for WCA programming. The Foundation provided \$2,699,650 and \$2,044,354 of direct support to WCA for the years ended June 30, 2013 and 2012, respectively. This support is included in gift revenues on the Statement of Revenues, Expenses and Changes in Net Position.

Donated Facilities and Administrative Support from The Ohio State University

The university charges WCA for allocated overhead costs associated with sales of goods and services. In addition, the university provides certain donated facilities and administrative services, which are not reflected in WCA's revenues and expenses.

Management Estimates

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

Newly Issued Accounting Pronouncements

In March 2012, the GASB issued Statement No. 66, Technical Corrections – 2012. This Statement resolves conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This Statement amends Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. This Statement also amends Statement 62 by modifying the specific guidance on accounting for certain operating lease payments, purchases of loans and mortgage loan servicing fees. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2012.

In June 2012, the GASB issued two related accounting standards, Statement No. 67, Financial Reporting for Pension Plans, and Statement No. 68, Accounting and Financial Reporting for Pensions. Statement No. 67 builds upon the existing framework for financial reports of defined benefit pension plans and expands required note disclosures and Required Supplementary Information. It is effective for periods beginning after June 15, 2013.

Statement No. 68 requires governments that participate in defined benefit pension plans to report in their statement of net position (currently known as the statement of net position) a net pension liability, which is the difference between the total pension liability and the assets set aside to pay pension benefits. Statement No. 68 also requires cost-sharing employers to record a liability and expense equal to their proportionate share of the collective net pension liability and expense for the cost-sharing plan. It is effective for periods beginning after June 15, 2014.

In January 2013, the GASB issued Statement No. 69, Government Combinations and Disposals of Government Operations. Statement No. 69 requires mergers, which do not involve an exchange of consideration, to be accounted for using the carrying values of assets. Acquisitions are accounted for using acquisition values. The standard also provides guidance on reporting of disposals of government operations. It is effective for periods beginning after December 15, 2013.

**The Ohio State University
Wexner Center for the Arts
Notes to the Financial Statements
June 30, 2013**

In April 2013, the GASB issued Statement No. 70, Accounting and Reporting for Nonexchange Financial Guarantees. Statement No. 70 requires a state or local government guarantor that offers a nonexchange financial guarantee to another organization or government to recognize a liability on its financial statements when it is more likely than not that the guarantor will be required to make a payment to the obligation holders under the agreement. The standard also requires guarantors or issuers to disclose information about the amounts and nature of nonexchange financial guarantees. It is effective for periods beginning after June 15, 2013.

WCA management is currently assessing the impact that implementation of GASB Statements No. 66, 67, 68, 69 and 70 will have on the WCA's financial statements.

2. CASH AND INVESTMENTS

WCA's investments are maintained in the university's investment pool and as such, all collateralization is held by the university. The pool consists of more than 5,100 named funds. Each named fund is assigned a number of shares, based on the value of the gifts, income-to-principal transfers, or transfers of operating funds to that named fund. The pool is invested in a diversified portfolio of equities, fixed income, real estate, hedge funds, private equity, venture capital and natural resources that is intended to provide the long-term growth necessary to preserve the value of these funds, adjusted for inflation, while making distributions to support WCA's mission.

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

Annual distributions to named funds in the university investment pool are computed using the share method of accounting for pooled investments. Annual distribution per share is 4.25% of the average market value per share of the Long Term Investment Pool over the most recent seven year period.

The market values of WCA's investments held in the university's investment pool were \$19,120,832 and \$3,294,866 at June 30, 2013 and 2012, respectively. The university holds certain types of alternative investments, including limited partnerships and private equity, which are carried at estimated fair value provided by the management of these funds. The purpose of this alternative investment class is to increase portfolio diversification and reduce risk due to the low correlation with other asset classes. Methods for determining estimated fair values include discounted cash flows and estimates provided by general partners.

Annual distributions to named funds in the university investment pool are computed using the share method of accounting for pooled investments. Annual distribution per share is 4.25% of the average market value per share of the Long Term Investment Pool over the most recent seven year period.

**The Ohio State University
Wexner Center for the Arts
Notes to the Financial Statements
June 30, 2013**

The following summarizes pooled shares and related values as of June 30, 2013:

| Name of Fund | Number of Shares | Cost | Market Value |
|---------------------------|-----------------------------|----------------------|-------------------------|
| Haas, Carl Fund | 34.49 | \$ 155,130 | \$ 194,645 |
| Long, Ethel Manley | 9.67 | 35,000 | 54,550 |
| McKittrick Family Fund | 0.40 | 1,511 | 2,274 |
| Tappen Endowed Fund | 2.62 | 15,000 | 14,792 |
| Wexner Center Programs | 5.33 | 25,000 | 30,107 |
| Arnold SA Maint WCA | 5.74 | 37,000 | 32,371 |
| Fnd-Duke Performing Arts | 384.99 | 2,539,556 | 2,172,678 |
| Glimcher D&H Program Fd | 21.18 | 120,000 | 119,556 |
| Goldberg RiteRug WCA Prog | 21.19 | 116,900 | 119,594 |
| Lambert Family Lecture | 67.59 | 448,334 | 381,417 |
| Shumate Family Endowment | 9.28 | 50,020 | 52,398 |
| Wexner Center Programs | 2,758.85 | 15,000,000 | 15,569,323 |
| Director's Dialogue | 7.37 | 50,000 | 41,607 |
| Fung Family Wexner Ctr | 43.91 | 250,000 | 247,829 |
| Fnd-Tuckerman Child | 2.73 | 25,000 | 15,417 |
| Mervis L&J Wexner Ctr | 12.81 | 74,675 | 72,273 |
| Total | | <u>\$ 18,943,125</u> | <u>\$ 19,120,832</u> |

See Report of Independent Accountants

**The Ohio State University
Wexner Center for the Arts
Notes to the Financial Statements
June 30, 2013**

The following summarizes pooled shares and related values as of June 30, 2012:

| Name of Fund | Number of Shares | Cost | Market Value |
|---------------------------|-------------------------|---------------------|---------------------|
| Haas, Carl Fund | 34.49 | \$ 155,130 | \$ 183,869 |
| Long, Ethel Manley | 9.67 | 35,000 | 51,530 |
| McKittrick Family Fund | .40 | 1,511 | 2,148 |
| Tappen Endowed Fund | 2.62 | 15,000 | 13,973 |
| Wexner Center Programs | 5.33 | 25,000 | 28,441 |
| Arnold SA Maint WCA | 5.46 | 35,500 | 29,108 |
| Fnd-Duke Performing Arts | 384.97 | 2,539,431 | 2,052,268 |
| Glimcher D&H Program Fd | 17.64 | 100,000 | 94,056 |
| Goldberg RiteRug WCA Prog | 17.85 | 98,530 | 95,182 |
| Lambert Family Lecture | 63.88 | 428,333 | 340,521 |
| Shumate Family Endowment | 9.28 | 50,020 | 49,497 |
| Director's Dialogue | 7.37 | 50,000 | 39,304 |
| Fung Family Wexner Ctr | 43.91 | 250,000 | 234,108 |
| Fnd-Tuckerman Child | 2.73 | 25,000 | 14,563 |
| Mervis L&J Wexner Ctr | 12.44 | 72,675 | 66,298 |
| Total | | <u>\$ 3,881,130</u> | <u>\$ 3,294,866</u> |

3. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2013 is summarized as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance |
|----------------------------------|--------------------------|-----------------------|---------------------|-----------------------|
| Non-depreciable assets | | | | |
| Construction in progress | \$ 71,710 | \$ 159,682 | \$ (73,610) | \$ 157,782 |
| Depreciable assets | | | | |
| Buildings | 75,317,341 | - | - | 75,317,341 |
| Furniture and equipment | 1,123,917 | 176,852 | (51,140) | 1,249,629 |
| Total cost of depreciable assets | <u>76,441,258</u> | <u>176,852</u> | <u>(51,140)</u> | <u>76,566,970</u> |
| Total cost of capital assets | 76,512,968 | 336,534 | (124,750) | 76,724,752 |
| Less: accumulated depreciation | <u>38,169,063</u> | <u>2,408,699</u> | <u>(22,576)</u> | <u>40,555,186</u> |
| Net capital assets | <u>\$ 38,343,905</u> | <u>\$ (2,072,165)</u> | <u>\$ (102,174)</u> | <u>\$ 36,169,566</u> |

See Report of Independent Accountants

**The Ohio State University
Wexner Center for the Arts
Notes to the Financial Statements
June 30, 2013**

Capital assets activity for the year ended June 30, 2012 is summarized as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance |
|----------------------------------|------------------------------|-----------------------|---------------------|---------------------------|
| Non-depreciable assets | | | | |
| Construction in progress | \$ 90,971 | \$ 190,451 | \$ (209,712) | \$ 71,710 |
| Depreciable assets | | | | |
| Buildings | 75,150,477 | 166,864 | - | 75,317,341 |
| Furniture and equipment | <u>1,188,573</u> | <u>17,295</u> | <u>(81,952)</u> | <u>1,123,916</u> |
| Total cost of depreciable assets | <u>76,339,050</u> | <u>184,159</u> | <u>(81,952)</u> | <u>76,441,257</u> |
| Total cost of capital assets | 76,430,021 | 374,610 | (291,664) | 76,512,967 |
| Less: accumulated depreciation | <u>35,908,868</u> | <u>2,342,147</u> | <u>(81,952)</u> | <u>38,169,063</u> |
| Net capital assets | <u>\$ 40,521,154</u> | <u>\$ (1,967,537)</u> | <u>\$ (209,712)</u> | <u>\$ 38,343,904</u> |

The following estimated useful lives are used to compute depreciation:

| Type of Asset | Estimated Useful Life |
|-------------------------|----------------------------------|
| Buildings | 20 to 40 years |
| Equipment and furniture | 5 to 15 years |

4. RETIREMENT PLAN

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

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

Defined Benefit Plans

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

**The Ohio State University
Wexner Center for the Arts
Notes to the Financial Statements
June 30, 2013**

These reports may be obtained by contacting the two organizations.

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

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

Defined Contribution Plans

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

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

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

Combined Plans

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

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

**The Ohio State University
Wexner Center for the Arts
Notes to the Financial Statements
June 30, 2013**

Funding Policy

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

| | STRS Ohio | OPERS | ARP |
|---------------------------|----------------------|--------------|------------|
| Faculty | | | |
| Plan member (entire year) | 10.00% | | 10.00% |
| WCA (entire year) | 14.00% | | 14.00% * |
| Staff | | | |
| Plan member (entire year) | | 10.00% | 10.00% |
| WCA (entire year) | | 14.00% | 14.00% ** |

* Employer contributions include 3.5% paid to STRS Ohio.

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

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

WCA's contributions, which represent 100% of required employer contributions, for the year ended June 30, 2013 and for each of the two preceding years are as follows:

| Year ended June 30 | STRS Ohio Annual Required Contribution | OPERS Annual Required Contribution | ARP Annual Required Contribution |
|---------------------------|---|---|---|
| 2011 | \$ 7,261 | \$ 434,543 | \$ 180,002 |
| 2012 | 3,892 | 441,206 | 180,033 |
| 2013 | 9,121 | 439,962 | 167,313 |

5. OTHER POSTEMPLOYMENT BENEFITS

OPERS also provides postretirement health care coverage to age-and-service retirees with ten or more years of qualifying Ohio service credit in the defined benefit and combined plans. Health care coverage for disability recipients and primary survivor recipients is also available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, *Disclosure of Information of Postemployment Benefits other than Pension Benefits by State and Local Government Employers*.

**The Ohio State University
Wexner Center for the Arts
Notes to the Financial Statements
June 30, 2013**

ORC permits, but does not mandate, OPERS to provide OPEB to eligible members and beneficiaries. A portion of each contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions to OPERS. For OPERS' calendar year ended December 31, 2012, OPERS allocated 4.0% of the employer contribution rate to fund the health care program for retirees in the Traditional Plan. For OPERS' calendar year ended December 31, 2012, OPERS allocated 6.05% of the employer contribution rate to fund the health care program for retirees in the Combined Plan. Effective January 1, 2013, these percentages were lowered to 1% for both plans, as recommended by the OPERS actuary.

Changes to the health care plan were adopted by OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under Senate Bill 232 and the approved health care changes, OPERS expects to be able to allocate on a consistent basis 4% of the employer contributions toward the health care fund after the end of the transition period.

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

STRS Ohio provides access to health care coverage to eligible retirees who participated in the deferred benefit or combined plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare Part B premiums. Pursuant to Chapter 3307 of ORC, STRS Ohio has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All health care enrollees, for the most recent year, pay a portion of the health care cost in the form of monthly premiums. Under ORC, funding for postemployment health care paid from the funds of STRS Ohio are included in the employer contribution rate. For the fiscal year ended June 30, 2012, STRS Ohio allocated employer contributions equal to 1.0% of covered payroll postemployment health care.

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

6. ACCRUED COMPENSATION AND COMPENSATED ABSENCES

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

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

**The Ohio State University
Wexner Center for the Arts
Notes to the Financial Statements
June 30, 2013**

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

Accrued salaries were \$4,535 and \$6,082 as of June 30, 2013 and 2012, respectively. Accrued vacation and sick leave liabilities were \$418,921 and \$434,868 as of June 30, 2013 and 2012, respectively.

Long term liabilities related to accrued compensated liabilities as of June 30, 2013 is as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Current Portion |
|----------------------|------------------------------|------------------|-------------------|---------------------------|----------------------------|
| Compensated absences | \$ 434,868 | \$ 17,458 | \$ 33,405 | \$ 418,921 | \$ 33,405 |
| | <u>\$ 434,868</u> | <u>\$ 17,458</u> | <u>\$ 33,405</u> | <u>\$ 418,921</u> | <u>\$ 33,405</u> |

Long term liabilities related to accrued compensated liabilities as of June 30, 2012 is as follows:

Noncurrent liability activity for the year ended June 30, 2012 is as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Current Portion |
|----------------------|------------------------------|-------------------|-------------------|---------------------------|----------------------------|
| Compensated absences | \$ 359,017 | \$ 113,772 | \$ 37,921 | \$ 434,868 | \$ 37,921 |
| | <u>\$ 359,017</u> | <u>\$ 113,772</u> | <u>\$ 37,921</u> | <u>\$ 434,868</u> | <u>\$ 37,921</u> |

7. UNIVERSITY SUPPORT

The operations of WCA are supported in part by the general revenues of the university. The university provides for the general operating costs of WCA operations. The university's direct support amounted to \$4,630,997 and \$4,356,073 for the years ended June 30, 2013 and 2012, respectively.

8. OPERATING LEASE OBLIGATION

WCA leases office space under an agreement with a 5 year occupancy term covering the period March 1, 2009 through February 28, 2014. Future minimum rental payments for this lease as of June 30, 2013 are as follows:

Year ending June 30

| | |
|------------------------------|------------------|
| 2014 | <u>\$ 82,264</u> |
| Total minimum lease payments | <u>\$ 82,264</u> |

**The Ohio State University
Wexner Center for the Arts
Notes to the Financial Statements
June 30, 2013**

Rental expense charged to operations was \$160,065 and \$123,396 for the years ended June 30, 2013 and 2012, respectively.

WCA leases apartment space for visiting artists under an agreement with a one year occupancy term covering the period August 13, 2012 through July 28, 2013. The lease was renewed for the period July 29, 2013 through July 28, 2014.

Future minimum rental payments for this lease as of June 30, 2013 are as follows:

| Year ending June 30 | |
|------------------------------|-----------------|
| 2014 | \$ 6,670 |
| 2015 | <u>560</u> |
| Total minimum lease payments | <u>\$ 7,230</u> |

Rental expense charged to operations was \$6,125 and \$6,100 for the years ended June 30, 2013 and 2012, respectively.

WCA, as a lessor, leases space used as a café to a tenant under a licensing agreement. The monthly license fee owed to WCA is 1.8% of gross sales during year one and 2.8% of gross sales during year two. The current lease expires July 31, 2013.

Rental income received to operations was \$10,848 and \$4,980 for the years ended June 30, 2013 and 2012, respectively.

Supplemental Information

**The Ohio State University
Wexner Center for the Arts
Supplemental Schedule of Net Position
June 30, 2013**

| | Reviewed Balances 2013 | Elimination of Building Contributed Capital Investment | Adjusted Valuation 2013 |
|--|------------------------------|--|-------------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ 84,388 | \$ - | \$ 84,388 |
| Accounts receivable | 216,175 | - | 216,175 |
| Contributions receivable | 2,036,926 | - | 2,036,926 |
| Inventories and prepaid expenses | 744,462 | - | 744,462 |
| Total current assets | 3,081,951 | - | 3,081,951 |
| Noncurrent assets | | | |
| Endowments in OSU long-term investment pool | 19,120,832 | - | 19,120,832 |
| Property, plant & equipment, net | 36,169,566 | (36,169,566) | - |
| Total non-current assets | 55,290,398 | (36,169,566) | 19,120,832 |
| Total assets | <u>\$ 58,372,349</u> | <u>\$ (36,169,566)</u> | <u>\$ 22,202,783</u> |
| Liabilities and Net Assets | | | |
| Current assets | | | |
| Accounts payable | \$ 17,808 | \$ - | \$ 17,808 |
| Due university | - | - | - |
| Accrued salary and wages | 4,535 | - | 4,535 |
| Advance payment for goods and services - current | 810,188 | - | 810,188 |
| Accrued vacation and sick leave - current | 33,405 | - | 33,405 |
| Total current liabilities | 865,936 | - | 865,936 |
| Noncurrent liabilities | | | |
| Accrued vacation and sick leave - long term | 385,516 | - | 385,516 |
| Advance payment for goods and services - long term | - | - | - |
| Total non-current liabilities | 385,516 | - | 385,516 |
| Total liabilities | 1,251,452 | - | 1,251,452 |
| Net assets | | | |
| Invested in capital assets | 36,169,566 | (36,169,566) | - |
| Restricted - nonexpendable | 19,288,106 | - | 19,288,106 |
| Restricted - expendable | 1,323,204 | - | 1,323,204 |
| Unrestricted | 340,021 | - | 340,021 |
| Total net position | 57,120,897 | (36,169,566) | 20,951,331 |
| Total liabilities and net position | <u>\$ 58,372,349</u> | <u>\$ (36,169,566)</u> | <u>\$ 22,202,783</u> |

See Report of Independent Accountants

**The Ohio State University
Wexner Center for the Arts
Supplemental Schedule of Revenue, Expenses and Changes in Net Position
June 30, 2013**

| | Reviewed Balances 2013 | Elimination of Building Contributed Capital Investment | Adjusted Valuation 2013 |
|--|---------------------------------------|---|--|
| Operating revenues | | | |
| Sales and services | \$ 2,183,128 | \$ - | \$ 2,183,128 |
| Grants and contracts | 328,159 | - | 328,159 |
| Total operating revenues | <u>2,511,287</u> | - | <u>2,511,287</u> |
| Operating expenses | | | |
| Salaries | 4,426,151 | - | 4,426,151 |
| Employee benefits | 1,575,191 | - | 1,575,191 |
| Fees paid to performers and artists | 311,723 | - | 311,723 |
| Supplies and services | 5,096,015 | - | 5,096,015 |
| University overhead charges | 48,575 | - | 48,575 |
| Depreciation | <u>2,386,122</u> | <u>(2,386,122)</u> | <u>-</u> |
| Total operating expenses | 13,843,777 | (2,386,122) | 11,457,655 |
| Operating loss | (11,332,490) | 2,386,122 | (8,946,368) |
| Nonoperating revenues and expenses | | | |
| University appropriations | 4,419,213 | - | 4,419,213 |
| Gifts | 19,503,059 | - | 19,503,059 |
| Endowment income distributions | 456,959 | - | 456,959 |
| Investment income | 763,694 | - | 763,694 |
| Transfers from University for capital projects | <u>211,783</u> | - | <u>211,783</u> |
| Increase (decrease) in net asset | 14,022,218 | 2,386,122 | 16,408,340 |
| Net position - beginning of year | <u>43,098,679</u> | <u>(38,555,688)</u> | <u>4,542,991</u> |
| Net position - end of year | <u>\$57,120,897</u> | <u>\$ (36,169,566)</u> | <u>\$20,951,331</u> |

See Report of Independent Accountants

**The Ohio State University
Wexner Center for the Arts
Supplemental Schedule of Net Position
June 30, 2012**

| | Reviewed Balances 2012 | Elimination of Building Contributed Capital Investment | Adjusted Valuation 2012 |
|--|------------------------------|--|-------------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - |
| Accounts receivable | 400,348 | - | 400,348 |
| Contributions receivable | 1,612,185 | - | 1,612,185 |
| Inventories and prepaid expenses | 1,022,210 | - | 1,022,210 |
| Total current assets | <u>3,034,743</u> | - | <u>3,034,743</u> |
| Noncurrent assets | | | |
| Endowments in OSU long-term investment pool | 3,294,866 | - | 3,294,866 |
| Property, plant & equipment, net | 38,343,904 | (38,343,904) | - |
| Total non-current assets | <u>41,638,770</u> | <u>(38,343,904)</u> | <u>3,294,866</u> |
| Total assets | <u>\$ 44,673,513</u> | <u>\$ (38,343,904)</u> | <u>\$ 6,329,609</u> |
| Liabilities and Net Assets | | | |
| Current assets | | | |
| Accounts payable | \$ 191,010 | \$ - | \$ 191,010 |
| Due university | 157,058 | - | 157,058 |
| Accrued salary and wages | 6,082 | - | 6,082 |
| Advance payment for goods and services - current | 257,060 | - | 257,060 |
| Accrued vacation and sick leave - current | 37,921 | - | 37,921 |
| Total current liabilities | <u>649,131</u> | - | <u>649,131</u> |
| Noncurrent liabilities | | | |
| Accrued vacation and sick leave - long term | 396,947 | - | 396,947 |
| Advance payment for goods and services - long term | 528,756 | - | 528,756 |
| Total non-current liabilities | <u>925,703</u> | - | <u>925,703</u> |
| Total liabilities | <u>1,574,834</u> | - | <u>1,574,834</u> |
| Net assets | | | |
| Invested in capital assets | 38,343,904 | (38,343,904) | - |
| Restricted - nonexpendable | 3,451,838 | - | 3,451,838 |
| Restricted - expendable | 1,674,687 | - | 1,674,687 |
| Unrestricted | (371,750) | - | (371,750) |
| Total net position | <u>43,098,679</u> | <u>(38,343,904)</u> | <u>4,754,775</u> |
| Total liabilities and net position | <u>\$ 44,673,513</u> | <u>\$ (38,343,904)</u> | <u>\$ 6,329,609</u> |

See Report of Independent Accountants

**The Ohio State University
Wexner Center for the Arts
Supplemental Schedule of Revenue, Expenses and Changes in Net Assets
June 30, 2012**

| | Reviewed Balances 2012 | Elimination of Building Contributed Capital Investment | Adjusted Valuation 2012 |
|--|------------------------------|--|-------------------------------|
| Operating revenues | | | |
| Sales and services | \$ 1,521,650 | \$ - | \$ 1,521,650 |
| Grants and contracts | 570,039 | - | 570,039 |
| Total operating revenues | 2,091,689 | - | 2,091,689 |
| Operating expenses | | | |
| Salaries | 4,391,394 | - | 4,391,394 |
| Employee benefits | 1,597,357 | - | 1,597,357 |
| Fees paid to performers and artists | 399,626 | - | 399,626 |
| Supplies and services | 3,747,061 | - | 3,747,061 |
| University overhead charges | 42,919 | - | 42,919 |
| Depreciation | 2,342,147 | (2,342,147) | - |
| Total operating expenses | 12,520,504 | (2,342,147) | 10,178,357 |
| Operating loss | (10,428,815) | 2,342,147 | (8,086,668) |
| Nonoperating revenues and expenses | | | |
| University appropriations | 4,189,209 | - | 4,189,209 |
| Gifts | 4,300,684 | - | 4,300,684 |
| Endowment income distributions | 161,583 | - | 161,583 |
| Investment income | (196,170) | - | (196,170) |
| Transfers from University for capital projects | 166,865 | (166,865) | - |
| Increase (decrease) in net asset | (1,806,644) | 2,175,282 | 368,638 |
| Net assets - beginning of year | 44,905,323 | (40,519,188) | 4,386,135 |
| Net assets - end of year | <u>\$ 43,098,679</u> | <u>\$ (38,343,906)</u> | <u>\$ 4,754,773</u> |

See Report of Independent Accountants

**The Ohio State University
Traumatic Brain Injury Network**

**Report of Independent Accountants on Agreed
Upon Procedures Performed as Specified by
The Ohio Department of Alcohol, Drug Addiction and
Mental Health Services and ADAMH Services Board
of Franklin County
For the Year Ended June 30, 2013**

**Agreed Upon Procedures
Performed on the Actual Unit Cost Report
Table of Contents
For the Year Ended June 30, 2013**

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| Report of Independent Accountants | 1 |
| Exhibit 1 - Report on Application of Agreed-Upon Procedures on Uniform Cost Report | |
| Exhibit 2 - Uniform Cost Report for June 30, 2013 | |



Report of Independent Accountants

To The Ohio State University
Traumatic Brain Injury Network:

We have performed the procedures enumerated in Exhibit 1, which were agreed to by the Ohio Department of Alcohol, Drug Addiction and Drug Addiction Services (ODADAS) solely to assist you in evaluating the accompanying Actual Uniform Cost Reports (FIS-047) (Exhibit 2) prepared by The Ohio State University Traumatic Brain Injury Network for the year ended June 30, 2013, in accordance with the criteria contained in the ODADAS Administrative Rule Number 3793:2-1-10. The Ohio State University Traumatic Brain Injury Network's management is responsible for the Actual Uniform Cost Report. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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

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

PricewaterhouseCoopers LLP

November 19, 2013



**THE OHIO STATE UNIVERSITY
 TRAUMATIC BRAIN INJURY NETWORK
 REPORT ON APPLICATION OF AGREED-UPON PROCEDURES ON
 UNIFORM COST REPORT
 For the Year Ended June 30, 2013**

Exhibit 1

| Number | Area Tested | Test Procedure(s) | Test Result(s) |
|-----------|-------------|---|--|
| 1 | | Procedure One - Mathematical Accuracy Testing | |
| 1 (a) | | Obtain a reconciliation of the total costs reported on the Actual Uniform Cost Report (AUCR) to the general ledger for the year ended June 30, 2013. Compare the amounts listed on the reconciliation to the amounts listed on the general ledger for the SFY being verified. Identify any material variances (variances greater than plus or minus two percent) and obtain management's explanation of the material variance(s) for inclusion in the AUCR AUP report. We make no comment as to the adequacy of those explanation(s). | Compared the amounts listed on the AUCR reconciliation to the general ledger accounts for the TBI Network. No material variances identified. |
| 1 (b) | | For and by each service with costs being reported on the AUCR: | |
| 1 (b) i | | Sum the values reported in columns 4 and 5 to verify the result is equal to the value reported in the corresponding column 6; | No exceptions were noted as a result of performing this procedure. |
| 1 (b) ii | | Sum the values reported in columns 6 and 7 to verify the result is equal to the value reported in the corresponding column 8; | No exceptions were noted as a result of performing this procedure. |
| 1 (b) iii | | Confirm the value reported in column 9 is equal to the result of dividing the value in column 8 by the value in column 2; | No exceptions were noted as a result of performing this procedure. |



**THE OHIO STATE UNIVERSITY
 TRAUMATIC BRAIN INJURY NETWORK
 REPORT ON APPLICATION OF AGREED-UPON PROCEDURES ON
 UNIFORM COST REPORT
 For the Year Ended June 30, 2013**

Exhibit 1

| Number | Area Tested | Test Procedure(s) | Test Result(s) |
|-----------|------------------------------|--|--|
| 1 (b) iv | | Confirm the valued reported in column 11 is equal to the result of subtracting the value in column 10 from the value in column 8; | No exceptions were noted as a result of performing this procedure. |
| 1 (b) v | | Confirm the value reported in column 12 is equal to the result of dividing the value in column 11 by the value in column 2; | No exceptions were noted as a result of performing this procedure. |
| 1 (b) vi | | Confirm the values reported in the "Total MH Services" or the "Totals for AOD Services" are equal to the sum of the values reported in the corresponding column; | No exceptions were noted as a result of performing this procedure. |
| 1 (b) vii | | Confirm the values reported in the "Agency Total"/"Total for Agency" are equal to the sum of the values reported in the corresponding column. | No exceptions were noted as a result of performing this procedure. |
| 2 | Personnel Costs Verification | | |
| 2 (a) | | Compare the personnel costs reported in column 4 of the AUCR to the salaries, wages and fringe benefits reported on the general ledger for the SFY. Identify any material variances (greater than plus or minus two percent) for inclusion in the actual uniform cost report agreed upon procedures and obtain management's explanation for these variances. We will make no comment as to the adequacy of those explanation(s). | TBI Network is a department within The Ohio State University. We agreed personnel costs to the general ledger accounts applicable to the TBI Network and agreed reported salaries for the department to salary listings per the Human Resource department of the University. No material variances identified. |



**THE OHIO STATE UNIVERSITY
 TRAUMATIC BRAIN INJURY NETWORK
 REPORT ON APPLICATION OF AGREED-UPON PROCEDURES ON
 UNIFORM COST REPORT
 For the Year Ended June 30, 2013**

Exhibit 1

| Number | Area Tested | Test Procedure(s) | Test Result(s) |
|-----------|-------------|--|--|
| 2 (b) | | From the personnel costs reported in column 4 of the AUCR, select ten employees whose personnel costs roll-up to those costs. For the year end totals, perform the following procedures on the sample by inspecting the following supporting documentation: | We selected ten employees for our sample population. |
| 2 (b) i | | Obtain management's explanation for whether the ten employees' personnel costs are allowable or unallowable as defined in Ohio Administrative Code 3793:2-1-09 paragraphs (H)(1) and (H)(2). We will make no comment as to the adequacy of those explanations. | Obtained management's explanations for whether the ten employees' personnel costs are allowable or unallowable. We make no comment as to the adequacy of those explanations. |
| 2(b) ii | | Confirm costs are included as direct service (column 4a) or support service (column 4b) costs based on number of hours multiplied by hourly salary rate per employee. | No exceptions were noted as a result of performing this procedure. |
| 2 (b) iii | | Confirm costs are allocated to each service based on number of hours multiplied by hourly salary rate per employee. | No exceptions were noted as a result of performing this procedure. |
| 2 (b) iv | | Confirm any unallowable costs as discussed in 2 (b) i are allocated based on the number of hours multiplied by hourly salary rate per employee and included in column 10 of the AUCR | No exceptions were noted as a result of performing this procedure. |



**THE OHIO STATE UNIVERSITY
 TRAUMATIC BRAIN INJURY NETWORK
 REPORT ON APPLICATION OF AGREED-UPON PROCEDURES ON
 UNIFORM COST REPORT
 For the Year Ended June 30, 2013**

Exhibit 1

| Number | Area Tested | Test Procedure(s) | Test Result(s) |
|---------|-----------------------------------|---|--|
| | | report. | |
| 2 (b) v | | Identify any material variances (variances greater than plus or minus two percent) and obtain management's explanation of the material variance(s) for inclusion in the actual uniform cost report agreed upon procedures (AUP) report. We will make no comment as to the adequacy of those explanations. | No material variances identified. |
| 3 | Non-Personnel Costs Verifications | | |
| 3 (a) | | From the non-personnel costs reported in column 5 of the AUCR, select a haphazard sample (as defined in the American Institute of Certified Public Accountants audit sampling guide), of checks and/or electronic funds transfer (EFT) disbursements, of twenty percent or forty checks and/or EFT disbursements, whichever is less. Perform the following procedures on each selected check or EFT disbursement: | We selected 20 percent of the population for our sample population. |
| 3 (a) i | | For the selected sample, obtain management's explanation for whether the costs are allowable or unallowable as defined in Ohio Administrative Code 3793:2-1-09 paragraphs (H)(1) and (H)(2). We will make no comment as to the adequacy of those explanations. | Obtained explanations from management for whether the costs are allowable or unallowable. We make no comment as to the adequacy of those explanations. |



**THE OHIO STATE UNIVERSITY
 TRAUMATIC BRAIN INJURY NETWORK
 REPORT ON APPLICATION OF AGREED-UPON PROCEDURES ON
 UNIFORM COST REPORT
 For the Year Ended June 30, 2013**

Exhibit 1

| Number | Area Tested | Test Procedure(s) | Test Result(s) |
|-----------|-------------|--|--|
| 3 (a) ii | | Confirm the allocation method for sampled non-personnel costs is one of the following as outlined in the Ohio Administrative Code 3793:2-1-09, Appendix A: direct allocation, allocation by square footage, allocation by full time employees assigned to each service, allocation by direct service full time employees assigned to each service, or allocation by the number of units produced for each service. | Allocation methods used for selected sample were in accordance with allocation methods outlined in the Ohio Administrative Code 3793:2-1-09, Appendix A. |
| 3 (a) iii | | Confirm any unallowable costs as discussed in 3) a) i above are allocated in the same manner they were originally allocated and are documented in the appropriate service row of column 10 of the AUCR; | No exceptions were noted as a result of performing this procedure |
| 3 (a) iv | | Identify any material variances (variances greater than plus or minus two percent) and obtain management's explanation of the material variance(s) for inclusion in the actual uniform cost report agreed upon procedures (AUP) report. We will make no comment as to the adequacy of those explanation(s). | No material variances identified. |



**THE OHIO STATE UNIVERSITY
 TRAUMATIC BRAIN INJURY NETWORK
 REPORT ON APPLICATION OF AGREED-UPON PROCEDURES ON
 UNIFORM COST REPORT
 For the Year Ended June 30, 2013**

Exhibit 1

| Number | Area Tested | Test Procedure(s) | Test Result(s) |
|---------|--|--|--|
| 4 | Administrative Overhead Costs Verification | | |
| 4 (a) | | From the administrative overhead costs reported in column 7 of the AUCR, select a haphazard sample (as defined in the American Institute of Certified Public Accountants audit sampling guide) of checks and/or electronic funds transfer (EFT) disbursements, equal to ten percent or twenty checks and/or EFT disbursements, whichever is less. Perform the following procedures on each selected check or EFT disbursement: | We selected 10 percent of the population for our sample population. |
| 4 (a) i | | Obtain management's explanation for whether the costs the check or EFT disbursement is for are allowable or unallowable as defined in Ohio Administrative Code 3793:2-1-09 paragraphs (H)(1) and (H)(2). We will make no comment as to the adequacy of those explanations. | Obtained explanations from management for whether the costs are allowable or unallowable. We make no comment as to the adequacy of those explanations. |



**THE OHIO STATE UNIVERSITY
 TRAUMATIC BRAIN INJURY NETWORK
 REPORT ON APPLICATION OF AGREED-UPON PROCEDURES ON
 UNIFORM COST REPORT
 For the Year Ended June 30, 2013**

Exhibit 1

| Number | Area Tested | Test Procedure(s) | Test Result(s) |
|-----------|-------------|---|--|
| 4 (a) ii | | Confirm that administrative overhead costs were allocated using only one of the allowable methods described in Ohio Administrative Code 3793:2-1-09: Service Total Costs (column 6 of the AUCR), Direct Service Personnel Costs (column 4a of the AUCR), Total Personnel Costs (column 4a plus column 4b of the AUCR), Total Direct Service Full Time Employees (column 3a of the UCR), or Total Full Time Employees (column 3a plus column 3b of the UCR). | Allocation methods used for selected sample were in accordance with allocation methods outlined in the Ohio Administrative Code 3793:2-1-09. |
| 4 (a) iii | | Confirm that any unallowable costs as discussed in 4) a) i above are allocated in the same manner they were originally allocated and are documented in the appropriate service row of column 10 of the AUCR; | No exceptions were noted as a result of performing this procedure. |
| 4 (a) iv | | Identify any material variances (variances greater than plus or minus two percent) and obtain management's explanation of the material variance(s) for inclusion in the actual uniform cost report agreed upon procedures (AUP) report. We will make no comment as to the adequacy of those explanation(s). | No material variances identified. |



**THE OHIO STATE UNIVERSITY
 TRAUMATIC BRAIN INJURY NETWORK
 REPORT ON APPLICATION OF AGREED-UPON PROCEDURES ON
 UNIFORM COST REPORT
 For the Year Ended June 30, 2013**

Exhibit 1

| Number | Area Tested | Test Procedure(s) | Test Result(s) |
|-----------|-------------------------------|--|---|
| 5 | Units of Service Verification | | |
| 5 (a) | | From and by each service with costs reported on the AUCR, select a haphazard sample (as defined by the American Institute of Certified Public Accountants audit sampling guide) of the reported units of service, equal to twenty percent or forty total units, whichever is less. Perform the following procedures on the selected units: | We selected 40 total units for our sample population. |
| 5 (a) i | | Confirm documentation exists in client records to support the number of units selected; | No exceptions were noted as a result of performing this procedure. |
| 5 (a) ii | | Obtain management's explanation supporting the appropriateness of the service line the units of service are included in. We will make no comment as to the adequacy of those explanations; and | Obtained explanations from management supporting the appropriateness of the service line the units of service are included in. We make no comment as to the adequacy of those explanations. |
| 5 (a) iii | | Identify any material variances (variances greater than plus or minus two percent) and obtain management's explanation of the material variance(s) for inclusion in the actual uniform cost report agreed upon procedures (AUP) report. We will make no comment as to the adequacy of those explanations. | No material variances were identified. |



**THE OHIO STATE UNIVERSITY
TRAUMATIC BRAIN INJURY NETWORK
REPORT ON APPLICATION OF AGREED-UPON PROCEDURES ON
UNIFORM COST REPORT
For the Year Ended June 30, 2013**

Exhibit 1

| Number | Area Tested | Test Procedure(s) | Test Result(s) |
|---------------|--------------------|---|--|
| 6 | | First Budgeted Uniform Cost Report (BUCR) to AUCR Comparison | |
| 6 (a) | | Compare the first BUCR to the AUCR and confirm the methods of cost reporting selected for the first BUCR are the same as the methods used when completing the AUCR. | Comparison and verification of cost reporting methods could not be completed as no BUCR was completed. |



Exhibit 2

THE OHIO STATE UNIVERSITY
 TRAUMATIC BRAIN INJURY NETWORK
 REPORT ON APPLICATION OF AGREED-UPON PROCEDURES ON
 UNIFORM COST REPORT
 For the Year Ended June 30, 2013

Franklin County Uniform Cost Report (UCR)
 Address: 61 Canal Drive

Agency Name: TBI Network
 Agency Address: 1625050000
Columbus, OH
 Fiscal Year: 6/30/2013
 Agency Telephone Number: 614-291-7016
 Owner Federal Tax ID Number: 310026988

| 1. Type of Service | 2. NCPIC / Procedure Code | 3. Unit / Definition | 4. Number of PTE Assigned | 5. Support Service | 6. Personnel Case | 7. Support Service | 8. Service Non-Case | 9. Service Total | 10. Allocation of Overhead | 11. Total Cases | 12. Cost Per Unit | 13. Unallowable Costs | 14. Total Allowable Costs | 15. Allowable Cost Per Unit |
|---|---------------------------|----------------------|---------------------------|--------------------|-------------------|--------------------|---------------------|------------------|----------------------------|-----------------|-------------------|-----------------------|---------------------------|-----------------------------|
| TRAUMATIC SERVICES | | | | | | | | | | | | | | |
| Acute Hospital Care/Inpatient | H0008 | 24 hour | 241.3 | 0.118 | \$2,833.20 | \$7,288.32 | \$4,482.74 | \$17,288.40 | \$5,448.71 | \$23,288.12 | \$96.93 | \$0.00 | \$23,288.12 | \$96.93 |
| Acute Hospital Care/Outpatient | H0009 | 24 hour | 241.3 | 0.118 | \$2,833.20 | \$7,288.32 | \$4,482.74 | \$17,288.40 | \$5,448.71 | \$23,288.12 | \$96.93 | \$0.00 | \$23,288.12 | \$96.93 |
| Case Management | H0006 | 60 minutes | 2,182.3 | 1.038 | \$4,279.88 | \$8,720.38 | \$3,288.79 | \$10,488.37 | \$48,380.89 | \$209,878.08 | \$97.21 | \$0.00 | \$209,878.08 | \$97.21 |
| Crisis Intervention | H0007 | 15 minutes | 1.5 | 0.007 | \$34.84 | \$68.25 | \$31.71 | \$124.87 | \$37.74 | \$192.80 | \$128.40 | \$0.00 | \$192.80 | \$128.40 |
| Family Counseling | H0008 | 15 minutes | 7,720 | 3.724 | \$42,322.50 | \$17,488.20 | \$17,488.20 | \$45,598.90 | \$231,847.50 | \$231,847.50 | \$30.48 | \$0.00 | \$231,847.50 | \$30.48 |
| Group Counseling | H0008 (01) | 15 minutes | 908 | 0.427 | \$5,972.48 | \$5,986.12 | \$9,087.90 | \$20,420.88 | \$4,299.28 | \$24,920.16 | \$27.24 | \$0.00 | \$24,920.16 | \$27.24 |
| Individual Counseling | H0018 | 24 hour | 24 | 0.118 | \$2,833.20 | \$7,288.32 | \$4,482.74 | \$17,288.40 | \$5,448.71 | \$23,288.12 | \$96.93 | \$0.00 | \$23,288.12 | \$96.93 |
| Liberty/Urinary Aids | H0010 | 60 minutes | 1,807 | 0.878 | \$1,807.00 | \$1,807.00 | \$1,807.00 | \$3,614.00 | \$1,807.00 | \$3,614.00 | \$2.00 | \$0.00 | \$3,614.00 | \$2.00 |
| Medical Services | H0011 | 60 minutes | 1,807 | 0.878 | \$1,807.00 | \$1,807.00 | \$1,807.00 | \$3,614.00 | \$1,807.00 | \$3,614.00 | \$2.00 | \$0.00 | \$3,614.00 | \$2.00 |
| Medication Management | H0012 | 24 hour | 24 | 0.118 | \$2,833.20 | \$7,288.32 | \$4,482.74 | \$17,288.40 | \$5,448.71 | \$23,288.12 | \$96.93 | \$0.00 | \$23,288.12 | \$96.93 |
| Bus Accidents/Inpatient | H0013 | 24 hour | 24 | 0.118 | \$2,833.20 | \$7,288.32 | \$4,482.74 | \$17,288.40 | \$5,448.71 | \$23,288.12 | \$96.93 | \$0.00 | \$23,288.12 | \$96.93 |
| 23 Hour Observation Bed | H0014 | 24 hour | 24 | 0.118 | \$2,833.20 | \$7,288.32 | \$4,482.74 | \$17,288.40 | \$5,448.71 | \$23,288.12 | \$96.93 | \$0.00 | \$23,288.12 | \$96.93 |
| Unit Day Services | H0015 | 1 session | 1 | 0.005 | \$5.00 | \$5.00 | \$5.00 | \$10.00 | \$5.00 | \$10.00 | \$10.00 | \$0.00 | \$10.00 | \$10.00 |
| Case Management | H0016 | 24 hour | 24 | 0.118 | \$2,833.20 | \$7,288.32 | \$4,482.74 | \$17,288.40 | \$5,448.71 | \$23,288.12 | \$96.93 | \$0.00 | \$23,288.12 | \$96.93 |
| Med. Comm. Residential TX - Nonresidential Setting | A1230 | 24 hour | 24 | 0.118 | \$2,833.20 | \$7,288.32 | \$4,482.74 | \$17,288.40 | \$5,448.71 | \$23,288.12 | \$96.93 | \$0.00 | \$23,288.12 | \$96.93 |
| Med. Comm. Residential TX - Residential Setting | A1230 | 24 hour | 24 | 0.118 | \$2,833.20 | \$7,288.32 | \$4,482.74 | \$17,288.40 | \$5,448.71 | \$23,288.12 | \$96.93 | \$0.00 | \$23,288.12 | \$96.93 |
| Med. Comm. Residential TX - Residential Setting - Support | H0017 | 24 hour | 24 | 0.118 | \$2,833.20 | \$7,288.32 | \$4,482.74 | \$17,288.40 | \$5,448.71 | \$23,288.12 | \$96.93 | \$0.00 | \$23,288.12 | \$96.93 |
| Med. Comm. Residential TX - Residential Setting - Support | H0018 | 24 hour | 24 | 0.118 | \$2,833.20 | \$7,288.32 | \$4,482.74 | \$17,288.40 | \$5,448.71 | \$23,288.12 | \$96.93 | \$0.00 | \$23,288.12 | \$96.93 |
| COMMUNITY SERVICES | | | | | | | | | | | | | | |
| Consultation | A0000 | 60 minutes | 60 | 0.293 | \$1,758.00 | \$1,758.00 | \$1,758.00 | \$3,516.00 | \$1,758.00 | \$3,516.00 | \$58.60 | \$0.00 | \$3,516.00 | \$58.60 |
| Education | A0000 | 60 minutes | 60 | 0.293 | \$1,758.00 | \$1,758.00 | \$1,758.00 | \$3,516.00 | \$1,758.00 | \$3,516.00 | \$58.60 | \$0.00 | \$3,516.00 | \$58.60 |
| Referral and Intuition | A0010 | 60 minutes | 60 | 0.293 | \$1,758.00 | \$1,758.00 | \$1,758.00 | \$3,516.00 | \$1,758.00 | \$3,516.00 | \$58.60 | \$0.00 | \$3,516.00 | \$58.60 |
| Training | A0011 | 60 minutes | 60 | 0.293 | \$1,758.00 | \$1,758.00 | \$1,758.00 | \$3,516.00 | \$1,758.00 | \$3,516.00 | \$58.60 | \$0.00 | \$3,516.00 | \$58.60 |
| PREVENTIVE SERVICES | | | | | | | | | | | | | | |
| Community-based Process | A0020 | 60 minutes | 60 | 0.293 | \$1,758.00 | \$1,758.00 | \$1,758.00 | \$3,516.00 | \$1,758.00 | \$3,516.00 | \$58.60 | \$0.00 | \$3,516.00 | \$58.60 |
| Education | A0020 | 60 minutes | 60 | 0.293 | \$1,758.00 | \$1,758.00 | \$1,758.00 | \$3,516.00 | \$1,758.00 | \$3,516.00 | \$58.60 | \$0.00 | \$3,516.00 | \$58.60 |
| Evaluation | A0020 | 60 minutes | 60 | 0.293 | \$1,758.00 | \$1,758.00 | \$1,758.00 | \$3,516.00 | \$1,758.00 | \$3,516.00 | \$58.60 | \$0.00 | \$3,516.00 | \$58.60 |
| Program Development and Referral | A0020 | 60 minutes | 60 | 0.293 | \$1,758.00 | \$1,758.00 | \$1,758.00 | \$3,516.00 | \$1,758.00 | \$3,516.00 | \$58.60 | \$0.00 | \$3,516.00 | \$58.60 |
| ADMINISTRATIVE/ALLOCATION AND OTHER SERVICES | | | | | | | | | | | | | | |
| Child Care | T1008 | 60 minutes | 60 | 0.293 | \$1,758.00 | \$1,758.00 | \$1,758.00 | \$3,516.00 | \$1,758.00 | \$3,516.00 | \$58.60 | \$0.00 | \$3,516.00 | \$58.60 |
| Child Care | T1009 | 24 hour | 24 | 0.118 | \$2,833.20 | \$7,288.32 | \$4,482.74 | \$17,288.40 | \$5,448.71 | \$23,288.12 | \$96.93 | \$0.00 | \$23,288.12 | \$96.93 |
| Child Care | T1010 | 1 month | 1 | 0.005 | \$5.00 | \$5.00 | \$5.00 | \$10.00 | \$5.00 | \$10.00 | \$10.00 | \$0.00 | \$10.00 | \$10.00 |
| Child Care | A0750 | 1 month | 1 | 0.005 | \$5.00 | \$5.00 | \$5.00 | \$10.00 | \$5.00 | \$10.00 | \$10.00 | \$0.00 | \$10.00 | \$10.00 |
| Child Care | H0047 | 60 minutes | 60 | 0.293 | \$1,758.00 | \$1,758.00 | \$1,758.00 | \$3,516.00 | \$1,758.00 | \$3,516.00 | \$58.60 | \$0.00 | \$3,516.00 | \$58.60 |
| ADDITIONAL SERVICES | | | | | | | | | | | | | | |
| Administrative Overhead | | | | 0.885 | \$2,833.20 | \$7,288.32 | \$4,482.74 | \$17,288.40 | \$5,448.71 | \$23,288.12 | \$96.93 | \$0.00 | \$23,288.12 | \$96.93 |
| Medical Health Services | | | | 2,942 | \$14,407.88 | \$14,407.88 | \$14,407.88 | \$28,815.76 | \$14,407.88 | \$28,815.76 | \$121.40 | \$0.00 | \$28,815.76 | \$121.40 |
| Medical Health Services | | | | 2,942 | \$14,407.88 | \$14,407.88 | \$14,407.88 | \$28,815.76 | \$14,407.88 | \$28,815.76 | \$121.40 | \$0.00 | \$28,815.76 | \$121.40 |
| Medical Health Services | | | | 2,942 | \$14,407.88 | \$14,407.88 | \$14,407.88 | \$28,815.76 | \$14,407.88 | \$28,815.76 | \$121.40 | \$0.00 | \$28,815.76 | \$121.40 |
| TOTALS FOR AGENCY | | | | | | | | | | | | | | |
| | | | 1,029.0 | 5.202 | \$24,467.88 | \$114,407.88 | \$114,407.88 | \$228,815.76 | \$114,407.88 | \$228,815.76 | \$221.40 | \$0.00 | \$228,815.76 | \$221.40 |
| | | | 1,029.0 | 5.202 | \$24,467.88 | \$114,407.88 | \$114,407.88 | \$228,815.76 | \$114,407.88 | \$228,815.76 | \$221.40 | \$0.00 | \$228,815.76 | \$221.40 |

Verify that this report and supporting documentation have been completed in accordance with OAC 3793.2-1-09

Date: 11-19-13

Signature: [Signature]

Title: Director

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Dave Yost • Auditor of State

THE OHIO STATE UNIVERSITY

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MARCH 13, 2014