

The Ohio State University

(A Component Unit of the State of Ohio)

Consolidated Financial Statements as of and for the years
ended June 30, 2015 and 2014 and Report on Federal
Awards in Accordance with OMB Circular A-133 for the
year ended June 30, 2015

The Ohio State University
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June 30, 2015 and 2014

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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 financial statements of The Ohio State University (the "University"), a component unit of the State of Ohio, appearing on pages 20 to 77, which consist of the statements of net position as of June 30, 2015 and June 30, 2014, the related statements of revenues, expenses, and other changes in net position and of cash flows for the years then ended, of the primary institution and of the aggregate discretely presented component units, 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 University'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 University'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, 2015 and June 30, 2014, and the respective changes in net position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 1 and 15 to the basic financial statements, in the year ended June 30, 2015, the University adopted new accounting guidance related to the manner in which it accounts for pensions. As described within the notes to the financial statements, the University adopted Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27*, effective July 1, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

The accompanying management's discussion and analysis on pages 4 through 19, and the Supplementary Information on GASB 68 Pension Liabilities on page 78 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 an 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 audits 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying supplementary information on the long-term investment pool on pages 79 through 80 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards for the year ended June 30, 2015 on pages 81 through 129 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.



The accompanying schedule of expenditures of federal awards 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.

The accompanying supplementary information on the long-term investment pool has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2015 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, 2015. 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.

PricewaterhouseCoopers LLP

October 30, 2015

Management's Discussion and Analysis for the Year Ended June 30, 2015 (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, 2015, with comparative information for the years ended June 30, 2014 and June 30, 2013. 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 64,000 students, 6,800 faculty members and 23,000 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 over 200 undergraduate majors, 148 master's degree programs, 114 doctoral programs and seven professional degree programs.

The Ohio State University Wexner Medical Center is one of the largest and most diverse academic medical centers in the country and the only academic medical center in central Ohio. 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, The Ohio State University Specialty Care Network, Dodd Rehabilitation Hospital, The Eye and Ear Institute, The Stefanie Spielman Comprehensive Breast Center, and 14 primary care locations. The System provided services to 58,200 adult inpatients and 1,664,000 outpatients during Fiscal Year 2015.

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 15 colleges, four regional campuses, 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 Ohio State University Wexner Medical Center, the Ohio Agricultural Research and Development Center (OARDC) and the Ohio Technology Consortium (OH-TECH), which is an umbrella organization that includes the Ohio Academic Resources Network (OARnet), the Ohio Supercomputer Center and the Ohio Library and Information Network (OhioLINK). 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*, as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*.

Management's Discussion & Analysis (Unaudited) - continued

The following component units are considered to “exclusively benefit” the university and are shown in a blended presentation with the primary government:

- 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)

The GASB has indicated that, under the amended consolidation standards, the “exclusive benefit” criterion for blending is not met when a component unit provides services to parties external to the primary government. As a result, the university presents 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)

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 statements 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 statements include 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, deferred outflows, liabilities, deferred inflows and net position (equity) of the university as of June 30, 2015, with comparative information as of June 30, 2014. Liabilities due within one

Management's Discussion & Analysis (Unaudited) - continued

year, and assets available to pay those liabilities, are classified as current. Other assets and liabilities are classified as non-current. Investment assets are carried at fair 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:

- Net investment in capital assets
- Restricted – Nonexpendable
- Restricted – Expendable
- Unrestricted

In addition to assets, liabilities and net position, the university's balance sheet includes deferred outflows of resources and deferred inflows of resources. Deferred outflows are similar to assets and will be recognized as expense in future periods. Deferred inflows are similar to liabilities and will be recognized as revenue (or reductions of expense) in future periods.

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, 2015, with comparative information for the year ended June 30, 2014. 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, 2015, with comparative information for the year ended June 30, 2014. 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.

Management's Discussion & Analysis (Unaudited) - continued

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 required supplementary information related to pensions and supplementary information on the university's Long-Term Investment Pool.

Financial Highlights and Key Trends

On July 1, 2014, the university implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The adoption of the new standard – which requires employers participating in cost-sharing multi-employer retirement plans to recognize a share of the retirement plans' unfunded pension liabilities – resulted in a \$2.16 billion reduction in the university's opening unrestricted net position. The net pension liability recognized by the university at June 30, 2015 was \$2.13 billion.

Excluding the effect of the GASB 68 accounting change, total net position for the primary institution increased \$419 million in Fiscal Year 2015, reflecting revenue growth and increases in operating margins for the OSU Health System and \$173 million of net investment income. Other university operating revenues and expenses were relatively flat compared with Fiscal Year 2014.

Demand for an Ohio State education remains strong, and student outcomes continue to improve. 64,868 students were enrolled in Autumn 2014, up 904 students compared to Autumn 2013. 93% of the freshmen enrolled in Autumn 2013 returned to OSU in Autumn 2014. Over the past five years, four-year graduation rates have increased from 51% to 59%, and six-year graduation rates have increased from 75% to 83%.

The following sections provide additional details on the university's 2015 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>			
	2015	2014	2013
Cash and temporary investments	\$ 1,782,051	\$ 1,404,608	\$ 1,073,925
Receivables, inventories, prepaids and other current assets	664,402	611,238	528,165
Total current assets	2,446,453	2,015,846	1,602,090
Restricted cash	375,425	435,293	926,444
Noncurrent notes and pledges receivable	118,257	117,159	127,831
Long-term investment pool	3,659,387	3,613,866	3,149,169
Other long-term investments	93,367	84,731	69,358
Capital assets, net of accumulated depreciation	4,803,242	4,492,896	4,136,392
Total noncurrent assets	9,049,678	8,743,945	8,409,194
Total assets	11,496,131	10,759,791	10,011,284
Deferred outflows	227,083	8,650	9,202
Total assets and deferred outflows	\$ 11,723,214	\$ 10,768,441	\$ 10,020,486
Accounts payable and accrued expenses	\$ 447,364	\$ 391,064	\$ 385,006
Deposits and advance payments for goods and services	261,537	229,530	179,436
Current portion of bonds, notes and lease obligations	655,919	504,165	503,750
Other current liabilities	76,788	47,445	21,705
Total current liabilities	1,441,608	1,172,204	1,089,897
Noncurrent portion of bonds, notes and lease obligations	2,186,090	2,101,363	2,167,134
Net pension liability	2,130,432	-	-
Other noncurrent liabilities	380,382	373,305	328,987
Total noncurrent liabilities	4,696,904	2,474,668	2,496,121
Total liabilities	6,138,512	3,646,872	3,586,018
Deferred inflows	693,251	484,450	494,284
Net investment in capital assets	2,340,342	2,320,611	2,394,141
Restricted:			
Nonexpendable	1,355,560	1,281,640	1,158,014
Expendable	993,000	999,029	920,515
Unrestricted	202,549	2,035,839	1,467,514
Total net position	4,891,451	6,637,119	5,940,184
Total liabilities, deferred inflows and net position	\$ 11,723,214	\$ 10,768,441	\$ 10,020,486

During the year ended June 30, 2015, **cash and temporary investment** balances increased \$377 million, to \$1.78 billion, reflecting two October 2014 bond issues, transfers of **restricted cash**, and strong operating margins at the OSU Health System. The remaining restricted cash balances consist primarily of unspent proceeds from the General Receipts Bonds, which are being used to fund various capital projects. The Statement of Cash Flows, which is discussed in more detail below, provides additional information on sources and uses of university cash.

Accounts receivable increased \$45 million, to \$485 million at June 30, 2015, primarily due to increases in patient care receivables of the Health System. **Inventories and prepaid**

Management's Discussion & Analysis (Unaudited) - continued

expenses decreased \$32 million, to \$83 million, reflecting reductions in prepaid expenses for student health insurance and graduate fee authorizations.

The fair value of the university's **long-term investment pool** increased \$46 million, to \$3.66 billion at June 30, 2015. Increases in the pool, including \$110 million of principal additions and \$153 million of net investment income, were mostly offset by distributions (\$142 million) and expenses (\$75 million). 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 equity and fixed-income securities, partnerships and hedge funds 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 university has established a **securities lending program** through its custodian bank for the long-term investment pool. Securities loaned by the university are secured by collateral in the form of cash, equity, U.S. government obligations, and foreign government/private debt. The portion of this collateral that was received in cash totaled \$38 million at June 30, 2015 and is reflected in the Statement of Net Position as a current asset and a corresponding current liability.

Other long-term investments are non-unitized investments that relate primarily to gift arrangements between donors and the OSU Foundation and long-term investments of operating funds. These investments increased \$9 million, to \$93 million, at June 30, 2015.

Capital assets, which include the university's land, buildings, improvements, equipment and library books, grew \$310 million, to \$4.80 billion at June 30, 2015. 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).

The most significant project completed in 2015 was the 21-story, \$1.1 billion new facility for the James Cancer Hospital and Solove Research Institute and Critical Care Center (James). The university financed the medical center project with a combination of bonds (\$925 million), private gifts (\$75 million) and a \$100 million federal grant. The James is one of only 45 National Cancer Institutes (NCI), and the only program in the United States that is aligned with a nationally ranked academic medical center and freestanding cancer hospital on the campus of one of the nation's largest public universities.

Also completed in 2015 was the \$129 million, 225,000 square foot Chemical and Bio-molecular Engineering and Chemistry Building (CBEC). The CBEC, located in the Academic Core North, includes laboratories, faculty offices, and seminar rooms to support intensive research in the areas of chemistry and chemical bio-molecular engineering, nano/bioscience and technology, energy-related materials, and energy and the environment.

Management's Discussion & Analysis (Unaudited) - continued

Major infrastructure improvements completed in 2015 include the \$69 million initial phase of the East Regional Chiller Plant project which constructed a regional chiller plant on North High Street to serve buildings in the North Academic Core district. The project continues into 2016 with \$17 million of improvements to construct new and replacement tunnels to service the district.

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

- 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.
- Jameson Crane Sports Medicine Institute—The \$45 million project, slated for completion in the fall of 2016, will construct a state of the art, comprehensive sports medicine facility housing 15 interdisciplinary specialties and 160 sports medicine faculty and staff.
- Veterinary Hospital— Currently in its construction phase, the \$30 million project will renovate approximately 97,000 square feet of the existing facility and will add 12,000 square feet of new space. The project is slated for completion in December 2015.
- Arts & Science Academic Buildings—The \$59 million project will renovate Pomerene, Baker, and Oxley Halls to accommodate academic programs. The first phase of the project, Baker Commons, is slated for completion in the Spring 2018.
- Infrastructure Improvements – The \$37 million Cannon Drive Relocation project, currently in its design phase, will relocate the road to the west of its current location to create 12 new acres of developable land for future medical center growth.

The university's estimated future capital commitments, based on contracts and purchase orders, total approximately \$320 million at June 30, 2015.

Accounts payable and accrued expenses increased \$56 million, to \$447 million at June 30, 2015, primarily due to increases in payables to vendors for supplies and services (up \$25 million) and payables for retirement contributions (up \$16 million). **Deposits and advance payments for goods and services** increased \$32 million, to \$262 million, primarily due to a combination of advance payments on grants and contracts (up \$15 million) and advance payments for departmental and auxiliary sales and services (up \$9 million).

University debt, in the form of **bonds, notes and capital lease obligations**, increased \$236 million, to \$2.84 billion at June 30, 2015. On October 9, 2014, the university closed on \$136 million in tax-exempt Fixed Rate General Receipts Bonds (Series 2014A) and \$150 million in tax-exempt Variable Rate General Receipts Bonds (Series 2014B1 and B2). The Series 2014A bonds have annual principal payments until final maturity on December 1, 2044, with interest rates ranging from 2.00% to 5.00%. The Series 2014B1 and B2 bonds have

Management's Discussion & Analysis (Unaudited) - continued

principal payments on December 1, 2034, 2039 and 2044. The initial interest rate was 0.04% and is subject to a rate reset on a weekly basis.

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 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 \$596 million and \$446 million at June 30, 2015 and 2014, respectively.

In 2015, the university adopted a new pension accounting standard, GASB Statement No. 68. This standard requires governmental employers participating in defined-benefit pension plans to recognize liabilities for plans whose actuarial liabilities exceed the plan's net assets. These liabilities are referred to as net pension liabilities. The university participates in two multi-employer cost-sharing retirement systems, OPERS and STRS-Ohio. Under GASB 68, the university is required to record a liability for its proportionate share of the net pension liabilities of the retirement systems. The university's share of these **net pension liabilities** was \$2.13 billion at June 30, 2015. Although most year-to-year changes in net pension liabilities are charged directly to pension expense, certain types of changes are deferred and recognized as pension expense in future periods. Pension-related deferred outflows and deferred inflows at June 30, 2015 totaled \$219 million and \$219 million, respectively. The university recognized total pension expense of \$253 million in 2015. Total pension expense includes \$287 million of employer contributions and a negative \$34 million in GASB 68 accruals.

It should be noted that, in Ohio, employer contributions to the state's cost-sharing multi-employer retirement systems are established by statute. These contributions, which are payable to the retirement systems one month in arrears, constitute the full legal claim on the university for pension funding. Although the liabilities recognized under GASB 68 meet the GASB's definition of a "liability" in its conceptual framework for accounting standards, they do not represent legal claims on the university's resources, and there are no cash flows associated with the recognition of net pension liabilities, deferrals and expense.

Other (non-pension) **deferred inflows** consist primarily of the unamortized proceeds of the parking service concession arrangement. The parking deferred inflows, which totaled \$455 million at June 30, 2015, are being amortized to operating revenue on a straight-line basis over the 50-year life of the agreement. In addition, the deferred inflows include \$20 million of deferred gains on debt-related transactions.

Prior-Year Highlights: *In 2014*, the fair value of the university's long-term investment pool increased \$465 million, to \$3.61 billion, primarily due to \$577 million of net investment income. Capital assets increased \$357 million, to \$4.49 billion, reflecting capital expenditures for the Medical Center Expansion, the Chemical and Bio-molecular Engineering and Chemistry Building and infrastructure improvements. *In 2013*, the university entered into a 50-year lease and concession agreement with QIC Global Infrastructure (and its local affiliate, CampusParc) 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 and were recorded as a deferred inflow. Total plant debt increased \$260 million, to \$2.67 billion, reflecting the issuance of \$338 million of Special Purpose General Receipts Bonds, which are secured by a pledge of housing, dining and recreational facilities revenues. The new issuance was partially offset by a \$75 million defeasance of debt related to parking facilities. Total unrestricted and restricted-expendable net position increased \$68 million, to \$2.39 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>			
	2015	2014	2013
Operating Revenues:			
Tuition and fees, net	\$ 850,289	\$ 815,743	\$ 816,761
Grants and contracts	645,352	617,091	597,201
Auxiliary enterprises sales and services, net	261,351	228,997	222,014
OSU Health System sales and services, net	2,357,824	2,120,891	2,018,724
Departmental sales and other operating revenues	181,532	207,502	190,049
Total operating revenues	4,296,348	3,990,224	3,844,749
Operating Expenses:			
Educational and general	2,238,622	2,280,135	2,158,149
Auxiliary enterprises	248,879	241,915	242,376
OSU Health System	1,970,124	1,839,645	1,796,581
Depreciation	335,881	260,367	257,606
Total operating expenses	4,793,506	4,622,062	4,454,712
Net operating income (loss)	(497,158)	(631,838)	(609,963)
Non-operating revenues (expenses):			
State share of instruction and line-item appropriations	435,824	440,924	432,652
Gifts - current use	163,800	138,230	122,208
Net investment income (loss)	173,295	620,605	386,516
Grants, interest expense and other non-operating	12,282	12,978	(8,483)
Net non-operating revenue	785,201	1,212,737	932,893
Income (loss) before other changes in net position	288,043	580,899	322,930
State capital appropriations	40,868	54,808	75,127
Private capital gifts	1,688	5,486	41,176
Additions to permanent endowments	60,792	54,309	57,480
Transfers to primary institution	27,413	1,433	15,967
Total other changes in net position	130,761	116,036	189,750
Increase (decrease) in net position	418,804	696,935	512,680
Net position - beginning of year	6,637,119	5,940,184	5,427,504
Cumulative effect of accounting change	(2,164,472)	-	-
Net position - end of year	\$ 4,891,451	\$ 6,637,119	\$ 5,940,184

Net **tuition and fees** increased \$35 million, to \$850 million in 2015, primarily due to a 7% increase in non-resident enrollments. Resident enrollments declined 1%. The university did not increase its undergraduate instructional and mandatory fees for fiscal 2015.

Operating **grant and contract revenues** increased \$28 million, to \$645 million in 2015. Private grant and contract revenues were up \$30 million, including a \$15 million increase in fixed-price and other industry research grants and a \$13 million increase in OhioLink contract revenues. State grants and contracts were up \$16 million, reflecting increases in grant funding from the Ohio Department of Medicaid Services, the Ohio Department of Education and the state eTextbook program. These increases were partially offset by a \$17 million reduction in federal grants and contracts. The decreases were spread across several agencies, including the National Institutes of Health, Department of Energy and the Health

Management's Discussion & Analysis (Unaudited) - continued

Resources and Services Administration. Total revenues for sponsored research programs administered by the Office of Sponsored Programs increased \$11 million, to \$506 million.

Educational and general expenses decreased \$42 million, or 2%, to \$2.24 billion in 2015. Additional details are provided below.

Educational and General Expenses <i>(in thousands)</i>			
	2015	2014	2013
Instruction and departmental research	\$ 940,105	\$ 938,385	\$ 906,339
Separately budgeted research	434,624	437,497	413,985
Public service	131,965	131,389	96,578
Academic support	192,140	188,641	170,142
Student services	100,229	96,892	94,237
Institutional support	230,749	278,052	271,737
Operation and maintenance of plant	95,866	98,678	93,767
Scholarships and fellowships	112,944	110,601	111,364
Total	<u>\$ 2,238,622</u>	<u>\$ 2,280,135</u>	<u>\$ 2,158,149</u>

Institutional support expenses decreased \$47 million in 2015, due to a combination of reduced central expenses for employee benefits and reductions in central information technology project costs. Other educational and general expense categories were relatively flat, reflecting limited increases in tuition, state support and other sources of general university operating revenues.

Auxiliary revenues increased \$32 million, to \$261 million in 2015. Revenue growth was primarily in Athletics, which saw revenue increases from premium ticket pricing, increased seating capacity in Ohio Stadium and a second bowl game, and Housing & Dining. **Auxiliary expenses** were relatively flat, increasing \$7 million, to \$249 million.

Consolidated **Health System** operating revenues grew \$237 million, to \$2.36 billion in 2015, driven primarily by increased volume related to the opening of the new James Cancer Hospital, an increase in the insured population and reduced self-pay, and Medicaid expansion. Consolidated operating expenses (excluding depreciation, interest and transfers) increased \$130 million, to \$1.97 billion, reflecting the opening of the new James Cancer Hospital and solid expense management. An in-depth look at the Health System is provided below.

The Health System operates nearly 1,300 inpatient beds and serves as a major tertiary and quaternary referral center for Ohio and the Midwest. Its six Signature Programs earn international distinction in Cancer, Critical Care, Imaging, Heart, Neurosciences, and Transplantation. The Wexner Medical Center delivers superior patient care, quality outcomes, and patient safety and has been recognized by US News and World Report for 23 consecutive years as one of "America's Best Hospitals" and has seven nationally ranked specialties and is recognized as high-performing in five others. The Medical Center is ranked first in central Ohio and leads the region for the twenty-third year in a row for strong commitment to serving the healthcare needs of the people of Ohio. It is one of 12 medical

Management's Discussion & Analysis (Unaudited) - continued

centers in the nation delivering the highest quality of care based on results of a study commissioned by the University Health System Consortium (UHC).

The Health System works with a strong physician group that provides exceptional patient care. Of the central Ohio honorees listed on "Best Doctors in America" list, 79% were Ohio State faculty. The Wexner Medical Center is the Midwest's highest ranked hospital for safety and patient care.

The Health System completed the largest capital project in the history of The Ohio State University in 2015. Included in the project was the construction of the new Arthur G. James Cancer Hospital and Richard J. Solove Research Institute. The new tower is a transformational facility that fosters the collaboration and integration of cancer research and clinical cancer care. The James is the largest cancer hospital in the Midwest and the third largest in the nation. The new 21-level tower opened in December of fiscal 2015 and has 14 operating rooms and 306 inpatient beds.

In 2015, the Health System continued "creating the future of medicine to improve people's lives" and remained financially sound due to solid activity levels and strong expense management. Inpatient admissions increased 2.1% compared with prior year. Consistent with industry trends, the patient environment continues to experience strong movement to an outpatient setting and to an increased use of observation beds. Outpatient visits increased 4.5% and total observation patients increased 9.4% over the previous year. The Health System continued its ambulatory expansion strategy and meeting the needs of the community by opening Healthy New Albany and breaking ground for future sites of the Upper Arlington outpatient facility in Kingsdale and The Jameson Crane Sports Medicine Institute.

The Health System continued to experience strong volumes in cancer, cardiovascular, obstetric, open heart surgery, orthopedic, medicine, and neurological service lines, which contributed to increases in revenues, average daily census, and increased observation patients.

Changes to Net Position included \$136.9 million reinvested 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 \$20.9 million of the total grant was recognized under Capital Contributions as a change in Net Position in 2015, \$23.3 million in 2014, and \$23.1 million in 2013. Additionally, \$1.6 million in 2015, \$9.3 million in 2014, and \$20.7 million in 2013 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 and the impact of the Health System's operating results, the Health System's Net Position increased \$218.5 million in 2015, \$141.6 million in 2014 and \$134.7 million in 2013.

As with other healthcare providers, The Health System is being challenged by the enactment of healthcare reform. The impact of insurance exchanges, managed care rates, and Medicaid expansion continues to cause uncertainty in the environment for hospitals

Management's Discussion & Analysis (Unaudited) - continued

nationwide. The Medical Center continues to position itself to thrive in the changing market, as it has successfully done in the past.

The Health System is placing significant focus on efficiency and cost reduction and will aggressively control expenses as reimbursements come under pressure. Key in these initiatives is the creation of value through continued use of evidenced based practice, effective patient management during and after the hospital experience, and the use of electronic medical record systems to reduce unnecessary treatment and costs. The Health System has effectively controlled and reduced costs of supplies and will continue to do so through aggressive contracting, standardization, and strategic sourcing. Significant effort is being placed in streamlining and refining revenue cycle activities. Ohio State University Physicians (OSUP) implemented the Epic Physician Billing system in fiscal 2015 and had it integrated within the Health System's Epic patient and revenue cycle systems. Activities such as centralized patient scheduling, insurance precertification, payment at point of service and other administrative activities are consolidated across the Medical Center.

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, continued to grow in 2015. Total consolidated operating revenues increased \$49 million, to \$406 million, as a result of increased patient volumes. Total consolidated OSUP expenses (excluding depreciation and interest) increased \$31 million to \$374 million in 2015. These figures are included in the Discretely Presented Component Units columns of the university's financial statements.

Total state operating support decreased \$5 million, to \$436 million, in 2015, reflecting a 1% decrease in **state share of instruction**. **State line-item appropriations** were flat.

Total **gifts** to the university increased \$28 million, to \$226 million in 2015. The increase relates primarily to current use gifts, which were up \$26 million over 2014. During 2015, over 237,000 alumni and friends made gifts to the University, up from 233,000 in 2014.

University investments yielded \$173 million of **net investment income** in 2015. The net investment income figure includes \$89 million of interest and dividend income and an \$84 million net increase in the fair value of university investments.

Fiscal 2015 was a challenging environment for investment markets, with high volatility, global equity and bond markets up only slightly, and commodities down 24%. Despite the challenging environment, the University's Long Term Investment Pool (LTIP) generated a net investment return of 3.81% in Fiscal 2015 vs. a benchmark return of 1.87%.

Management's Discussion & Analysis (Unaudited) - continued

Top contributions to investment return came from U.S. equity-oriented funds, private equity partnerships, and real asset partnerships. Natural Resource funds and credit-oriented hedge funds were negative for the year.

Although global market uncertainties continue into Fiscal 2016, we will continue to focus on our highest conviction managers and the most compelling investment opportunities across asset classes and geographies. We are well positioned to take advantage of opportunities and/or market corrections.

The LTIP is a well-diversified portfolio and the University's Investment Office is dedicated to focus on producing strong risk-adjusted rates of returns over time.

Prior-Year Highlights: *In 2014*, total net position for the primary institution increased \$697 million, to \$6.64 billion. Net investment income accounted for \$621 million of the increase. Consolidated Health System operating revenues grew \$102 million, to \$2.12 billion in 2014, driven primarily by growth in outpatient revenues and a strong patient mix. Other sources of university operating revenues were flat or showed modest increases compared with 2013. *In 2013*, total net position (equity) 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.

Statement of Cash Flows

University Cash Flows Summary <i>(in thousands)</i>			
	2015	2014	2013
Net cash flows provided by (used in) operating activities	\$ (125,919)	\$ (365,550)	\$ 82,605
Net cash flows from noncapital financing activities	727,630	706,323	664,464
Capital appropriations and gifts for capital projects	53,092	70,877	82,963
Proceeds from capital debt	300,820	-	499,398
Payments for purchase or construction of capital assets	(610,776)	(566,746)	(608,138)
Principal and interest payments on capital debt and leases, net of federal Build America Bond interest subsidies	(146,095)	(146,514)	(324,944)
Net cash flows provided by (used in) investing activities	(14,974)	70,687	(673,292)
Net increase (decrease) in cash	<u>\$ 183,778</u>	<u>\$ (230,923)</u>	<u>\$ (276,944)</u>

University cash and cash equivalents increased \$184 million in 2015. Net cash flows from operating activities increased \$240 million, primarily due to increases in receipts for sales and services from the OSU Health System. Net cash flows from capital financing activities increased \$257 million, reflecting the proceeds of the October 2014 bond issues. Total cash used by investing activities was \$15 million, with net purchases of investments slightly exceeding receipts of investment income.

Management's Discussion & Analysis (Unaudited) - continued

Economic Factors That Will Affect the Future

The university has made continued progress in executing its strategic plan to become the world's preeminent public comprehensive university. The university's strategic plan focuses on four core goals:

- **Teaching and Learning:** to provide an unsurpassed, student-centered learning experience led by engaged, world-class faculty and enhanced by a globally diverse student body.
- **Research and Innovation:** to create distinctive and internationally recognized contributions to the advancement of fundamental knowledge and scholarship, and solutions for the world's most pressing problems.
- **Outreach and Engagement:** to establish mutually beneficial partnerships with the citizens and institutions of Ohio, the nation, and the world, so that our communities are actively engaged in the exciting work of The Ohio State University.
- **Resource Stewardship:** to become the model for an affordable public university recognized for financial sustainability, unsurpassed management of human and physical resources, and operational efficiency and effectiveness.

In his March 2015 investiture address, the university's 15th president, Michael V. Drake, MD, set forth his 2020 Vision for the university. The 2020 Vision is focused on three key areas that underpin Ohio State's overarching academic mission:

- **Access, affordability and excellence** – the university must work to reduce student debt and provide access to an excellent and affordable education.
- **Community engagement** – the university must re-commit to its motto of Education for Citizenship, engaging with community partners to extend its scholarship with the full force and precision of one of the most powerful institutions in the world.
- **Diversity and inclusion** – the university must exemplify what it means to be an inclusive university in the 21st century, a place where diversity is a defining characteristic and source of strength.

President Drake has directed his senior leadership team to identify \$200 million in administrative efficiencies and \$200 million of new revenue generation over the next five years. The first targeted use of these resources will be to increase scholarship funding by \$15 million for the 2015-2016 academic year, with an overall goal of increasing scholarship support by at least \$100 million by 2020. This spring, the university also announced a comprehensive freeze on in-state undergraduate tuition, room and board. Other budget priorities for 2016 include a continuation of the university's commitment to hire 160 new

Management's Discussion & Analysis (Unaudited) - continued

faculty in disciplines that support the Discovery Themes (Health and Wellness, Energy and the Environment, and Food Production and Security), additional support for the colleges, funding for increased benefit costs and priority requests for academic support operations.

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 2016. However, the university does face certain financial challenges, including limited growth in tuition revenues, the impacts of a new funding model on state support and continued pressure on government expenditures for research.

The final state budget calls for a freeze on undergraduate instructional fees for all institutions, along with a corresponding increase in the State Share of Instruction (SSI). The SSI pool is expected to increase 4.7% in Fiscal Year 2016 and another 4.0% in Fiscal Year 2017. The new SSI funding model, which is in its third year, emphasizes degree completion as the main driver for funding, rewards institutions for retention of graduates in Ohio and recognizes the additional resources required to help at-risk students earn their degrees. The university continues to assess the impacts of the funding model change within the context of growth in distance education and other non-traditional programs across the state.

Total revenue for sponsored research programs administered by the Office of Sponsored Programs is expected to remain essentially flat in 2016. The university is working to mitigate downward trends in federal and state research support using two primary strategies. First, the university is working internally to increase the competitiveness of its researchers by facilitating multi-disciplinary research, establishing new research centers in emerging areas, creating a proposal development center and investing in cutting-edge core facilities. Second, the university is building external relationships to grow its federal research portfolio, expand strategic partnerships with industry and promote and develop the Ohio Technology Consortium (OH-TECH).

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
STATEMENTS OF NET POSITION
June 30, 2015 and June 30, 2014
(in thousands)

	Primary Institution		Discretely Presented Component Units		Total University	
	2015	2014	2015	2014	2015	2014
ASSETS AND DEFERRED OUTFLOWS:						
Current Assets:						
Cash and cash equivalents	\$ 568,565	\$ 324,919	\$ 76,701	\$ 57,851	\$ 645,266	\$ 382,770
Temporary investments	1,213,486	1,079,689	6,891	8,965	1,220,377	1,088,654
Accounts receivable, net	484,798	440,111	49,242	48,584	534,040	488,695
Notes receivable - current portion, net	23,223	22,798	-	448	23,223	23,246
Pledges receivable - current portion, net	29,805	25,451	-	-	29,805	25,451
Accrued interest receivable	20,346	20,599	-	-	20,346	20,599
Inventories and prepaid expenses	82,934	114,786	5,636	2,979	88,570	117,765
Investments held under securities lending program	37,806	-	-	-	37,806	-
Amounts due from (to) primary institution	(14,510)	(12,507)	14,510	12,507	-	-
Total Current Assets	2,446,453	2,015,846	152,980	131,334	2,599,433	2,147,180
Noncurrent Assets:						
Restricted cash	375,425	435,293	-	-	375,425	435,293
Notes receivable, net	45,634	47,335	1,417	3,286	47,051	50,621
Pledges receivable, net	72,623	69,824	-	-	72,623	69,824
Long-term investment pool	3,659,387	3,613,866	-	-	3,659,387	3,613,866
Other long-term investments	93,367	84,731	736	1,012	94,103	85,743
Capital assets, net	4,803,242	4,492,896	79,911	76,346	4,883,153	4,569,242
Total Noncurrent Assets	9,049,678	8,743,945	82,064	80,644	9,131,742	8,824,589
Total Assets	11,496,131	10,759,791	235,044	211,978	11,731,175	10,971,769
Deferred Outflows:						
Pension	218,985	-	40	-	219,025	-
Other deferred outflows	8,098	8,650	-	-	8,098	8,650
Total Deferred Outflows	227,083	8,650	40	-	227,123	8,650
Total Assets and Deferred Outflows	\$ 11,723,214	\$ 10,768,441	\$ 235,084	\$ 211,978	\$ 11,958,298	\$ 10,980,419
LIABILITIES, DEFERRED INFLOWS AND NET POSITION:						
Current Liabilities:						
Accounts payable and accrued expenses	\$ 447,364	\$ 391,064	\$ 19,514	\$ 21,116	\$ 466,878	\$ 412,180
Deposits and advance payments for goods and services	261,537	229,530	942	1,215	262,479	230,745
Current portion of bonds, notes and leases payable	59,484	57,730	816	892	60,300	58,622
Long-term bonds payable, subject to remarketing	596,435	446,435	-	-	596,435	446,435
Liability under securities lending program	37,806	-	-	-	37,806	-
Other current liabilities	68,942	65,822	-	-	68,942	65,822
Amounts due to (from) primary institution - current	(29,960)	(18,377)	29,960	18,377	-	-
Total Current Liabilities	1,441,608	1,172,204	51,232	41,600	1,492,840	1,213,804
Noncurrent Liabilities:						
Bonds, notes and leases payable	2,186,090	2,101,363	15,553	16,362	2,201,643	2,117,725
Net pension liability	2,130,432	-	296	-	2,130,728	-
Compensated absences	151,884	150,042	-	-	151,884	150,042
Self-insurance accruals	107,874	110,872	-	-	107,874	110,872
Amounts due to third-party payors - Health System	44,168	19,779	-	-	44,168	19,779
Obligations under annuity and life income agreements	26,504	32,047	-	-	26,504	32,047
Refundable advances for Federal Perkins loans	32,228	31,657	-	-	32,228	31,657
Other noncurrent liabilities	84,140	91,168	724	1,044	84,864	92,212
Amounts due to (from) primary institution - noncurrent	(66,416)	(62,260)	66,416	62,260	-	-
Total Noncurrent Liabilities	4,696,904	2,474,668	82,989	79,666	4,779,893	2,554,334
Total Liabilities	6,138,512	3,646,872	134,221	121,266	6,272,733	3,768,138
Deferred Inflows:						
Parking service concession arrangement	455,070	464,701	-	-	455,070	464,701
Pension	218,635	-	5	-	218,640	-
Other deferred inflows	19,546	19,749	-	-	19,546	19,749
Total Deferred Inflows	693,251	484,450	5	-	693,256	484,450
Net Position:						
Net investment in capital assets	2,340,342	2,320,611	56,460	53,815	2,396,802	2,374,426
Restricted:						
Nonexpendable	1,355,560	1,281,640	-	-	1,355,560	1,281,640
Expendable	993,000	999,029	-	-	993,000	999,029
Unrestricted	202,549	2,035,839	44,398	36,897	246,947	2,072,736
Total Net Position	4,891,451	6,637,119	100,858	90,712	4,992,309	6,727,831
Total Liabilities, Deferred Inflows and Net Position	\$ 11,723,214	\$ 10,768,441	\$ 235,084	\$ 211,978	\$ 11,958,298	\$ 10,980,419

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

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

Years ended June 30, 2015 and June 30, 2014
(in thousands)

	Primary Institution		Discretely Presented Component Units		Total University	
	2015	2014	2015	2014	2015	2014
Operating Revenues:						
Student tuition and fees (net of scholarship allowances of \$171,707 and \$164,008, respectively)	\$ 850,289	\$ 815,743	\$ -	\$ -	\$ 850,289	\$ 815,743
Federal grants and contracts	322,266	339,011	8,636	9,100	330,902	348,111
State grants and contracts	88,052	71,970	-	-	88,052	71,970
Local grants and contracts	15,494	16,419	-	-	15,494	16,419
Private grants and contracts	219,540	189,691	37,221	36,725	256,761	226,416
Sales and services of educational departments	137,629	136,816	8,693	8,283	146,322	145,099
Sales and services of auxiliary enterprises (net of scholarship allowances of \$24,538 and \$23,368, respectively)	261,351	228,997	-	-	261,351	228,997
Sales and services of the OSU Health System, net	2,357,824	2,120,891	-	-	2,357,824	2,120,891
Sales and services of OSU Physicians, Inc., net	-	-	405,619	356,503	405,619	356,503
Other operating revenues	43,903	70,686	-	509	43,903	71,195
Total Operating Revenues	4,296,348	3,990,224	460,169	411,120	4,756,517	4,401,344
Operating Expenses:						
Educational and General:						
Instruction and departmental research	940,105	938,385	5,445	5,157	945,550	943,542
Separately budgeted research	434,624	437,497	20,642	22,534	455,266	460,031
Public service	131,965	131,389	2,917	6,085	134,882	137,474
Academic support	192,140	188,641	-	-	192,140	188,641
Student services	100,229	96,892	-	-	100,229	96,892
Institutional support	230,749	278,052	7,185	6,899	237,934	284,951
Operation and maintenance of plant	95,866	98,678	7,017	6,659	102,883	105,337
Scholarships and fellowships	112,944	110,601	-	-	112,944	110,601
Auxiliary enterprises	248,879	241,915	-	-	248,879	241,915
OSU Health System	1,970,124	1,839,645	-	-	1,970,124	1,839,645
OSU Physicians, Inc.	-	-	373,658	342,565	373,658	342,565
Depreciation	335,881	260,367	6,315	6,540	342,196	266,907
Total Operating Expenses	4,793,506	4,622,062	423,179	396,439	5,216,685	5,018,501
Net Operating Income (Loss)	(497,158)	(631,838)	36,990	14,681	(460,168)	(617,157)
Non-operating Revenues (Expenses):						
State share of instruction and line-item appropriations	435,824	440,924	-	-	435,824	440,924
Federal subsidies for Build America Bonds interest	10,498	10,500	-	-	10,498	10,500
Federal non-exchange grants	57,393	52,892	-	-	57,393	52,892
State non-exchange grants	7,797	7,604	-	-	7,797	7,604
Gifts	163,800	138,230	-	-	163,800	138,230
Net investment income	173,295	620,605	183	182	173,478	620,787
Interest expense on plant debt	(69,758)	(54,103)	(477)	(686)	(70,235)	(54,789)
Other non-operating revenues (expenses)	6,352	(3,915)	1,125	2,626	7,477	(1,289)
Net Non-operating Revenue	785,201	1,212,737	831	2,122	786,032	1,214,859
Income before Other Changes in Net Position	288,043	580,899	37,821	16,803	325,864	597,702
Other Changes in Net Position						
State capital appropriations	40,868	54,808	-	-	40,868	54,808
Private capital gifts	1,688	5,486	-	-	1,688	5,486
Additions to permanent endowments	60,792	54,309	-	-	60,792	54,309
Transfers to (from) primary institution	27,413	1,433	(27,413)	(1,433)	-	-
Total Other Changes in Net Position	130,761	116,036	(27,413)	(1,433)	103,348	114,603
Increase in Net Position	418,804	696,935	10,408	15,370	429,212	712,305
Net Position - Beginning of Year						
Beginning of year, as previously reported	6,637,119	5,940,184	90,712	75,342	6,727,831	6,015,526
Cumulative effect of accounting change	(2,164,472)	-	(262)	-	(2,164,734)	-
Beginning of Year, as restated	4,472,647	5,940,184	90,450	75,342	4,563,097	6,015,526
Net Position - End of Year	\$ 4,891,451	\$ 6,637,119	\$ 100,858	\$ 90,712	\$ 4,992,309	\$ 6,727,831

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

THE OHIO STATE UNIVERSITY
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended June 30, 2015 and June 30, 2014
(In thousands)

	Primary Institution		Discretely Presented Component Units		Total University	
	2015	2014	2015	2014	2015	2014
Cash Flows from Operating Activities:						
Tuition and fee receipts	\$ 755,893	\$ 725,375	\$ -	\$ -	\$ 755,893	\$ 725,375
Grant and contract receipts	657,858	634,309	46,818	47,239	704,676	681,548
Receipts for sales and services	2,707,980	2,448,063	414,736	361,678	3,122,716	2,809,741
Payments to or on behalf of employees	(2,073,659)	(2,082,513)	(266,384)	(237,941)	(2,340,043)	(2,320,454)
University employee benefit payments	(610,685)	(608,638)	(62,704)	(58,092)	(673,389)	(666,730)
Payments to vendors for supplies and services	(1,498,386)	(1,472,266)	(92,355)	(97,488)	(1,590,741)	(1,569,754)
Payments to students and fellows	(103,701)	(101,251)	-	-	(103,701)	(101,251)
Student loans issued	(8,035)	(9,441)	-	-	(8,035)	(9,441)
Student loans collected	11,924	10,847	-	-	11,924	10,847
Student loan interest and fees collected	3,197	3,013	-	-	3,197	3,013
Other receipts	31,695	86,952	-	509	31,695	87,461
Net cash provided (used) by operating activities	<u>(125,919)</u>	<u>(365,550)</u>	<u>40,111</u>	<u>15,905</u>	<u>(85,808)</u>	<u>(349,645)</u>
Cash Flows from Noncapital Financing Activities:						
State share of instruction and line-item appropriations	435,824	440,924	-	-	435,824	440,924
Non-exchange grant receipts	65,190	60,496	-	-	65,190	60,496
Gift receipts for current use	157,720	134,639	-	-	157,720	134,639
Additions to permanent endowments	60,792	54,309	-	-	60,792	54,309
Drawdowns of federal direct loan proceeds	350,550	354,854	-	-	350,550	354,854
Disbursements of federal direct loans to students	(349,197)	(355,622)	-	-	(349,197)	(355,622)
Disbursement of loan proceeds to related organization	-	386	-	-	-	386
Repayment of loans from related organization	552	7,135	-	-	552	7,135
Amounts received for annuity and life income funds	1,874	2,440	-	-	1,874	2,440
Amounts paid to annuitants and life beneficiaries	(8,992)	(3,729)	-	-	(8,992)	(3,729)
Agency funds receipts	4,428	3,665	-	-	4,428	3,665
Agency funds disbursements	(3,662)	(3,342)	-	-	(3,662)	(3,342)
Other receipts (payments)	12,551	10,168	(12,551)	(10,168)	-	-
Net cash provided (used) by noncapital financing activities	<u>727,630</u>	<u>706,323</u>	<u>(12,551)</u>	<u>(10,168)</u>	<u>715,079</u>	<u>696,155</u>
Cash Flows from Capital Financing Activities:						
Proceeds from capital debt	300,820	-	-	-	300,820	-
State capital appropriations	43,421	57,929	-	-	43,421	57,929
Gift receipts for capital projects	9,671	12,948	-	-	9,671	12,948
Payments for purchase or construction of capital assets	(610,776)	(566,746)	(9,879)	(2,723)	(620,655)	(569,469)
Principal payments on capital debt and leases	(56,857)	(58,473)	(885)	(1,277)	(57,742)	(59,750)
Interest payments on capital debt and leases	(99,736)	(98,541)	(477)	(686)	(100,213)	(99,227)
Federal subsidies for Build America Bonds interest	10,498	10,500	-	-	10,498	10,500
Net cash used by capital financing activities	<u>(402,959)</u>	<u>(642,383)</u>	<u>(11,241)</u>	<u>(4,686)</u>	<u>(414,200)</u>	<u>(647,069)</u>
Cash Flows from Investing Activities:						
Net (purchases) sales of temporary investments	(133,795)	(70,454)	2,072	3,606	(131,723)	(66,848)
Proceeds from sales and maturities of long-term investments	817,204	981,378	-	-	817,204	981,378
Investment income	123,968	121,131	183	182	124,151	121,313
Purchases of long-term investments	(822,351)	(961,368)	276	517	(822,075)	(960,851)
Net cash provided (used) by investing activities	<u>(14,974)</u>	<u>70,687</u>	<u>2,531</u>	<u>4,305</u>	<u>(12,443)</u>	<u>74,992</u>
Net Increase (Decrease) in Cash	183,778	(230,923)	18,850	5,356	202,628	(225,567)
Cash and Cash Equivalents - Beginning of Year	<u>760,212</u>	<u>991,135</u>	<u>57,851</u>	<u>52,495</u>	<u>818,063</u>	<u>1,043,630</u>
Cash and Cash Equivalents - End of Period	<u>\$ 943,990</u>	<u>\$ 760,212</u>	<u>\$ 76,701</u>	<u>\$ 57,851</u>	<u>\$ 1,020,691</u>	<u>\$ 818,063</u>

THE OHIO STATE UNIVERSITY
CONSOLIDATED STATEMENTS OF CASH FLOWS, Cont'd
Years Ended June 30, 2015 and June 30, 2014
(in thousands)

	Primary Institution		Discretely Presented Component Units		Total University	
	2015	2014	2015	2014	2015	2014
Reconciliation of Net Operating Income (Loss) to Net Cash						
Used by Operating Activities:						
Operating income (loss)	\$ (497,158)	\$ (631,838)	\$ 36,990	\$ 14,681	\$ (460,168)	\$ (617,157)
Adjustments to reconcile net operating income (loss) to net cash used by operating activities:						
Depreciation expense	335,881	260,367	6,315	6,540	342,196	266,907
Changes in assets and liabilities:						
Accounts receivable, net	(48,569)	(56,598)	(659)	(526)	(49,228)	(57,124)
Notes receivable, net	725	2,049	2,317	(1,306)	3,042	743
Accrued interest receivable	269	-	-	-	269	-
Deferred outflows	(68,057)	-	-	-	(68,057)	-
Inventories and prepaid expenses	31,852	(31,000)	(2,657)	(687)	29,195	(31,687)
Accounts payable and accrued liabilities	53,469	(7,456)	(1,602)	(2,479)	51,867	(9,935)
Self-insurance accruals	(2,998)	4,021	-	-	(2,998)	4,021
Amounts due to third-party payors - Health System	24,389	8,413	-	-	24,389	8,413
Deposits and advanced payments	20,163	49,873	(273)	138	19,890	50,011
Compensated absences	1,842	12,305	-	(43)	1,842	12,262
Refundable advances for Federal Perkins loans	571	212	-	-	571	212
Net pension liability	(184,971)	-	-	-	(184,971)	-
Deferred inflows	209,324	(9,631)	(320)	-	209,004	(9,631)
Other liabilities	(2,651)	33,734	-	(413)	(2,651)	33,321
Net cash provided (used) by operating activities	\$ (125,919)	\$ (365,550)	\$ 40,111	\$ 15,905	\$ (85,808)	\$ (349,645)
Non Cash Transactions:						
Capital Lease	\$ -	\$ 620	\$ -	\$ -	\$ -	\$ 620
Construction in Process in Accounts Payable	65,988	63,164	-	-	65,988	63,164
Stock Gifts	17,915	16,202	-	-	17,915	16,202

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

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(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:

- 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

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

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 for component units considered to be material to the university may be obtained from the

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

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) on the accrual basis. 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; Statements of Net Position; Statements of Revenues, Expenses and Other Changes in Net Position; Statements 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, where relevant. 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:

- **Net investment in capital assets:** 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 academic or research programs, and to provide for unanticipated shortfalls in revenues and deviations in enrollment.

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

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 fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. The average cost 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 limited partnerships. The purpose of this alternative investment class is to increase portfolio diversification and reduce risk due to the low correlation with other asset classes. Investments in these limited partnerships are fair valued based on the university's proportional share of the net asset value of the total fund. 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, 2015, the university has made commitments to limited partnerships totaling \$518,100 that have not yet been funded. These commitments may extend for a maximum of ten years.

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 fair values of real estate at June 30, 2015 are \$5,589 and \$14,125, respectively. The carrying and fair values of real estate at June 30, 2014 are \$4,873 and \$13,713, respectively.

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

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

Endowment Policy

All endowments are invested in the university's Long Term Investment Pool, which consists of more than 5,000 Board authorized 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-expendable, unless otherwise restricted by the donor.

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 fair value per share of the Long Term Investment Pool over the most recent seven year period.

At June 30, 2015, the fair value of the university's gifted endowments is \$1,805,143, which is \$318,259 above the historical dollar value of \$1,486,884. Although the fair value of the gifted endowments in total exceeds the historical cost at June 30, 2015, there are 1,466 named funds that remain underwater. The fair value of these underwater funds at June 30, 2015 is \$499,341, which is \$48,910 below the historical dollar value of \$548,251.

At June 30, 2014, the fair value of the university's gifted endowments was \$1,768,771, which was \$349,902 above the historical dollar value of \$1,418,869. Although the fair value of the gifted endowments in total exceeded the historical cost at June 30, 2014, there were 1,212 named funds that were underwater. The fair value of these underwater funds at June 30, 2014 was \$419,662, which was \$40,773 below the historical dollar value of \$460,435.

The depreciation on non-expendable endowment funds is recorded as a reduction to restricted non-expendable net position. Recovery on these funds is recorded as an increase in restricted non-expendable up to the historical value of each fund. 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 Non-exchange Transactions*, endowment pledges are not recorded as assets until the related gift is received. An allowance for uncollectible pledges receivable is provided based on

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

management's judgment of potential uncollectible amounts and includes such factors as prior collection history, type of gift and nature of fundraising.

Inventories

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

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

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 statement of operations and changes in net position as a component of other non-operating expense.

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

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 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 net 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, and this funding is recorded as state capital appropriations. 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

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

payments to be received by such fund, which is established in the custody of the Treasurer of State.

Government Grants and Contracts

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

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

OSU Health System 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. 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.

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 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

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

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 for the years ended June 30, 2015 and 2014 are \$12,602 and \$32,609, respectively, after applying reductions of \$12,993 and \$20,710, 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. Charity care costs for OSUP for the years ended June 30, 2015 and 2014 are \$6,743 and \$15,026, 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.

Implementation of GASB Statement No. 68

In fiscal year 2015, the university implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71. GASB Statement No. 68 requires employers participating in cost-sharing multiple-employer pension plans to recognize a proportionate share of the net pension liabilities of the plans. The university participates in two cost-sharing multiple-employer pension plans – the State Teachers Retirement System of Ohio and the Public Employees Retirement System of Ohio. A proportionate share of the net pension liabilities of the retirement systems has been allocated to the university, based on retirement plan contributions for university employees. The cumulative effect of adopting GASB Statement No. 68 was a \$2,164,471 reduction in the university's net position as of July 1, 2014. Balances reported for the year ended June 30, 2014 have not been restated due to limitations on the information available from the retirement systems. Additional information regarding net pension liabilities, related deferrals and pension expense is provided in Note 15.

Newly Issued Accounting Pronouncements

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. Statement No. 72 expands the guidance on valuation of university investments, particularly alternative investments. It closely follows the Financial Accounting Standard Board's (FASB) valuation approach and disclosure requirements, including the categorization of investment fair value measurements into Levels 1, 2 and 3. Statement No. 72 will require additional disclosures, including a schedule of investments by type and level and additional details on investments that calculate Net Asset Value (NAV) per share. It is effective for periods beginning after June 15, 2015 (fiscal year 2016).

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Statement No. 73 establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (in other words, those not covered by Statement Nos. 67 and 68). The requirements in Statement No. 73 for reporting pensions generally are the same as in Statement 68. The provisions in Statement No. 73 are effective for fiscal years beginning after June 15, 2015 (fiscal year 2016)—except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement No. 68, which are effective for financial statements for fiscal years beginning after June 15, 2016 (fiscal year 2017).

In June 2015, the GASB issued Statements No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement Nos. 74 and 75 establish new accounting and reporting standards for other postemployment benefits (OPEB), such as health insurance provided to retirees. Under the new standards, governments that participate in OPEB plans will be required to report in their statement of net position a net OPEB liability, which is the difference between the total OPEB liability and the assets set aside to pay OPEB. Statement No. 74, which applies to plans (such as OPERS and STRS-Ohio), is effective for periods beginning after June 15, 2016 (fiscal year 2017). Statement No. 75, which applies to plan participants (including the university), is effective for periods beginning after June 15, 2017 (fiscal year 2018).

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Statement No. 76 reduces the GAAP hierarchy for state and local governments to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category consists of GASB Technical Bulletins and Implementation Guides, as well as guidance from the American Institute of Certified Public Accountants that is specifically cleared by the GASB. The new standard is effective for periods beginning after June 15, 2015 (fiscal year 2016).

University management is currently assessing the impact that implementation of GASB Statements No. 72, 73, 74, 75 and 76 will have on the university's financial statements.

Other

The university is exempt from income taxes as an instrumentality of the State of Ohio under Internal Revenue Code §115 and Internal Revenue Service regulations. Any unrelated business income is taxable.

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

NOTE 2 — CASH AND CASH EQUIVALENTS

At June 30, 2015, the carrying amount of the primary institution's cash, cash equivalents and restricted cash for all funds is \$943,990 as compared to bank balances of \$937,154. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$27,838 is covered by federal deposit insurance and \$909,316 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, 2014, the carrying amount of the primary institution's cash, cash equivalents and restricted cash for all funds is \$760,212 as compared to bank balances of \$754,462. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$17,803 is covered by federal deposit insurance and \$736,659 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, 2015, the carrying amount of the discretely presented component units' cash, cash equivalents and restricted cash for all funds is \$76,701 as compared to bank balances of \$66,246. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$5,427 is covered by federal deposit insurance and \$60,819 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, 2014, the carrying amount of the discretely presented component units' cash, cash equivalents and restricted cash for all funds is \$57,851 as compared to bank balances of \$47,964. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$4,963 is covered by federal deposit insurance and \$43,001 is uninsured but collateralized by pools of securities pledged by the depository banks and held in the name of the respective banks.

NOTE 3 — INVESTMENTS

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

Temporary Investments are amounts available for current operations. The target is to maximize value while protecting the liquidity of the assets. Temporary Investments include 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

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

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 Equities	40-80%	MSCI All Country World Index (ACWI)
Global Credit	10-50%	Barclays U.S. Aggregate Bond Index
Real Assets	5-20%	U.S. Consumer Price Index (CPI) + 5%

The Global Equities category includes domestic equity, international equity, emerging market equity, hedged funds and private equity. The Global Credit category includes global fixed income and relative value/macro, credit oriented managers and private credit. The Real Assets category includes real estate and infrastructure funds.

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. 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, 2015 and 2014 are as follows:

Notes to Financial Statements – Years Ended June 30, 2015 and 2014
(dollars in thousands)

	Primary Institution	
	2015	2014
Temporary Investments	\$ 1,213,486	\$ 1,079,689
Long-Term Investment Pool:		
Gifted Endowment - University	1,047,985	1,057,810
Gifted Endowment - OSU Foundation	757,158	710,961
Quasi Endowment - Operating	1,164,148	1,158,595
Quasi Endowment - Designated	690,096	686,500
Total Long-Term Investment Pool	3,659,387	3,613,866
Securities Lending Collateral Investments	37,806	-
Other Long-Term Investments	93,367	84,731
Total Investments	<u>\$ 5,004,046</u>	<u>\$ 4,778,286</u>

Total university investments by investment type for the primary institution at June 30, 2015 are as follows:

	Primary Institution				
	Temporary	Long-Term	Other	Securities	
	Investments	Investment Pool	Long-Term	Lending Collateral	Total
			Investments	Investments	
Common stock	\$ 1	\$ 478,379	\$ -	\$ -	\$ 478,380
Equity mutual funds	92,463	152,063	24,532	-	269,058
U.S. government obligations	130,087	193,656	1,812	-	325,555
U.S. government agency obligations	89,413	-	-	-	89,413
Repurchase agreements	2,000	-	-	-	2,000
Corporate bonds and notes	767,080	-	231	-	767,311
Bond mutual funds	75,107	-	17,058	-	92,165
Foreign government bonds	16,454	-	-	-	16,454
Real estate	5	-	5,561	-	5,566
Partnerships and hedge funds	-	2,786,275	29,602	-	2,815,877
Commercial paper	25,763	-	-	-	25,763
Cash and cash equivalents	-	49,014	-	-	49,014
Other	15,113	-	14,571	-	29,684
Securities Lending Collateral Assets:					
Repurchase agreements	-	-	-	12,460	12,460
Variable rate notes	-	-	-	15,682	15,682
Commercial paper	-	-	-	5,128	5,128
Certificates of deposit	-	-	-	4,538	4,538
Cash and other adjustments	-	-	-	(2)	(2)
	<u>\$ 1,213,486</u>	<u>\$ 3,659,387</u>	<u>\$ 93,367</u>	<u>\$ 37,806</u>	<u>\$ 5,004,046</u>

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

Total university investments by investment type for the primary institution at June 30, 2014 are as follows:

	Primary Institution			Total
	Temporary Investments	Long-Term Investment Pool	Other Long-Term Investments	
Common stock	\$ -	\$ 404,675	\$ -	\$ 404,675
Equity mutual funds	93,997	177,992	28,445	300,434
U.S. government obligations	101,634	10,686	1,891	114,211
U.S. government agency obligations	104,930	9,225	-	114,155
Repurchase agreements	800	-	-	800
Corporate bonds and notes	654,016	30,114	247	684,377
Bond mutual funds	82,230	51,271	21,247	154,748
Foreign government bonds	15,659	427	-	16,086
Real estate	5	-	5,131	5,136
Partnerships and hedge funds	-	2,836,312	12,033	2,848,345
Commercial paper	8,541	-	-	8,541
Cash and cash equivalents	-	92,211	-	92,211
Other	17,877	953	15,737	34,567
	<u>\$ 1,079,689</u>	<u>\$ 3,613,866</u>	<u>\$ 84,731</u>	<u>\$ 4,778,286</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	\$ 8,596	\$ 10,978	\$ 19,574
Long-Term Investment Pool	77,331	75,845	153,176
Other Long-Term Investments	2,831	(2,286)	545
Total 2015	<u>\$ 88,758</u>	<u>\$ 84,537</u>	<u>\$ 173,295</u>
Total 2014	<u>\$ 96,343</u>	<u>\$ 524,262</u>	<u>\$ 620,605</u>

Additional Risk Disclosures for Investments

Statements No. 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.

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

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

The maturities of the university's interest-bearing investments for the primary institution at June 30, 2015 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	\$ 325,555	\$ 18,432	\$ 224,315	\$ 82,808	\$ -
U.S. government agency obligations	89,413	1,833	58,609	12,997	15,974
Repurchase agreements	2,000	2,000	-	-	-
Commercial paper	25,763	25,763	-	-	-
Corporate bonds	767,311	205,581	492,879	30,366	38,485
Bond mutual funds	92,165	21,527	33,287	27,499	9,852
Other governmental bonds	14,572	1,531	12,195	-	846
Foreign governmental bonds	16,454	7,096	9,052	306	-
Securities Lending Collateral:					
Repurchase agreements	12,460	12,460	-	-	-
Certificates of deposit	4,538	4,538	-	-	-
Commercial paper	5,128	5,128	-	-	-
Variable rate notes	15,682	15,080	602	-	-
Total	\$ 1,371,041	\$ 320,969	\$ 830,939	\$ 153,976	\$ 65,157

The maturities of the university's interest-bearing investments for the primary institution at June 30, 2014 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	\$ 114,211	\$ 21,246	\$ 89,100	\$ 273	\$ 3,592
U.S. government agency obligations	114,155	6,859	67,667	20,953	18,676
Repurchase agreements	800	800	-	-	-
Commercial paper	8,541	8,541	-	-	-
Corporate bonds	684,377	125,262	485,191	24,525	49,399
Bond mutual funds	154,748	21,253	45,402	23,149	64,944
Other governmental bonds	18,051	2,050	13,533	897	1,571
Foreign governmental bonds	16,086	2,203	13,155	301	427
Total	\$ 1,110,969	\$ 188,214	\$ 714,048	\$ 70,098	\$ 138,609

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

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 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*, securities with split ratings, or a different rating assignment, are disclosed using the rating indicative of the greatest degree of risk.

The credit ratings of the university's interest-bearing investments for the primary institution at June 30, 2015 are as follows:

	Primary Institution											
	Total	AAA	AA	A	BBB	BB	B	CCC	CC	C	D	Not Rated
U.S. government and agency obligations	\$ 414,968	\$ -	\$ 413,772	\$ 528	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 668
Repurchase agreements	2,000	-	-	-	-	-	-	-	-	-	-	2,000
Corporate bonds	767,311	83,411	131,000	319,689	182,628	30,932	9,022	-	-	-	-	10,629
Bond mutual funds	92,165	38,037	12,435	21,085	17,972	1,023	220	220	219	219	250	485
Foreign govt bonds	16,454	2,011	2,228	8,557	3,157	-	-	-	-	-	-	501
Commercial paper	25,763	-	-	-	-	-	-	-	-	-	-	25,763
Other govt bonds	14,572	-	7,168	4,437	2,967	-	-	-	-	-	-	-
Securities Lending Collateral:												
Repurchase agreements	12,460	-	-	-	-	-	-	-	-	-	-	12,460
Certificates of deposit	4,538	982	-	3,556	-	-	-	-	-	-	-	-
Commercial paper	5,128	763	408	3,957	-	-	-	-	-	-	-	-
Variable rate notes	15,682	358	7,006	8,318	-	-	-	-	-	-	-	-
Total	\$ 1,371,041	\$ 125,562	\$ 574,017	\$ 370,127	\$ 206,724	\$ 31,955	\$ 9,242	\$ 220	\$ 219	\$ 219	\$ 250	\$ 52,506

The credit ratings of the university's interest-bearing investments for the primary institution at June 30, 2014 are as follows:

	Primary Institution											
	Total	AAA	AA	A	BBB	BB	B	CCC	CC	C	D	Not Rated
U.S. government and agency obligations	\$ 228,366	\$ -	\$ 226,193	\$ 806	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,367
Repurchase agreements	800	-	-	800	-	-	-	-	-	-	-	-
Corporate bonds	684,377	79,301	109,281	295,614	162,954	27,538	4,922	217	-	-	44	4,506
Bond mutual funds	154,748	50,742	5,421	35,949	12,012	958	1,678	6,011	1,222	56	2,799	37,900
Foreign govt bonds	16,086	1,003	1,728	10,240	3,115	-	-	-	-	-	-	-
Commercial paper	8,541	-	-	7,941	600	-	-	-	-	-	-	-
Other govt bonds	18,051	2,507	7,599	7,166	779	-	-	-	-	-	-	-
Total	\$ 1,110,969	\$ 133,553	\$ 350,222	\$ 358,516	\$ 179,460	\$ 28,496	\$ 6,600	\$ 6,228	\$ 1,222	\$ 56	\$ 2,843	\$ 43,773

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, 2015 and 2014
(dollars in thousands)

At June 30, 2015, exposure to foreign currency risk for the primary institution is as follows:

	Primary Institution					
	Common	Equity	Bond	Corporate	Foreign	Partnerships
	Stock	Mutual Funds	Mutual Funds	Bonds and Notes	Government Bonds	and Hedge Funds
Argentinian Peso	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ -
Australian dollar	428	9,574	(291)	-	-	17,949
Bermudian dollar	-	4	-	-	-	-
Brazilian real	4,649	7,152	(260)	2,911	-	-
Canadian dollar	1,113	3,340	5	-	-	-
Chilean peso	-	1,578	-	-	-	-
Chinese yuan	-	2,877	(18)	-	-	-
Columbian peso	-	57	-	-	-	-
Czech Republic						
koruna	997	1,337	-	-	-	-
Danish krone	-	6,773	(5)	-	-	-
Egyptian pound	1,728	46	-	-	-	-
Euro	40,738	57,061	(304)	2,566	-	64,973
Great Britain pound						
sterling	34,153	48,884	43	2,039	-	15,035
Hong Kong dollar	9,661	14,922	15	-	-	-
Hungarian forint	-	6	-	-	-	-
Indian rupee	4,222	2,609	278	-	-	-
Indonesian rupiah	1,059	691	-	-	-	-
Israeli shekel	-	247	-	-	-	-
Japanese yen	18,545	33,586	64	-	-	-
Korean dollar	-	775	-	-	-	-
Macanese pataca	-	6	-	-	-	-
Malaysian ringgit	-	807	8	-	-	-
Mali West African						
CFA franc	-	4	-	-	-	-
Mexican peso	1,755	1,908	5	-	-	-
New Taiwan dollar	5,290	5,218	(5)	-	-	-
New Turkish lira	1,359	1,428	5	-	-	-
New Zealand dollar	-	87	(197)	-	-	-
Norwegian krone	964	1,614	-	-	-	-
Peruvian nuevo sol	-	12	-	-	-	-
Philippine peso	-	209	-	-	-	-
Polish zloty	-	165	(23)	-	-	-
Qatari rial	-	22	-	-	-	-
Russian ruble	-	435	(3)	-	-	-
Singapore dollar	-	8,357	(140)	-	-	-
South African rand	4,869	4,057	(10)	-	-	-
South Korean won	6,537	1,796	3	-	-	-
Swedish krona	1,272	2,379	8	-	-	-
Swiss franc	15,756	6,949	(8)	-	-	-
Thailand bhat	2,368	914	-	-	-	-
UAE dirham	1,536	658	-	-	-	-
Zambian kwacha	-	4	-	-	-	-
Total	\$ 158,999	\$ 228,549	\$ (830)	\$ 7,516	\$ -	\$ 97,957

Notes to Financial Statements – Years Ended June 30, 2015 and 2014
(dollars in thousands)

At June 30, 2014, exposure to foreign currency risk for the primary institution is as follows:

	Primary Institution					
	Common	Equity	Bond	Corporate	Foreign	Partnerships
	Stock	Mutual	Mutual	Bonds and	Government	and Hedge
		Funds	Funds	Notes	Bonds	Funds
Australian dollar	\$ -	\$ 5,793	\$ 59	\$ -	\$ -	\$ 22,624
Brazilian real	7,011	5,530	11	-	-	-
Canadian dollar	-	3,216	60	-	-	-
Chilean peso	-	4,674	-	-	-	-
Chinese yuan	-	1,885	1	-	-	-
Columbian peso	-	103	-	-	-	-
Czech Republic						
koruna	1,035	892	-	-	-	-
Danish krone	-	512	-	1,290	-	-
Egyptian pound	1,163	37	-	-	-	-
Euro	39,013	30,886	54	1,488	684	50,915
Great Britain pound						
sterling	33,353	35,301	92	45	-	113
Hong Kong dollar	8,900	8,363	-	-	-	-
Hungarian forint	-	4	-	-	-	-
Indian rupee	4,248	4,885	38	-	-	-
Indonesian rupiah	2,020	950	-	-	-	-
Israeli shekel	-	222	-	-	-	-
Japanese yen	18,213	24,271	24	-	-	-
Jordanian dinar	-	1,792	-	-	-	-
Malaysian ringgit	-	744	-	-	-	-
Mexican peso	656	800	-	-	-	-
Moroccan dirham	-	-	-	-	-	-
New Taiwan dollar	5,097	1,304	-	-	-	-
New Turkish lira	1,249	1,456	-	-	-	-
New Zealand dollar	-	56	30	-	-	-
Norwegian krone	1,061	1,275	28	-	-	-
Peruvian nuevo sol	-	50	-	-	-	-
Philippine peso	-	145	-	-	-	-
Polish zloty	-	156	-	-	-	-
Russian ruble	-	552	-	-	-	-
Singapore dollar	-	5,900	30	-	-	-
South African rand	5,193	3,009	(14)	-	-	-
South Korean won	9,371	1,592	30	-	-	-
Sri Lanka rupee	-	-	-	-	-	-
Swedish krona	3,291	3,754	28	-	-	-
Swiss franc	14,859	8,481	17	-	-	-
Thailand bhat	-	249	-	-	-	-
UAE dirham	1,640	51	-	-	-	-
Total	\$ 157,373	\$ 158,890	\$ 488	\$ 2,823	\$ 684	\$ 73,652

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

Securities Lending

The university has engaged in a securities lending program through its custodian bank of the long-term investment pool. Securities loaned at June 30, 2015 were comprised completely of equity, and these loans were secured by collateral in the form of cash, equity, U.S. government obligations, and foreign government/private debt. All loans must be secured by collateral amounting to no less than 102% of the current fair value of domestic securities loaned and no less than 105% of the current fair value of foreign securities loaned.

As of the financial statements' date, there was no credit risk on securities loaned due to the fair value of the collateral held being greater than the fair value of securities on loan to each individual broker. The university, the custodian, and the borrower each maintain the right to terminate a loan. Upon maturity or termination of a loan agreement, the custodian is contractually obligated to indemnify the university if the borrowers fail to return loaned securities and if liquidation of the collateral is insufficient to replace the value of the securities loaned. Noncash collateral cannot be pledged or sold by the university without a borrower's default. While earning fees received by the university during the loan period, cash collateral is simultaneously invested in short term, highly liquid securities in order to further increase interest earned while also matching a weighted average maturity of loans which is not to exceed 60 days. As of June 30, 2015, securities loaned by the university amounted to a fair value of \$77,302 and were secured by collateral in the amount of \$82,564. The portion of this collateral that was received in cash amounted to \$37,806 and is reflected within the university's statement of net position as a current asset and a corresponding current liability.

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

NOTE 4 — ACCOUNTS, NOTES AND PLEDGES RECEIVABLE

Accounts receivable for the primary institution at June 30, 2015 and 2014 consist of the following:

	Primary Institution	
	2015	2014
Patient receivables - OSU Health System	\$ 1,010,390	\$ 868,912
Grant and contract receivables	88,433	86,015
Tuition and fees receivable	23,314	18,931
Receivables for departmental and auxiliary sales and services	51,390	52,200
State and federal receivables	8,140	12,046
Other receivables	85	112
Total receivables	1,181,752	1,038,217
Less: Allowances for doubtful accounts	696,954	598,106
Total receivables, net	\$ 484,798	\$ 440,111

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 \$17,130 and \$17,000 at June 30, 2015 and 2014, 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 \$108,039 in non-endowment pledges receivable and a related allowance for doubtful accounts of \$5,611 at June 30, 2015. The university recorded \$99,646 in non-endowment pledges receivable and a related allowance for doubtful accounts of \$4,371 at June 30, 2014.

Notes to Financial Statements – Years Ended June 30, 2015 and 2014
(dollars in thousands)

NOTE 5 — CAPITAL ASSETS

Capital assets activity for the primary institution for the year ended June 30, 2015 is summarized as follows:

	Primary Institution			
	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land	\$ 68,926	\$ 18,598	\$ 609	\$ 86,915
Intangibles	18,413	-	-	18,413
Construction in progress	1,211,647	(879,301)	-	332,346
Total non depreciable assets	1,298,986	(860,703)	609	437,674
Capital assets being depreciated:				
Improvements other than buildings	508,330	222,467	451	730,346
Buildings and fixed equipment	4,592,063	1,025,531	10,053	5,607,541
Movable equipment, furniture and software	1,101,236	258,716	59,484	1,300,468
Library books	171,669	6,609	525	177,753
Total	6,373,298	1,513,323	70,513	7,816,108
Less: Accumulated depreciation	3,179,388	335,881	64,729	3,450,540
Total depreciable assets, net	3,193,910	1,177,442	5,784	4,365,568
Capital assets, net	\$ 4,492,896	\$ 316,739	\$ 6,393	\$ 4,803,242

The decrease in construction in progress of \$879,301 in fiscal year 2015 represents the amount of capital expenditures for new projects of \$561,719, net of assets placed in service of \$1,441,020.

Capital assets activity for the primary institution for the year ended June 30, 2014 is summarized as follows:

	Primary Institution			
	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land	\$ 69,191	\$ -	\$ 265	\$ 68,926
Intangibles	18,413	-	-	18,413
Construction in progress	862,605	349,042	-	1,211,647
Total non depreciable assets	950,209	349,042	265	1,298,986
Capital assets being depreciated:				
Improvements other than buildings	499,119	11,730	2,519	508,330
Buildings and fixed equipment	4,444,865	175,671	28,473	4,592,063
Movable equipment, furniture and software	1,036,759	91,659	27,182	1,101,236
Library books	165,973	5,945	249	171,669
Total	6,146,716	285,005	58,423	6,373,298
Less: Accumulated depreciation	2,960,533	260,367	41,512	3,179,388
Total depreciable assets, net	3,186,183	24,638	16,911	3,193,910
Capital assets, net	\$ 4,136,392	\$ 373,680	\$ 17,176	\$ 4,492,896

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

The increase in construction in progress of \$349,042 in fiscal year 2014 represents the amount of capital expenditures for new projects of \$578,415, net of assets placed in service of \$229,373.

Capital assets activity for the discretely presented component units for the year ended June 30, 2015 is summarized as follows:

	Discretely Presented Component Units			
	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land	\$ 5,794	\$ 5,050	\$ -	\$ 10,844
Intangibles	-	-	-	-
Construction in progress	15	567	-	582
Total non depreciable assets	5,809	5,617	-	11,426
Capital assets being depreciated:				
Improvements other than buildings	8,280	34	-	8,314
Buildings and fixed equipment	48,879	-	110	48,769
Movable equipment, furniture and software	63,089	2,572	(1,519)	67,180
Library books	-	-	-	-
Total	120,248	2,606	(1,409)	124,263
Less: Accumulated depreciation	49,711	6,315	248	55,778
Total depreciable assets, net	70,537	(3,709)	(1,657)	68,485
Capital assets, net	\$ 76,346	\$ 1,908	\$ (1,657)	\$ 79,911

Capital assets activity for the discretely presented component units for the year ended June 30, 2014 is summarized as follows:

	Discretely Presented Component Units			
	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land	\$ 5,794	\$ -	\$ -	\$ 5,794
Intangibles	-	-	-	-
Construction in progress	15	-	-	15
Total non depreciable assets	5,809	-	-	5,809
Capital assets being depreciated:				
Improvements other than buildings	7,421	859	-	8,280
Buildings and fixed equipment	48,604	275	-	48,879
Movable equipment, furniture and software	61,789	1,590	290	63,089
Library books	-	-	-	-
Total	117,814	2,724	290	120,248
Less: Accumulated depreciation	43,461	6,540	290	49,711
Total depreciable assets, net	74,353	(3,816)	-	70,537
Capital assets, net	\$ 80,162	\$ (3,816)	\$ -	\$ 76,346

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses for the primary institution at June 30, 2015 and 2014 consist of the following:

	Primary Institution	
	2015	2014
Payables to vendors for supplies and services	\$ 293,477	\$ 254,336
Accrued compensation and benefits	79,097	77,874
Retirement system contributions payable	42,596	26,371
Other accrued expenses	32,194	32,483
Total payables and accrued expenses	<u>\$ 447,364</u>	<u>\$ 391,064</u>

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, 2015 and 2014 consist of the following:

	Primary Institution	
	2015	2014
Current deposits and advance payments:		
Tuition and fees	\$ 51,793	\$ 44,947
Departmental and auxiliary sales and services	87,459	83,143
Affinity agreements	12,622	9,350
Grant and contract advances	93,542	78,378
Other deposits and advance payments	16,121	13,712
Total current deposits and advance payments	<u>\$ 261,537</u>	<u>\$ 229,530</u>
Other non-current deposits and advance payments:	<u>\$ 45,202</u>	<u>\$ 58,297</u>

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 university has established trustee self-insurance funds for professional medical malpractice liability claims with a \$4,000 limit per occurrence with no annual aggregate. The university self-insurance funds have insurance in excess of \$4,000 per occurrence through Oval Limited, a blended component unit of the university. Effective July 1, 2008, Oval

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

Limited provides coverage with limits of \$55,000 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 – 6/30/15	\$55,000
7/1/06 – 6/30/08	\$40,000
7/1/05 – 6/30/06	\$35,000
7/1/02 – 6/30/05	\$25,000
7/1/97 – 6/30/02	\$15,000
9/30/94 – 6/30/97	\$10,000

The limits are in excess of underlying policies with limits ranging from \$4,000 to \$10,000 per occurrence and \$18,000 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 \$15,000 of risk and cedes the remainder to Berkley Medical Excess Underwriters (rated A+ by A.M. Best). The next \$20,000 is fully ceded to Lexington Insurance Company (rated A by A.M. Best). Above that, Oval Limited cedes the remaining \$20,000 of risk to Endurance Specialty Insurance Ltd. (rated A by A.M. Best). The estimated liability and the related contributions to the trustee fund are based upon an independent actuarial determination as of June 30, 2015. OSUP participates in the university self-insurance fund for professional medical malpractice liability claims.

The university'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, 2015 of the anticipated future payments on gross claims is estimated at its present value of \$69,523 discounted at an estimated rate of 3.0% (university funds) and an additional \$29,055 discounted at an estimated rate of 3.0% (Oval Limited).

Although actual experience upon the ultimate disposition of the claims may vary from this estimate, the self-insurance fund assets of \$183,504 (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, 2015, and the surplus of \$84,925 is included in unrestricted net position.

At June 30, 2014, the anticipated future payments on gross claims was estimated at its present value of \$69,806 discounted at an estimated rate of 3% (university funds) and an additional \$31,771 discounted at an estimated rate of 3% (Oval Limited). The self-insurance fund assets of \$177,023 (which primarily consist of bond and equity mutual funds, money market funds and U.S. treasury notes) were more than the recorded liability at June 30, 2014, and the surplus of \$75,446 was included in unrestricted net position.

Employee Health Insurance

The university is also self-insured for employee health insurance. As of June 30, 2015 and 2014, \$37,375 and \$48,507, respectively 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, 2015 and 2014

(dollars in thousands)

Workers' Compensation

Effective January 1, 2013, the university became self-insured for workers' compensation. As of June 30, 2015 and 2014, respectively. \$15,308 and \$12,341 are recorded as a liability relating to both claims received but not paid and estimates of claims incurred but not yet reported.

Changes in reported self-insurance liabilities for the primary institution since June 30, 2013 result from the following activities:

	Malpractice		Health		Workers' Compensation	
	2015	2014	2015	2014	2015	2014
Liability at beginning of fiscal year	\$ 101,577	\$ 112,008	\$ 48,507	\$ 36,326	\$ 12,341	\$ 730
Current year provision for losses	109	(9,181)	288,281	310,968	(3,045)	8,566
Claim payments	(3,108)	(1,250)	(299,413)	(298,787)	6,012	3,045
Balance at fiscal year end	<u>\$ 98,578</u>	<u>\$ 101,577</u>	<u>\$ 37,375</u>	<u>\$ 48,507</u>	<u>\$ 15,308</u>	<u>\$ 12,341</u>

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.

Notes to Financial Statements – Years Ended June 30, 2015 and 2014
(dollars in thousands)

Debt activity for the primary institution for the year ended June 30, 2015 is as follows:

	Primary Institution				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Notes:					
WOSU	\$ 2,621	\$ -	\$ 159	\$ 2,462	\$ 159
OH Air Quality Note Series A	4,234	-	395	3,839	401
OH Air Quality Note Series B	2,340	-	-	2,340	-
St. Stephens Church Note	2,937	-	66	2,871	69
General Receipts Bonds - Fixed Rate:					
2005A, due serially through 2035	47,400	-	11,360	36,040	2,725
2008A, due serially through 2028	137,410	-	13,245	124,165	13,835
2010A, due serially through 2020	174,660	-	28,620	146,040	28,850
2010C, due 2040	654,785	-	-	654,785	-
2010D, due serially through 2032	84,625	-	-	84,625	-
2011, due 2111	500,000	-	-	500,000	-
2012A, due 2030	90,500	-	-	90,500	7,630
2012B, due 2033	20,760	-	1,840	18,920	1,785
2014A, due serially through 2044	-	135,985	-	135,985	2,190
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	10,765	-	-	10,765	10,765
2001, due serially through 2032	53,035	-	-	53,035	53,035
2003C, due serially through 2031	51,975	-	-	51,975	51,975
2005B, due serially through 2035	71,575	-	-	71,575	71,575
2008B, due serially through 2028	91,925	-	-	91,925	91,925
2010E, due serially through 2035	150,000	-	-	150,000	150,000
2014AB, due serially through 2044	-	150,000	-	150,000	150,000
Capital Lease Obligations	8,446	-	2,057	6,389	1,840
	2,515,108	285,985	57,742	2,743,351	655,919
Unamortized Bond Premiums	90,420	14,835	6,597	98,658	-
Total outstanding debt	\$ 2,605,528	\$ 300,820	\$ 64,339	\$ 2,842,009	\$ 655,919

Notes to Financial Statements – Years Ended June 30, 2015 and 2014
(dollars in thousands)

Debt activity for the primary institution for the year ended June 30, 2014 is as follows:

	Primary Institution				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Notes:					
WOSU	\$ 2,825	\$ -	\$ 204	\$ 2,621	\$ 159
OH Air Quality Note Series A	4,602	-	368	4,234	395
OH Air Quality Note Series B	2,340	-	-	2,340	-
St. Stephens Church Note	3,000	-	63	2,937	66
General Receipts Bonds - Fixed Rate:					
2005A, due serially through 2035	58,260	-	10,860	47,400	11,360
2008A, due serially through 2028	150,030	-	12,620	137,410	13,245
2010A, due serially through 2020	202,050	-	27,390	174,660	28,620
2010C, due 2040	654,785	-	-	654,785	-
2010D, due serially through 2032	84,625	-	-	84,625	-
2011, due 2111	500,000	-	-	500,000	-
2012A, due 2030	90,500	-	-	90,500	-
2012B, due 2033	22,600	-	1,840	20,760	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	10,765	-	-	10,765	10,765
2001, due serially through 2032	53,035	-	-	53,035	53,035
2003C, due serially through 2031	51,975	-	-	51,975	51,975
2005B, due serially through 2035	71,575	-	-	71,575	71,575
2008B, due serially through 2028	91,925	-	-	91,925	91,925
2010E, due serially through 2035	150,000	-	-	150,000	150,000
Capital Lease Obligations	14,231	620	6,405	8,446	2,045
	2,574,238	620	59,750	2,515,108	504,165
Unamortized Bond Premiums	96,646	-	6,226	90,420	-
Total outstanding debt	\$ 2,670,884	\$ 620	\$ 65,976	\$ 2,605,528	\$ 504,165

Debt activity for the discretely presented component units for the year ended June 30, 2015 is as follows:

	Discretely Presented Component Units				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Notes:					
OSU Physicians - Series 2013 Health Care					
Facilities Revenue Bond, due through 2035	\$ 14,785	\$ -	\$ 557	\$ 14,228	\$ 567
OSU Physicians - Term Loan Payable, due 2023	2,379	-	243	2,136	244
OSU Physicians - Fifth Third Letter of Credit	70	-	70	-	-
Capital Lease Obligations	20	-	15	5	5
Total outstanding debt	\$ 17,254	\$ -	\$ 885	\$ 16,369	\$ 816

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

Debt activity for the discretely presented component units for the year ended June 30, 2014 is as follows:

Discretely Presented Component Units					
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Notes:					
Transportation Research Center - Capital One Funding Corporation, due through 2014	\$ 332	\$ -	\$ 332	\$ -	\$ -
OSU Physicians - Series 2013 Health Care Facilities Revenue Bond, due through 2035	15,336	-	551	14,785	563
OSU Physicians - Term Loan Payable, due 2023	2,616	-	237	2,379	243
OSU Physicians - Term Note Payable, due 2013	22	-	22	-	-
OSU Physicians - Fifth Third Letter of Credit	-	80	10	70	70
Campus Partners - CCF Loan, City of Columbus	125	-	125	-	-
Capital Lease Obligations	101	-	81	20	16
Total outstanding debt	\$ 18,532	\$ 80	\$ 1,358	\$ 17,254	\$ 892

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 2111. Maturities and interest on debt obligations for the next five years and in five-year periods for the primary institution are as follows:

Notes to Financial Statements – Years Ended June 30, 2015 and 2014
(dollars in thousands)

	Primary Institution		
	Principal	Interest	Total
2016	\$ 655,919	\$ 99,590	\$ 755,509
2017	62,213	96,709	158,922
2018	62,632	93,955	156,587
2019	48,461	91,606	140,067
2020	35,414	89,755	125,169
2021-2025	193,954	424,032	617,986
2026-2030	174,893	380,912	555,805
2031-2035	122,240	348,140	470,380
2036-2040	781,470	323,919	1,105,389
2041-2045	106,155	132,919	239,074
2046-2050	-	120,000	120,000
2051-2055	-	120,000	120,000
2056-2060	-	120,000	120,000
2061-2065	-	120,000	120,000
2066-2070	-	120,000	120,000
2071-2075	-	120,000	120,000
2076-2080	-	120,000	120,000
2081-2085	-	120,000	120,000
2086-2090	-	120,000	120,000
2091-2095	-	120,000	120,000
2096-2100	-	120,000	120,000
2101-2105	-	120,000	120,000
2106-2110	-	120,000	120,000
2111	500,000	24,000	524,000
	<u>\$ 2,743,351</u>	<u>\$ 3,665,537</u>	<u>\$ 6,408,888</u>

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:

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

	Discretely Presented Component Units		
	Principal	Interest	Total
2016	\$ 829	\$ 340	\$ 1,169
2017	842	322	1,164
2018	860	304	1,164
2019	879	285	1,164
2020	898	266	1,164
2021-2025	4,165	641	4,806
2026-2030	3,702	231	3,933
2031-2035	4,194	1,040	5,234
	<u>\$ 16,369</u>	<u>\$ 3,429</u>	<u>\$ 19,798</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 \$272,401 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:

	Amount	
	Amount Defeased	Amount Outstanding at June 30, 2015
General Receipts Bonds:		
Series 2008A	\$ 18,195	\$ 18,195
Series 2010A	13,050	13,050
Series 2010D	3,710	3,710
	<u>\$ 34,955</u>	<u>\$ 34,955</u>

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,

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

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, 2015, 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, 2010E, 2014A and 2014B 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, 2015 are as follows:

Series:	Interest Rate Not	Effective Average
	to Exceed	Interest Rate
1997	12%	1.620%
1999B1	12%	1.387%
2001	12%	1.161%
2003C	12%	1.512%
2005B	12%	1.086%
2008B	12%	0.287%
2010E	8%	0.093%
2014A	5%	0.037%
2014B	not specified	0.036%

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 2044. 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 \$596,435 and \$446,435 at June 30, 2015 and 2014, respectively.

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

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, 2015 are \$15,203 and \$6,389, respectively. The original cost and lease obligations related to these capital leases as of June 30, 2014 are \$32,288 and \$8,446, respectively.

Capitalization of Interest

Interest incurred during the construction of capital assets is included in the cost of the asset when capitalized. Total interest costs incurred for the years ended June 30, 2015 and 2014 for the primary institution were \$100,082 and \$98,427, respectively. Of these amounts, interest of \$30,324 and \$44,324 was capitalized in the years ended June 30, 2015 and 2014. The remaining amounts, \$69,758 in fiscal year 2015 and \$54,103 in fiscal year 2014, are reported as interest expense in the statement of revenues, expenses and changes in net position.

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 \$24,760 and \$25,562 for the years ended June 30, 2015 and 2014, respectively.

Future minimum payments for all significant operating leases with initial or remaining terms in excess of one year as of June 30, 2015 are as follows:

Year Ending June 30,	Primary Institution	Discretely Presented Component Units
2016	\$ 17,625	\$ 2,762
2017	13,826	2,509
2018	13,138	1,753
2019	12,220	738
2020	11,586	536
2021-2025	46,429	1,129
2026-2030	42,586	30
2031-2035	7,019	-
2036-2040	735	-
2041-2045	735	-
2046-2050	151	-
Total minimum lease payments	<u>\$ 166,050</u>	<u>\$ 9,457</u>

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(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, 2015 is as follows:

	Primary Institution				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	\$ 160,296	\$ 20,532	\$ 14,472	\$ 166,356	\$ 14,472
Self-insurance accruals	162,425	291,306	302,470	151,261	43,387
Amounts due to third party payors	19,779	52,862	19,830	52,811	8,643
Obligations under life income agreements	36,062	-	7,118	28,944	2,440
Refundable advances for Federal Perkins loans	31,657	1,142	571	32,228	-
Other noncurrent liabilities	91,168	-	7,028	84,140	-
	<u>\$ 501,387</u>	<u>\$ 365,842</u>	<u>\$ 351,489</u>	<u>\$ 515,740</u>	<u>\$ 68,942</u>

Notes to Financial Statements – Years Ended June 30, 2015 and 2014
(dollars in thousands)

Other liability activity for the primary institution for the year ended June 30, 2014 is as follows:

	Primary Institution				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	\$ 149,777	\$ 20,773	\$ 10,254	\$ 160,296	\$ 10,254
Self-insurance accruals	149,064	312,199	298,838	162,425	51,553
Amounts due to third party payors	15,007	16,087	11,315	19,779	-
Obligations under life income agreements	37,350	2,441	3,729	36,062	4,015
Refundable advances for Federal Perkins loans	31,445	424	212	31,657	-
Other noncurrent liabilities	61,349	29,819		91,168	-
	<u>\$ 443,992</u>	<u>\$ 381,743</u>	<u>\$ 324,348</u>	<u>\$ 501,387</u>	<u>\$ 65,822</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, 2015 is as follows:

Year Ending June 30,	
2016	\$ 4,916
2017	3,898
2018	3,490
2019	3,043
2020	2,628
2021-2025	9,177
2026-2030	4,225
2031-2035	2,987
2036-2040	2,441
2041-2045	615
2046-2050	100
2051-2100	104
Total minimum future rentals	<u>\$ 37,624</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, 2015 and 2014 are summarized as follows:

Notes to Financial Statements – Years Ended June 30, 2015 and 2014
(dollars in thousands)

Year Ended June 30, 2015

	Primary Institution				
	Compensation and Benefits	Supplies and Services	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 823,329	\$ 116,776	\$ -	\$ -	\$ 940,105
Separately budgeted research	271,924	162,700	-	-	434,624
Public service	80,828	51,137	-	-	131,965
Academic support	148,655	43,485	-	-	192,140
Student services	75,245	24,984	-	-	100,229
Institutional support	130,756	99,993	-	-	230,749
Operation and maintenance of plant	32,789	63,077	-	-	95,866
Scholarships and fellowships	6,341	2,902	103,701	-	112,944
Auxiliary enterprises	142,037	106,842	-	-	248,879
OSU Health System	1,054,966	915,158	-	-	1,970,124
Depreciation	-	-	-	335,881	335,881
Total operating expenses	\$ 2,766,870	\$ 1,587,054	\$ 103,701	\$ 335,881	\$ 4,793,506

Year Ended June 30, 2014

	Primary Institution				
	Compensation and Benefits	Supplies and Services	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 814,020	\$ 124,365	\$ -	\$ -	\$ 938,385
Separately budgeted research	278,517	158,980	-	-	437,497
Public service	78,556	52,833	-	-	131,389
Academic support	150,312	38,329	-	-	188,641
Student services	74,007	22,885	-	-	96,892
Institutional support	169,025	109,027	-	-	278,052
Operation and maintenance of plant	35,920	62,758	-	-	98,678
Scholarships and fellowships	7,190	2,160	101,251	-	110,601
Auxiliary enterprises	137,691	104,224	-	-	241,915
OSU Health System	1,026,145	813,500	-	-	1,839,645
Depreciation	-	-	-	260,367	260,367
Total operating expenses	\$ 2,771,383	\$ 1,489,061	\$ 101,251	\$ 260,367	\$ 4,622,062

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.

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

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

Defined Benefit Plans

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

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

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

In accordance with GASB Statement No. 68, employers participating in cost-sharing multiple-employer plans are required to recognize a proportionate share of the collective net pension liabilities of the plans. Although changes in the net pension liability generally are recognized as pension expense in the current period, GASB 68 requires certain items to be deferred and recognized as expense in future periods. Deferrals for differences between projected and actual investment returns are amortized to pension expense over five years. Deferrals for employer contributions subsequent to the measurement date are amortized in the following period (one year). Other deferrals are amortized over the estimated remaining service lives of both active and inactive employees (amortization periods range from 3 to 9 years).

The collective net pension liabilities of the retirement systems and the university's proportionate share of these net pension liabilities as of June 30, 2015 are as follows:

	STRS-Ohio	OPERS	Total
Net pension liability - all employers	\$ 24,323,461	\$ 12,022,615	
Proportion of the net pension liability - university	4.4%	8.8%	
Proportionate share of net pension liability	\$ 1,070,914	\$ 1,059,518	\$ 2,130,432

Notes to Financial Statements – Years Ended June 30, 2015 and 2014
(dollars in thousands)

Deferred outflows of resources and deferred inflows of resources for pensions were related to the following sources as of June 30, 2015:

	STRS-Ohio	OPERS	Total
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$ 10,310	\$ -	\$ 10,310
Net difference between projected and actual earnings on pension plan investments	-	57,206	57,206
University contributions subsequent to the measurement date	66,547	84,922	151,469
Total	\$ 76,857	\$ 142,128	\$ 218,985
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ -	\$ 20,512	\$ 20,512
Net difference between projected and actual earnings on pension plan investments	198,123	-	198,123
Total	\$ 198,123	\$ 20,512	\$ 218,635

Net deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense during the years ending June 30 as follows:

	STRS-Ohio	OPERS	Total
2016	\$ 19,593	\$ 90,375	\$ 109,968
2017	(46,953)	5,452	(41,501)
2018	(46,953)	12,643	(34,310)
2019	(46,953)	14,088	(32,865)
2020	-	(214)	(214)
2021 and Thereafter	-	(728)	(728)
Total	\$ (121,266)	\$ 121,616	\$ 350

The following table provides additional details on the pension benefit formulas, contribution requirements and significant assumptions used in the measurement of total pension liabilities for the retirement systems.

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

	STRS-Ohio	OPERS
Statutory Authority	Ohio Revised Code Chapter 3307	Ohio Revised Code Chapter 145
Benefit Formula	The annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective Aug. 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Members are eligible to retire at age 60 with five years of qualifying service credit, or at age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective Aug. 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 and five years of service on Aug. 1, 2026.	Benefits are calculated on the basis of age, final average salary (FAS), and service credit. State and Local members in transition Groups A and B are eligible for retirement benefits at age 60 with 60 contributing months of service credit or at age 55 with 25 or more years of service credit. Group C for State and Local is eligible for retirement at age 57 with 25 years of service or at age 62 with 5 years of service. For Groups A and B, the annual benefit is based on 2.2% of final average salary multiplied by the actual years of service for the first 30 years of service credit and 2.5% for years of service in excess of 30 years. For Group C, the annual benefit applies a factor of 2.2% for the first 35 years and a factor of 2.5% for the years of service in excess of 35. FAS represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of annual cost-of-living adjustment.
Cost-of-Living Adjustments	With certain exceptions, the basic benefit is increased each year by 2% of the original base benefit. For members retiring Aug. 1, 2013, or later, the first 2% is paid on the fifth anniversary of the retirement benefit.	Once a benefit recipient retiring under the Traditional Pension Plan has received benefits for 12 months, an annual 3% cost-of-living adjustment is provided on the member's base benefit.

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

	STRS-Ohio	OPERS
Contribution Rates	Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. Through June 30, 2014, the employer rate was 14% and the member rate was 11% of covered payroll. The statutory employer rate for fiscal 2015 and subsequent years is 14%. The statutory member contribution rate increased by one percent July 1, 2014, and will be increased one percent each year until it reaches 14% on July 1, 2016.	Employee and member contribution rates are established by the OPERS Board and limited by Chapter 145 of the Ohio Revised Code. For 2014, employer rates for the State and Local Divisions were 14% of covered payroll (and 18.1% for the Law Enforcement and Public Safety Divisions). Member rates for the State and Local Divisions were 10% of covered payroll (13% for Law Enforcement and 12% for Public Safety).
Measurement Date	June 30, 2014	December 31, 2014
Actuarial Assumptions	Valuation Date: July 1, 2014 Actuarial Cost Method: Individual entry age Investment Rate of Return: 7.75% Inflation: 2.75% Projected Salary Increases: 2.75% - 12.25% Cost-of-Living Adjustments: 2.00% Simple	Valuation Date: December 31, 2014 Actuarial Cost Method: Individual entry age Investment Rate of Return: 8.00% Inflation: 3.75% Projected Salary Increases: 4.25% - 10.05% Cost-of-Living Adjustments: 3.00% Simple
Mortality Rates	RP-2000 Combined Mortality Table (Projection 2022–Scale AA) for Males and Females. Males' ages are set back two years through age 89 and no setback for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and no set back from age 90 and above.	RP-2000 mortality table projected 20 years using Projection Scale AA. For males, 105% of the combined healthy male mortality rates were used. For females, 100% of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120% of the disabled female mortality rates were used set forward two years. For females, 100% of the disabled female mortality rates were used.
Date of Last Experience Study	July 1, 2012	December 31, 2010

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

	STRS-Ohio	OPERS																																																
Investment Return Assumptions	The 10 year expected real rate of return on pension plan investments was determined by STRS Ohio's investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and long-term expected real rate of return for each major asset class are summarized as follows: <table> <tr> <th>Asset Class</th><th>Target Allocation</th><th>Long Term Expected Return*</th></tr> <tr> <td>Domestic Equity</td><td>31.0%</td><td>8.00%</td></tr> <tr> <td>International Equity</td><td>26.0%</td><td>7.85%</td></tr> <tr> <td>Alternatives</td><td>14.0%</td><td>8.00%</td></tr> <tr> <td>Fixed Income</td><td>18.0%</td><td>3.75%</td></tr> <tr> <td>Real Estate</td><td>10.0%</td><td>6.75%</td></tr> <tr> <td>Liquidity Reserves</td><td>1.0%</td><td>3.00%</td></tr> <tr> <td>Total</td><td>100%</td><td></td></tr> </table> * Returns presented as geometric means	Asset Class	Target Allocation	Long Term Expected Return*	Domestic Equity	31.0%	8.00%	International Equity	26.0%	7.85%	Alternatives	14.0%	8.00%	Fixed Income	18.0%	3.75%	Real Estate	10.0%	6.75%	Liquidity Reserves	1.0%	3.00%	Total	100%		The long term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. The following table displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return: <table> <tr> <th>Asset Class</th><th>Target Allocation</th><th>Long Term Expected Return*</th></tr> <tr> <td>Fixed Income</td><td>23.0%</td><td>2.31%</td></tr> <tr> <td>Domestic Equity</td><td>19.9%</td><td>5.84%</td></tr> <tr> <td>Real Estate</td><td>10.0%</td><td>4.25%</td></tr> <tr> <td>Private Equity</td><td>10.0%</td><td>9.25%</td></tr> <tr> <td>International Equity</td><td>19.1%</td><td>7.40%</td></tr> <tr> <td>Other Investments</td><td>18.0%</td><td>4.59%</td></tr> <tr> <td>Total</td><td>100.0%</td><td></td></tr> </table> * Returns presented as arithmetic means	Asset Class	Target Allocation	Long Term Expected Return*	Fixed Income	23.0%	2.31%	Domestic Equity	19.9%	5.84%	Real Estate	10.0%	4.25%	Private Equity	10.0%	9.25%	International Equity	19.1%	7.40%	Other Investments	18.0%	4.59%	Total	100.0%	
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Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

	STRS-Ohio	OPERS												
Discount Rate	The discount rate used to measure the total pension liability was 7.75% as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2014.	The discount rate used to measure the total pension liability was 8.0% for both the Traditional Pension Plan and the Combined Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.												
Sensitivity of Net Pension Liability to Changes in Discount Rate	<table> <tr> <th>1% Decrease (6.75%)</th><th>Current Rate (7.75%)</th><th>1% Increase (8.75%)</th></tr> <tr> <td>\$ 1,533,130</td><td>\$ 1,070,914</td><td>\$ 680,034</td></tr> </table>	1% Decrease (6.75%)	Current Rate (7.75%)	1% Increase (8.75%)	\$ 1,533,130	\$ 1,070,914	\$ 680,034	<table> <tr> <th>1% Decrease (7.00%)</th><th>Current Rate (8.00%)</th><th>1% Increase (9.00%)</th></tr> <tr> <td>\$ 1,955,831</td><td>\$ 1,059,519</td><td>\$ 304,734</td></tr> </table>	1% Decrease (7.00%)	Current Rate (8.00%)	1% Increase (9.00%)	\$ 1,955,831	\$ 1,059,519	\$ 304,734
1% Decrease (6.75%)	Current Rate (7.75%)	1% Increase (8.75%)												
\$ 1,533,130	\$ 1,070,914	\$ 680,034												
1% Decrease (7.00%)	Current Rate (8.00%)	1% Increase (9.00%)												
\$ 1,955,831	\$ 1,059,519	\$ 304,734												

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

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

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. Employer contributions at a rate of 9.5% and all employee contributions 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.

Summary of Employer Pension Expense

Total pension expense for the year ended June 30, 2015, including employer contributions and accruals associated with recognition of net pension liabilities and related deferrals, is presented below. Pension expense is allocated to institutional functions on the Statement of Revenues, Expenses and Other Changes in Net Position.

	STRS-Ohio	OPERS	ARP	Total
Employer Contributions	\$ 65,738	\$ 170,979	\$ 50,598	\$ 287,315
GASB 68 Accruals	(15,237)	(19,152)		(34,389)
Total Pension Expense	<u>\$ 50,501</u>	<u>\$ 151,827</u>	<u>\$ 50,598</u>	<u>\$ 252,926</u>

Post-Retirement Health Care Benefits

STRS Ohio currently provides access to health care coverage to retirees who participated in the defined 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

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

are included in the employer contribution rate. For the fiscal year ended June 30, 2014, STRS Ohio allocated employer contributions equal to 1.0% of covered payroll for post-employment health care.

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 years 2014 and 2015, OPERS allocated 2.0% of the employer contribution rate to fund the health care program for retirees.

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 \$4,397 and \$3,996 for the years ended June 30, 2015 and 2014, respectively.

Employee contributions were \$1,457 and \$1,246 for the years ended June 30, 2015 and 2014.

NOTE 16 — CAPITAL PROJECT COMMITMENTS

At June 30, 2015, the university is committed to future contractual obligations for capital expenditures of approximately \$320,201.

These projects are funded by the following sources:

State appropriations	\$ 34,986
Internal and other sources	285,215
Total	<u>\$ 320,201</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

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

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.

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 operates, maintains and retains 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 lump-sum payment under this service concession arrangement is reported as a deferred inflow of resources and is being amortized to operating revenue over the life of the agreement. Deferred inflows related to the parking agreement were \$455,070 and \$464,701 at June 30, 2015 and 2014, respectively. The university reports the parking lots and garages as capital assets with a carrying amount of \$124,947 and \$124,511 at June 30, 2015 and 2014, respectively.

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, 2015 and 2014 is presented below.

Notes to Financial Statements – Years Ended June 30, 2015 and 2014
(dollars in thousands)

Condensed Combining Information – Year Ended June 30, 2015

	OSU Foundation	OSU Health Plan	Oval Limited
Condensed statements of net position:			
Current assets	\$ 41,453	\$ 5,018	\$ 52,462
Capital assets, net	3,766	135	-
Other assets	877,051	617	-
Amounts receivable from the university	-	51	-
Deferred outflows	-	-	-
Total assets and deferred inflows	<u>\$ 922,270</u>	<u>\$ 5,821</u>	<u>\$ 52,462</u>
Current liabilities	\$ 17,544	\$ 1,060	\$ 43
Noncurrent liabilities	26,289	468	29,056
Amounts payable to the university	156	801	-
Deferred inflows	-	-	-
Total liabilities and deferred inflows	<u>43,989</u>	<u>2,329</u>	<u>29,099</u>
Net investment in capital assets	3,766	135	-
Restricted:			
Nonexpendable	714,657	-	-
Expendable	148,447	-	-
Unrestricted	11,411	3,357	23,363
Total net position	<u>878,281</u>	<u>3,492</u>	<u>23,363</u>
Total liabilities, deferred inflows and net position	<u>\$ 922,270</u>	<u>\$ 5,821</u>	<u>\$ 52,462</u>

Notes to Financial Statements – Years Ended June 30, 2015 and 2014
(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	1,633	12,524	2,973
Other operating	-	-	-
Total operating revenues	1,633	12,524	2,973
Operating expenses, excluding depreciation	28,315	12,491	159
Depreciation expense	242	-	-
Total operating expenses	28,557	12,491	159
Net operating income (loss)	(26,924)	33	2,814
Non-operating revenues and expenses:			
Gifts for current use	163,800	-	-
Net investment income (loss)	38,487	-	551
Interest expense	-	-	-
Other non-operating revenue (expense)	-	-	-
Net non-operating revenue (expense)	202,287	-	551
Capital contributions and additions to permanent endowments	58,424	-	-
Transfers from (to) the university	(189,684)	-	-
Change in net position	44,103	33	3,365
Beginning net position	834,178	3,459	19,998
Ending net position	\$ 878,281	\$ 3,492	\$ 23,363
Condensed statements of cash flows:			
Net cash provided (used) by:			
Operating activities	\$ (19,737)	\$ 350	\$ 1,647
Noncapital financing activities	17,349	402	-
Capital and related financing activities	1,464	344	-
Investing activities	516	(14)	2
Net increase (decrease) in cash	(408)	1,082	1,649
Beginning cash and cash equivalents	3,684	3,469	11,205
Ending cash and cash equivalents	\$ 3,276	\$ 4,551	\$ 12,854

Notes to Financial Statements – Years Ended June 30, 2015 and 2014
(dollars in thousands)

Condensed Combining Information – Year Ended June 30, 2014

	OSU Foundation	OSU Health Plan	Oval Limited
Condensed statements of net position:			
Current assets	\$ 43,096	\$ 3,770	\$ 51,807
Capital assets, net	3,784	478	-
Other assets	829,398	721	-
Amounts receivable from the university	-	-	-
Deferred outflows	-	-	-
Total assets and deferred inflows	<u>\$ 876,278</u>	<u>\$ 4,969</u>	<u>\$ 51,807</u>
Current liabilities	\$ 9,675	\$ 1,162	\$ 37
Noncurrent liabilities	32,267	-	31,772
Amounts payable to the university	158	348	-
Deferred inflows	-	-	-
Total liabilities and deferred inflows	<u>42,100</u>	<u>1,510</u>	<u>31,809</u>
Net investment in capital assets	3,784	478	-
Restricted:			
Nonexpendable	662,094	-	-
Expendable	156,931	-	-
Unrestricted	11,369	2,981	19,998
Total net position	<u>834,178</u>	<u>3,459</u>	<u>19,998</u>
Total liabilities, deferred inflows and net position	<u>\$ 876,278</u>	<u>\$ 4,969</u>	<u>\$ 51,807</u>

Notes to Financial Statements – Years Ended June 30, 2015 and 2014
(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	1,478	13,283	2,293
Other operating	-	-	-
Total operating revenues	1,478	13,283	2,293
Operating expenses, excluding depreciation	19,154	12,993	146
Depreciation expense	228	380	-
Total operating expenses	19,382	13,373	146
Net operating income (loss)	(17,904)	(90)	2,147
Non-operating revenues and expenses:			
Gifts for current use	138,230	-	-
Net investment income (loss)	119,451	22	6,003
Interest expense	-	-	-
Other non-operating revenue (expense)	-	-	-
Net non-operating revenue (expense)	257,681	22	6,003
Capital contributions and additions to permanent endowments	54,037	-	-
Transfers from (to) the university	(171,201)	-	-
Change in net position	122,613	(68)	8,150
Beginning net position	711,565	3,527	11,848
Ending net position	\$ 834,178	\$ 3,459	\$ 19,998
Condensed statements of cash flows:			
Net cash provided (used) by:			
Operating activities	\$ (15,330)	\$ 1,350	\$ 1,684
Noncapital financing activities	17,762	348	-
Capital and related financing activities	5,328	(864)	-
Investing activities	(6,624)	6	2
Net increase (decrease) in cash	1,136	840	1,686
Beginning cash and cash equivalents	2,548	2,629	9,519
Ending cash and cash equivalents	\$ 3,684	\$ 3,469	\$ 11,205

Notes to Financial Statements – Years Ended June 30, 2015 and 2014
(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, 2015 and 2014 is presented below.

Condensed Combining Information – Year Ended June 30, 2015

	OSU Physicians	Campus Partners	Transportation Research Center	Dental Faculty Practice Plan
Condensed statements of net position:				
Current assets	\$ 118,069	\$ 10,140	\$ 8,991	\$ 1,268
Capital assets, net	26,139	53,177	515	79
Other assets	736	1,417	-	-
Amounts receivable from the university	10,534	-	3,976	-
Deferred outflows	-	-	40	-
Total assets and deferred inflows	<u>\$ 155,478</u>	<u>\$ 64,734</u>	<u>\$ 13,522</u>	<u>\$ 1,347</u>
Current liabilities	\$ 15,243	\$ 3,013	\$ 2,970	\$ 45
Noncurrent liabilities	16,277	-	296	-
Amounts payable to the university	32,942	63,434	-	-
Deferred inflows	-	-	5	-
Total liabilities and deferred inflows	<u>64,462</u>	<u>66,447</u>	<u>3,271</u>	<u>45</u>
Net investment in capital assets	2,768	53,177	515	-
Restricted:				
Nonexpendable	-	-	-	-
Expendable	-	-	-	-
Unrestricted	88,248	(54,890)	9,736	1,302
Total net position	<u>91,016</u>	<u>(1,713)</u>	<u>10,251</u>	<u>1,302</u>
Total liabilities, deferred inflows and net position	<u>\$ 155,478</u>	<u>\$ 64,734</u>	<u>\$ 13,522</u>	<u>\$ 1,347</u>

Notes to Financial Statements – Years Ended June 30, 2015 and 2014
(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	\$ -	\$ 7,245	\$ 38,611	\$ -
Sales and services of OSU Physicians	405,620	-	-	-
Other sales, services and rental income	-	-	-	8,693
Other operating	-	-	-	-
Total operating revenues	405,620	7,245	38,611	8,693
Operating expenses, excluding depreciation	373,658	2,918	34,844	5,445
Depreciation expense	4,395	1,641	243	36
Total operating expenses	378,053	4,559	35,087	5,481
Net operating income (loss)	27,567	2,686	3,524	3,212
Non-operating revenues and expenses:				
Gifts for current use	-	-	-	-
Net investment income (loss)	47	-	136	-
Interest expense	(477)	-	-	-
Other non-operating revenue (expense)	1,125	-	-	-
Net non-operating revenue (expense)	695	-	136	-
Capital contributions and additions to permanent endowments	-	-	-	-
Transfers from (to) the university	(20,080)	(607)	(3,544)	(3,182)
Change in net position	8,182	2,079	116	30
Beginning net position, as previously reported	82,834	(3,792)	10,398	1,272
Cumulative effect of accounting change	-	-	(263)	-
Ending net position	\$ 91,016	\$ (1,713)	\$ 10,251	\$ 1,302
Condensed statements of cash flows:				
Net cash provided (used) by:				
Operating activities	\$ 28,976	\$ 5,410	\$ 2,507	\$ 3,219
Noncapital financing activities	(9,362)	3,591	(3,598)	(3,182)
Capital and related financing activities	(5,372)	(5,540)	(330)	-
Investing activities	2,424	-	136	(26)
Net increase (decrease) in cash	16,666	3,461	(1,285)	11
Beginning cash and cash equivalents	51,441	2,673	3,424	313
Ending cash and cash equivalents	\$ 68,107	\$ 6,134	\$ 2,139	\$ 324

Notes to Financial Statements – Years Ended June 30, 2015 and 2014
(dollars in thousands)

Condensed Combining Information – Year Ended June 30, 2014

	OSU Physicians	Campus Partners	Transportation Research Center	Dental Faculty Practice Plan
Condensed statements of net position:				
Current assets	\$ 100,537	\$ 6,916	\$ 10,142	\$ 1,232
Capital assets, net	26,524	49,278	429	115
Other assets	3,114	1,184	-	-
Amounts receivable from the university	8,585	-	3,922	-
Deferred outflows	-	-	-	-
Total assets and deferred inflows	<u>\$ 138,760</u>	<u>\$ 57,378</u>	<u>\$ 14,493</u>	<u>\$ 1,347</u>
Current liabilities	\$ 17,120	\$ 1,933	\$ 4,095	\$ 75
Noncurrent liabilities	17,406	-	-	-
Amounts payable to the university	21,400	59,237	-	-
Deferred inflows	-	-	-	-
Total liabilities and deferred inflows	<u>55,926</u>	<u>61,170</u>	<u>4,095</u>	<u>75</u>
Net investment in capital assets	4,108	49,278	429	-
Restricted:				
Nonexpendable	-	-	-	-
Expendable	-	-	-	-
Unrestricted	<u>78,726</u>	<u>(53,070)</u>	<u>9,969</u>	<u>1,272</u>
Total net position	<u>82,834</u>	<u>(3,792)</u>	<u>10,398</u>	<u>1,272</u>
Total liabilities, deferred inflows and net position	<u>\$ 138,760</u>	<u>\$ 57,378</u>	<u>\$ 14,493</u>	<u>\$ 1,347</u>

Notes to Financial Statements – Years Ended June 30, 2015 and 2014
(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	\$ -	\$ 7,983	\$ 37,842	\$ -
Sales and services of OSU Physicians	356,503	-	-	-
Other sales, services and rental income	-	509	-	8,283
Other operating	-	-	-	-
Total operating revenues	356,503	8,492	37,842	8,283
Operating expenses, excluding depreciation	342,565	6,085	36,091	5,157
Depreciation expense	4,561	1,514	355	110
Total operating expenses	347,126	7,599	36,446	5,267
Net operating income (loss)	9,377	893	1,396	3,016
Non-operating revenues and expenses:				
Gifts for current use	-	-	-	-
Net investment income (loss)	47	-	135	-
Interest expense	(684)	-	(2)	-
Other non-operating revenue (expense)	2,626	-	-	-
Net non-operating revenue (expense)	1,989	-	133	-
Capital contributions and additions to permanent endowments	-	-	-	-
Transfers from (to) the university	(6,979)	8,445	23	(2,923)
Change in net position	4,387	9,338	1,552	93
Beginning net position	78,447	(13,130)	8,846	1,179
Ending net position	\$ 82,834	\$ (3,792)	\$ 10,398	\$ 1,272
Condensed statements of cash flows:				
Net cash provided (used) by:				
Operating activities	\$ 8,012	\$ 1,366	\$ 3,433	\$ 3,094
Noncapital financing activities	(4,124)	(2,756)	(365)	(2,923)
Capital and related financing activities	(2,858)	(1,343)	(485)	-
Investing activities	4,126	141	135	(97)
Net increase (decrease) in cash	5,156	(2,592)	2,718	74
Beginning cash and cash equivalents	46,285	5,265	706	239
Ending cash and cash equivalents	\$ 51,441	\$ 2,673	\$ 3,424	\$ 313

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(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 \$168,411 and \$163,347 for the years ended June 30, 2015 and 2014, 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, 2015 and 2014 is as follows:

Notes to Financial Statements – Years Ended June 30, 2015 and 2014

(dollars in thousands)

Segment Disclosure Information – Year Ended June 30, 2015

	2015	2014
Condensed Statement of Net Position		
Assets and deferred outflows:		
Current assets	\$ 23,979	\$ 24,141
Capital assets	617,306	451,921
Other assets	165,038	309,430
Amounts receivable from the university	-	-
Deferred outflows	-	-
Total assets and deferred inflows	<u>\$ 806,323</u>	<u>\$ 785,492</u>
Liabilities and deferred inflows:		
Current liabilities	\$ 5,734	\$ 5,805
Noncurrent liabilities	-	-
Amounts payable to the university	800,191	817,238
Deferred inflows	-	-
Total liabilities and deferred inflows	<u>805,925</u>	<u>823,043</u>
Net position:		
Net investment in capital assets	(17,847)	(55,886)
Restricted:		
Nonexpendable	-	-
Expendable	-	-
Unrestricted	18,245	18,335
Total net position	<u>398</u>	<u>(37,551)</u>
Total liabilities, deferred inflows and net position	<u>\$ 806,323</u>	<u>\$ 785,492</u>

	2015	2014
Condensed Statement of Revenues, Expenses and Changes in Net Position		
Special-purpose pledged revenues - operating	\$ 168,411	\$ 163,347
Operating expenses, excluding depreciation	(124,522)	(119,540)
Depreciation expense	(23,205)	(24,002)
Operating income	20,684	19,805
Nonoperating revenues, net	(26,956)	(17,687)
Net income (loss) before transfers	(6,272)	2,118
Transfers from (to) other university units, net	44,221	(193,423)
Increase (decrease) in net assets	37,949	(191,305)
Beginning net position	(37,551)	153,754
Ending net position	<u>\$ 398</u>	<u>\$ (37,551)</u>

Condensed Statement of Cash Flows		
Net cash provided (used) by:		
Operating activities	\$ 39,317	\$ 33,704
Noncapital financing activities	-	-
Capital and related financing activities	(183,948)	266,940
Investing activities	97	107
Net increase (decrease) in cash	(144,534)	300,751
Beginning cash and cash equivalents	332,512	31,761
Ending cash and cash equivalents	<u>\$ 187,978</u>	<u>\$ 332,512</u>

The Ohio State University
Required Supplementary Information on GASB 68 Pension Liabilities
Year Ended June 30, 2015

The schedule of the university's proportionate shares of STRS-Ohio and OPERS net pension liabilities are presented below:

<i>(dollars in thousands)</i>	2015	
	STRS-Ohio	OPERS
University's proportion of the net pension liability	4.4%	8.8%
University's proportionate share of the net pension liability	\$ 1,070,914	\$ 1,059,519
University's covered-employee payroll	\$ 381,669	\$ 1,188,828
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	281%	89%
Plan fiduciary net position as a percentage of the total pension liability	74.7%	86.5%

The schedule of the university's contributions to STRS-Ohio and OPERS are presented below:

<i>(dollars in thousands)</i>	2015	
	STRS-Ohio	OPERS
Contractually required contribution	\$ 65,738	\$ 170,979
Contributions in relation to the contractually required contribution	\$ 65,738	\$ 170,979
Contribution deficiency (excess)	\$ -	\$ -
University's covered-employee payroll	\$ 388,309	\$ 1,208,710
Contributions as a percentage of covered-employee payroll	16.9%	14.1%

The Ohio State University
Supplementary Information on the Long-Term Investment Pool
Year Ended June 30, 2015

The following section of the financial report provides additional information on the university's Long-Term Investment Pool, including a summary of changes in market value, investment returns and related expenses. Additional details on university investments, including asset allocations, endowment distribution policies, investment by type and risk disclosures, are provided in Notes 1 and 3 to the Financial Statements.

In 2015, the market value of the university's Long-Term Investment Pool – which includes gifted endowments, long-term investments of university operating funds and other funds internally designated to function as endowments – increased \$46 million, to \$3.66 billion at June 30, 2015. Long-Term Investment Pool activity for 2015 is summarized below:

Long-Term Investment Pool Activity (in thousands)					
	<u>Gifted Endowments</u>		<u>Quasi-Endowments</u>		<u>Total</u>
	<u>University</u>	<u>Foundation</u>	<u>Operating</u>	<u>Designated</u>	
Balance at June 30, 2014	\$ 1,057,810	\$ 710,961	\$ 1,158,595	\$ 686,500	\$ 3,613,866
Net Principal Additions (Withdrawals)	9,082	58,771	26,085	15,919	109,857
Change in Fair Value	21,773	15,727	23,943	14,402	75,845
Income Earned	22,452	15,664	24,536	14,679	77,331
Distributions	(41,258)	(28,705)	(45,106)	(27,103)	(142,172)
Expenses	(21,874)	(15,260)	(23,905)	(14,302)	(75,341)
Balance at June 30, 2015	<u>\$ 1,047,985</u>	<u>\$ 757,158</u>	<u>\$ 1,164,148</u>	<u>\$ 690,096</u>	<u>\$ 3,659,387</u>

Net principal additions (withdrawals) for gifted endowments include new endowment gifts and reinvestment of unused endowment distributions. **Change in fair value** includes realized gains and losses for assets sold during the year and unrealized gains and losses for assets held in the pool at June 30, 2015. **Income earned** includes interest and dividends and is used primarily to fund **distributions**. **Expenses** include investment management expenses (\$60 million), University Development related expenses (\$14 million) and other investment related expenses (\$1 million).

Investment Returns and Expenses:

The investment return for the Long-Term Investment Pool was 3.8% for fiscal year 2015. The annualized investment returns for the three-year and five-year periods were 9.9% and 9.1%, respectively. These returns -- which are net of investment management expenses as defined by Cambridge Associates for its annual survey -- are used for comparison purposes with other endowments and various benchmarks. In addition to the \$60 million of investment management expenses, which reduced the pool by 1.7% in fiscal year 2015, the \$14 million of University Development expenses and \$1 million of other investment related expenses further reduced the pool by 0.4%.

Additional Information:

For more information on how the Long-Term Investment Pool is invested, please visit the Office of Investments website at: investments.osu.edu.

Additional details on university and foundation endowments, including balances for individual funds, are available on the Office of the Controller's website at: controller.osu.edu/acc/endow-home.shtm (click on the "Endowment Descriptions and Balances" link).

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

CFDA Number	Federal Agency Sponsor	Federal Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
Department of Agriculture		
10.001	US Department of Agriculture	\$ 1,758
10.001	USDA Agricultural Res Service	1,090,624
10.001	USDA Forest Service	35,218
10.025	Animal & Plant Health Inspection Service	417,520
10.025	UG Animal & Plant Health Inspection Service	16,321
10.168	Agricultural Marketing Service	17,048
10.200	National Institute of Food & Agriculture	600,499
10.202	Cooperative Forestry Research	598,193
10.203	Pmts to Agricult Exp Station	7,850,492
10.206	Nat Res Init Competitive Grants Program	(144)
10.206	National Institute of Food & Agriculture	(1,792)
10.207	Animal Health & Disease Research	73,162
10.207	National Institute of Food & Agriculture	4,301
10.210	National Institute of Food & Agriculture	23,513
10.217	National Institute of Food & Agriculture	276,181
10.219	National Institute of Food & Agriculture	226,241
10.220	National Institute of Food & Agriculture	13,088
10.226	National Institute of Food & Agriculture	1,346
10.250	Economic Res Service	42,905
10.253	Economic Res Service	21,570
10.290	USDA Office of the Chief Economist	63,152
10.303	National Institute of Food & Agriculture	949,574
10.307	National Institute of Food & Agriculture	568,815
10.309	National Institute of Food & Agriculture	444,537
10.310	National Institute of Food & Agriculture	2,651,477
10.310	UG National Institute of Food & Agriculture	457
10.311	National Institute of Food & Agriculture	215,942
10.312	National Institute of Food & Agriculture	1,452,312
10.329	National Institute of Food & Agriculture	167,831
10.351	National Institute of Food & Agriculture	125,399
10.40020000	USDA Rural Development	172,115
10.445	USDA Forest Service	15,189
10.500	National Institute of Food & Agriculture	1,277,228
10.652	USDA Forest Service	20,933
10.680	USDA Forest Service	14,587
10.771	USDA Rural Development	65,677

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

CFDA Number	Federal Agency Sponsor	Federal Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
10.902	Natural Resources Conservation Service	126,401
10.903	Natural Resources Conservation Service	68,250
10.912	Natural Resources Conservation Service	349,880
10.960	USDA Foreign Ag Serv	49,230
10.960	UG USDA Foreign Ag Serv	17902.01
10.962	USDA Foreign Ag Serv	(128)
Total Department of Agriculture Direct Awards		20,124,806
Department of Commerce		
11.417	Nat Oceanic & Atmospheric Admin	791,043
11.417	UG Nat Oceanic & Atmospheric Admin	1,165,295
11.431	Nat Oceanic & Atmospheric Admin	17,901
Total Department of Commerce Direct Awards		1,974,239
Department of Defense		
12.300	Nav Postgraduate School	182,641
12.300	Office of Naval Res	1,554,858
12.300	Navy Research Lab	25,856
12.300	UG Office of Naval Res	52,568
12.351	Defense Threat Reduction Agency	1,030,408
12.351	UG Defense Threat Reduction Agency	532,450
12.420	Army Medical Res & Materiel Command	9,651
12.420	Army Medical Res Acquisition Activity	1,344,120
12.431	Army Res Office	2,149,024
12.431	Army Research, Development and Eng Cmd	422,328
12.50000100	Secretary of Defense Historical Office	43,189
12.50010126	Air Force Research Laboratory	1,694,275
12.50010201	Air Force Institute of Technology	1,971
12.50020100	Army Corps of Engineers	236,324
12.50020213	Army Natick Res, Dev & Eng Ctr	5,179
12.50020219	Army Research, Development and Eng Cmd	130,726
12.50041002	Naval Medical Res Center	1,955
12.50070001	US Special Operations Command	155,675
12.50080000	Nat Geospatial-Intelligence Agcy	200,000
12.50200000	Nat Reconnaissance Office	84,604

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

CFDA Number	Federal Agency Sponsor	Federal Expenditures
Research and Development Cluster — Funds received directly from the following agencies		
12.50220000	Defense Threat Reduction Agency	201,366
12.630	Army Engineer Research and Dev Center	106,023
12.630	Nat Geospatial-Intelligence Agcy	271,407
12.750	Uniformed Services Univ Health Sci's	53,909
12.800	Air Force Academy	859,226
12.800	Air Force Office of Scientific Res	6,764,179
12.800	Air Force Research Laboratory	1,797,169
12.800	UG Air Force Office of Scientific Res	50,497
12.800	UG Air Force Research Laboratory	18,547
12.901	Nat Security Agency	1,187
12.902	Nat Security Agency	39,687
12.910	Space & Naval Warfare Systems Ctr	12,628
Total Department of Defense Direct Awards		20,033,626
Department of Housing and Urban Development		
14.506	Dept of Housing & Urban Dev	90,615
Total Department of Housing and Urban Development Direct Awards		90,615
Department of the Interior		
15.232	Bureau of Land Management	166,974
15.232	UG Bureau of Land Management	135,235
15.657	US Fish and Wildlife Service	69,720
15.805	UG US Geological Survey	89,713
15.808	US Geological Survey	12,723
Total Department of the Interior Direct Awards		474,365
Department of Justice		
16.560	National Institute of Justice	4,891
Total Department of Justice		4,891
Department of Labor		
17.76050000	Bureau of Labor Statistics	417,460

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

CFDA Number	Federal Agency Sponsor	Federal Expenditures
Research and Development Cluster — Funds received directly from the following agencies		
Total Department of Labor		417,460
Department of State		
19.408	Bureau of Educ & Cultural Affairs	1,397,988
Total Department of State		1,397,988
Department of Transportation		
20.108	Federal Aviation Administration	330,264
20.109	Federal Aviation Administration	437,528
20.701	US Department of Transportation	1,197,261
20.82030000	Federal Aviation Administration	2,639
20.82040000	Nat Highway Traffic Safety Admin	620,217
Total Department of Transportation Direct Awards		2,587,909
National Aeronautics and Space Administration		
43.001	Goddard Space Flight Center	687,537
43.001	NASA Headquarters	780,630
43.001	Nat Aeronautics & Space Admin	885,893
43.001	UG Nat Aeronautics & Space Admin	657,109
43.001	UG NASA Headquarters	428,661
43.002	Goddard Space Flight Center	(141)
43.002	NASA Headquarters	103,371
43.002	Nat Aeronautics & Space Admin	40,812
43.002	UG NASA Headquarters	214,613
43.008	Nat Aeronautics & Space Admin	67,302
43.008	UG Nat Aeronautics & Space Admin	202,266
43.008	UG NASA Headquarters	192,924
43.009	Nat Aeronautics & Space Admin	85,819
43.33000000	Nat Aeronautics & Space Admin	56,362
43.33000303	Jet Propulsion Lab	9,025
43.AAA	Nat Aeronautics & Space Admin	93,661
Total National Aeronautics and Space Administration Direct Awards		4,505,845
National Endowment for the Humanities		

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

CFDA Number	Federal Agency Sponsor	Federal Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
45.149	National Endowment For The Humanities	54,165
45.161	National Endowment For The Humanities	18,563
45.169	UG National Endowment For The Humanities	8,309
45.301	Institute Of Museum And Library Services	35,741
Total National Endowment for the Humanities Direct Awards		116,778
National Science Foundation		
47.040	UG NSF Div Computing & Communication Fdn	5,200
47.041	NSF Div Chem, Bioeng, Environ, & Trnsp S	1,955,566
47.041	NSF Div Civil, Mechanical & Maufact Innv	2,146,452
47.041	NSF DIV Elect, Comm, & CyberSystems	1,408,725
47.041	NSF Div Engineering Education&Centers	11,400
47.041	NSF Industrial Innovation & Partnerships	252,723
47.041	UG NSF Div Chem, Bioeng, Environ, & Trnsp S	160,234
47.041	UG NSF Div Civil, Mechanical & Maufact Innv	319,410
47.041	UG NSF Industrial Innovation & Partnerships	562,146
47.041	NSF Div Engineering Education & Centers	1,664,537
47.041	UG NSF Div Info and Intelligent Systems	70,215
47.041	UG NSF DIV Elect, Comm, & CyberSystems	95,825
47.041	UG NSF Div Emerging Frontiers	239,584
47.049	NSF Div Astronomical Sciences	830,326
47.049	NSF Div Chemistry	1,693,573
47.049	NSF Div Civil, Mechanical & Maufact Innv	162,525
47.049	NSF Div Materials Research	3,364,754
47.049	NSF Div Mathematical Sciences	4,863,170
47.049	NSF Div Physics	677,624
47.049	UG NSF Div Mathematical Sciences	650,316
47.049	UG NSF Div Materials Research	848,514
47.049	UG NSF Div Chemistry	151,911
47.049	UG NSF Div Astronomical Sciences	423,992
47.049	NSF Div Design & Manufacturing Innovation	115,971
47.049	UG NSF Div Physics	1,189,690
47.049	UG NSF DIV Elect, Comm, & CyberSystems	160,807
47.050	NSF Div Atmospheric Sciences	183,113
47.050	NSF Div Earth Sciences	490,968
47.050	NSF Div Mathematical Sciences	3,788

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

CFDA Number	Federal Agency Sponsor	Federal Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
47.050	NSF Div Ocean Sciences	269,294
47.050	NSF Div Polar Programs	992,159
47.050	NSF Geosciences	249,453
47.050	UG NSF Div Earth Sciences	159,443
47.050	UG NSF Div Ocean Sciences	46,249
47.050	UG NSF Div Atmospheric Sciences	1,544.29
47.070	NSF Computer & Info Sciences & Eng	173,234
47.070	NSF Div Computing & Communication Fdn	2,061,874
47.070	NSF DIV Elect, Comm, & CyberSystems	59,759
47.070	NSF Div of Computer & Network Systems	1,705,605
47.070	NSF Office of Cyberinfrastructure	21,260.16
47.070	UG NSF Div Computing & Communication Fdn	204,661
47.070	NSF Div Advanced Cyberinfrastructure	147,871
47.070	NSF Div Info and Intelligent Systems	2,066,366
47.070	UG NSF Div Info and Intelligent Systems	62,462
47.070	UG NSF Div of Computer & Network Systems	308,208
47.074	NSF Biological Infrastructure	702,417
47.074	NSF Biological Sciences	36,241
47.074	NSF Div Bioengineering & Environmental	20,727
47.074	NSF Div Emerging Frontiers	217,783
47.074	NSF Div Ocean Sciences	(530)
47.074	NSF Environmental Biology	750,303
47.074	NSF Integrative Organismal Biology	736,400
47.074	NSF Molecular & Cellular Biosciences	1,489,552
47.074	UG NSF Biological Sciences	73,551
47.074	UG NSF Integrative Organismal Biology	1,014,004
47.074	UG NSF Molecular & Cellular Biosciences	580,682
47.074	UG NSF Environmental Biology	774,845
47.074	UG NSF Biological Infrastructure	600,795
47.075	Nat Science Foundation	52,313
47.075	NSF Behavioral & Cognitive Sciences	605,254
47.075	NSF Social & Economic Sciences	669,458
47.075	NSF Social, Behavioral & Economic Res	1,658,386
47.075	NSF Social, Behavioral & Economic Sci	64,547
47.075	UG NSF Behavioral & Cognitive Sciences	66,682
47.075	UG NSF Social & Economic Sciences	70,037
47.076	NSF Div Graduate Educ & Res Development	67,564

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

CFDA Number	Federal Agency Sponsor	Federal Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
47.076	NSF Div Human Resource Development	483,094
47.076	NSF Div Undergraduate Education	514,934
47.076	NSF Education & Human Resources	667,791
47.076	UG NSF Div Graduate Educ & Res Development	1,230,302
47.076	UG NSF Div Human Resource Development	442,326
47.078	NSF Div Polar Programs	756,646
47.079	NSF Ofc of International Science & Eng	431,689
47.079	NSF Office of Integrative Activities	39,264
47.080	NSF Office of Cyberinfrastructure	801,586
47.082	ARRA NSF Molecular & Cellular Biosciences	31,345
47.082	ARRA NSF Social, Behavioral & Economic Res	56,855
47.082	NSF Integrative Organismal Biology	1,869
47.35000200	NSF Computer & Info Sciences & Eng	95,307
47.35002000	NSF Office of Integrative Activities	41,746
Total National Science Foundation Direct Awards		49,078,266
Veterans Affairs		
64.30170000	Veterans Affairs	23,139
Total Veterans Affairs Direct Awards		23,139
Environmental Protection Agency		
66.32000000	Environmental Protection Agency	165,048
66.509	Environmental Protection Agency	242,719
Total Environmental Protection Agency Direct Awards		407,767
Nuclear Regulatory Commission		
77.006	Nuclear Regulatory Commission	53,864
77.008	Nuclear Regulatory Commission	274,865
Total Nuclear Regulatory Commission Direct Awards		328,729
Department of Energy		
81.049	US Department of Energy	4,789,415
81.049	UG US Department of Energy	2,133,214

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CFDA Number	Federal Agency Sponsor	Federal Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
81.057	Nat Energy Tech Lab	72,341
81.086	Nat Energy Tech Lab	554,309
81.087	US Department of Energy	319,167
81.089	Nat Energy Tech Lab	1,674,722
81.089	US Department of Energy	87,077
81.112	Nat Nuclear Security Admin	148,681
81.117	Nat Energy Tech Lab	169,920
81.121	US Department of Energy	1,958,547
81.135	Advanced Res Projects Agency-Energy	534,950
81.135	ARRA Advanced Res Projects Agency-Energy	(439,279)
81.55000000	US Department of Energy	232,714
81.55000000	UG US Department of Energy	2,305
81.55080000	Lawrence Berkeley National Laboratory	11,089
81.55100000	Lawrence Livermore National Laboratory	16,587
81.55130000	Nat Energy Tech Lab	14,128
81.55180000	Fermi National Accelerator Laboratory	71,655
Total Department of Energy Direct Awards		12,351,540
Department of Education		
84.015	US Department of Education	645,434
84.133	Nat Inst Disability & Rehabilitation Res	473,208
84.200	US Department of Education	64,425
84.220	Ofc of Postsecondary Education	39,729
84.220	US Department of Education	58,781
84.224	Nat Inst Disability & Rehabilitation Res	(3)
84.224	US Department of Education	298,292
84.229	US Department of Education	164,589
84.305	Institute of Education Sciences	5,508,612
84.305	UG US Department of Education	476,552
84.305	UG Institute of Education Sciences	622,851
84.324	Institute of Education Sciences	372,332
84.324	US Department of Education	116,875
84.324	UG Institute of Education Sciences	1,074,294
84.325	Office of Special Education Programs	231,215
84.325	US Department of Education	129,020
84.327	US Department of Education	(362)

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FOR THE YEAR ENDED JUNE 30, 2015

CFDA Number	Federal Agency Sponsor	Federal Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
84.350	US Department of Education	2,567,452
84.396	ARRA US Department of Education	11,983,404
84.407	US Department of Education	485,629
84.411	US Department of Education	9,235
Total Department of Education Direct Awards		25,321,563
Department of Health and Human Services		
93.077	National Cancer Institute	4,823,274
93.103	Food and Drug Administration	209,309
93.110	Health Resources & Services Admin	789,436
93.110	UG Health Resources & Services Admin	19,442
93.113	Nat Inst of Environ Health Scis	1,183,654
93.113	UG Nat Inst of Environ Health Scis	1,157,713
93.121	Nat Inst of Dental & Craniofacial Res	294,158
93.121	UG Nat Inst of Dental & Craniofacial Res	2,166,942
93.135	Centers for Disease Control & Prevention	74,549
93.172	National Human Genome Research Institute	136,159
93.173	Nat In Deafness & Other Commnctn Disorders	1,224,538
93.173	UG Nat In Deafness & Other Commnctn Disorders	522,684
93.184	Centers for Disease Control & Prevention	273,438
93.213	Nat Ctr Complementary & Integrative Hlth	399,268
93.213	UG Nat Ctr Complementary & Integrative Hlth	339,663
93.226	Agency for Healthcare Res & Quality	249,784
93.233	National Heart, Lung, and Blood Inst	(32,914)
93.242	National Institute of Mental Health	1,848,182
93.242	UG National Institute of Mental Health	1,419,519
93.247	UG Health Resources & Services Admin	221,097
93.262	Centers for Disease Control & Prevention	15,299
93.262	Nat Inst Occupational Safety & Health	130,543
93.262	UG Centers for Disease Control & Prevention	333,687
93.267	UG Health Resources & Services Admin	146,756
93.273	Nat Inst on Alcohol Abuse & Alcoholism	105,735
93.279	National Institute on Drug Abuse	651,423
93.279	UG National Institute on Drug Abuse	1,223,141
93.282	National Institute of Mental Health	9,838
93.286	UG Nat In Biomedical Imaging & Bioengineering	324,443

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FOR THE YEAR ENDED JUNE 30, 2015

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	928,173
93.307	UG Nat Ctr Minority Hlth & Hlth Disparities	42,349
93.310	Nat Ctr for Advancing Translational Scis	507,484
93.350	Nat Ctr for Advancing Translational Scis	29
93.350	UG Nat Inst Gen Medical Scis	189,994
93.350	UG Nat Ctr for Advancing Translational Scis	5,961,145
93.351	National Institutes of Health	572,543
93.351	UG Nat Inst of Health, Ofc of the Director	700,616
93.351	Nat Inst of Health, Ofc of the Director	2,040,797
93.359	Health Resources & Services Admin	594,994
93.361	National Institute of Nursing Research	96,116
93.361	UG National Institute of Nursing Research	1,206,513
93.389	Nat Inst Gen Medical Scis	91,430
93.389	Nat Center for Research Resources	(3,097)
93.393	National Cancer Institute	3,652,424
93.393	UG National Cancer Institute	5,877,318
93.394	National Cancer Institute	677,233
93.394	UG National Cancer Institute	2,062,365
93.395	National Cancer Institute	4,296,030
93.395	UG National Cancer Institute	7,741,953
93.396	National Cancer Institute	2,484,372
93.396	UG National Cancer Institute	6,734,445
93.397	National Cancer Institute	7,499,002
93.398	National Cancer Institute	979,189
93.398	UG National Cancer Institute	1,836,364
93.399	National Cancer Institute	1,282,817
93.510	Health Resources & Services Admin	899,843
93.542	Centers for Disease Control & Prevention	5,839
93.60000000	US Department of Health & Human Services	145,641
93.632	Admin Developmental Disabilities	498,047
93.64000002	National Cancer Institute	785,940
93.64000002	ARRA National Cancer Institute	48,749
93.64000003	National Heart, Lung, and Blood Inst	1,931,367
93.64000007	Nat Inst Gen Medical Scis	30
93.64000008	Nat Inst Neurological Disorders & Stroke	131,962
96.60000000	Centers for Disease Control & Prevention	64,724
93.66000001	Nat Inst Occupational Safety & Health	1,227

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FOR THE YEAR ENDED JUNE 30, 2015

CFDA Number	Federal Agency Sponsor	Federal Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
93.701	ARRA National Cancer Institute	(1,647)
93.837	National Heart, Lung, and Blood Inst	2,757,143
93.837	UG National Heart, Lung, and Blood Inst	4,918,230
93.838	National Heart, Lung, and Blood Inst	905,341
93.838	UG National Heart, Lung, and Blood Inst	1,418,372
93.839	National Heart, Lung, and Blood Inst	504,114
93.846	Nat In Arthritis & Muscoskeletal & Skin Ds	2,143,694
93.846	UG Nat In Arthritis & Muscoskeletal & Skin Ds	1,631,749
93.847	Nat In Diabetes & Digestive & Kidney Diseases	1,709,501
93.847	UG Nat In Diabetes & Digestive & Kidney Diseases	1,015,989
93.853	Nat Inst Neurological Disorders & Stroke	5,801,155
93.853	UG Nat Inst Neurological Disorders & Stroke	3,253,798
93.855	Nat Inst of Allergy & Infectious Diseases	4,690,122
93.855	UG Nat Inst of Allergy & Infectious Diseases	3,730,349
93.859	Nat Inst Gen Medical Scis	5,615,149
93.859	UG Nat Inst Gen Medical Scis	4,836,070
93.865	Nat Inst Child Health & Human Development	3,405,486
93.865	UG Nat Inst Child Health & Human Development	2,067,090
93.866	National Institute on Aging	447,663
93.866	UG National Institute on Aging	1,375,857
93.867	National Eye Institute	2,213,121
93.867	UG National Eye Institute	1,800,278
93.875	Nat Inst Neurological Disorders & Stroke	43
93.879	National Library of Medicine	374,504
93.879	UG National Library of Medicine	226,075
93.884	Health Resources & Services Admin	326,961
93.884	UG Health Resources & Services Admin	(27,657)
93.989	John E Fogarty International Center	101,731
93.999	Nat Inst Child Health & Human Development	(1,228)
Total Department of Health and Human Services Direct Awards		140,065,783
Agency for International Development		
98.001	Agency for Intl Dev	6,750,282
Total Agency for International Development Direct Awards		6,750,282

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FOR THE YEAR ENDED JUNE 30, 2015

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	USDA Agricultural Res Service	Biotechnology Res & Dev Corp	10011994 \$	60,332
10.001	USDA Agricultural Res Service	Univ of Illinois	22000009	17,715
10.001	USDA Agricultural Res Service	Univ of Arkansas	22000239	3,026
10.001	Intl Plant Nutrition Institute	USDA Agricultural Res Service	40040200	14,014
10.001	United Soybean Board	USDA Agricultural Res Service	40040200	36,889
10.170	Agricultural Marketing Service	Ohio Department of Agriculture	26390000	228,431
10.170	US Department of Agriculture	Ohio Department of Agriculture	26390000	96,539
10.200	National Institute of Food & Agriculture	Iowa State Univ	22000047	29,884
10.200	National Institute of Food & Agriculture	Michigan State Univ	22000044	96,347
10.200	National Institute of Food & Agriculture	Purdue Univ	22000002	9,850
10.200	National Institute of Food & Agriculture	Univ of Maine at Orono	22000048	11,233
10.200	National Institute of Food & Agriculture	Univ of Toledo	22000277	(426)
10.200	US Department of Agriculture	Ctr for Innovative Food Technology	20022201	19,449
10.215	National Institute of Food & Agriculture	Iowa State Univ	22000047	65,793
10.215	National Institute of Food & Agriculture	Univ of Minnesota	22000067	71,397
10.217	National Institute of Food & Agriculture	Cornell University	22000081	24,882
10.217	National Institute of Food & Agriculture	Texas A & M Univ	22000053	7,663
10.217	National Institute of Food & Agriculture	West Virginia Univ	22000032	13,850
10.303	National Institute of Food & Agriculture	Michigan State Univ	22000044	51,093
10.303	National Institute of Food & Agriculture	Univ of Wisconsin	22000006	3,165
10.304	National Institute of Food & Agriculture	Michigan State Univ	22000044	30,481
10.307	National Institute of Food & Agriculture	Rutgers Univ	22000003	33,334
10.309	National Institute of Food & Agriculture	Iowa State Univ	22000047	179,254
10.309	National Institute of Food & Agriculture	North Carolina State Univ	22000136	136,990
10.309	National Institute of Food & Agriculture	Univ of Maryland	22000120	118,271
10.309	National Institute of Food & Agriculture	USDA Agricultural Res Service	40040200	62,108
10.309	National Institute of Food & Agriculture	Virginia Polytechnic Inst	22000023	99,440
10.310	National Institute of Food & Agriculture	Cornell University	22000081	85,822
10.310	National Institute of Food & Agriculture	Iowa State Univ	22000047	723,732
10.310	National Institute of Food & Agriculture	Kansas State Univ	22000062	385,720
10.310	National Institute of Food & Agriculture	Michigan State Univ	22000044	54,701
10.310	National Institute of Food & Agriculture	North Carolina State Univ	22000136	288,997
10.310	National Institute of Food & Agriculture	Pennsylvania State Univ	22000030	40,924
10.310	National Institute of Food & Agriculture	South Dakota State University	22000262	79,388
10.310	National Institute of Food & Agriculture	Texas A & M Univ	22000053	88,953
10.310	National Institute of Food & Agriculture	Univ at Buffalo	22000240	67,908

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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:				
10.310	National Institute of Food & Agriculture	Univ of California - Davis	22000013	372,399
10.310	National Institute of Food & Agriculture	Univ of Delaware	22000138	290,656
10.310	National Institute of Food & Agriculture	Univ of Houston	22000092	24,427
10.310	National Institute of Food & Agriculture	Univ of Kentucky	22000143	12,628
10.310	National Institute of Food & Agriculture	Univ of Nebraska	22000085	9,241
10.310	UG National Institute of Food	UG Iowa State Univ	22000047	167,874
10.310	UG National Institute of Food	UG Cornell University	22000081	27,465
10.320	National Institute of Food & Agriculture	Univ of Hawaii	22000265	1,480
10.40000000	US Department of Agriculture	Univ of Tennessee	22000010	3,625
10.40040100	National Institute of Food & Agriculture	North Carolina State Univ	22000136	(366)
10.40220000	USDA Farm Service Agency	Univ of Wisconsin	22000006	25,000
10.500	Navy	National Institute of Food & Agriculture	40040100	438,756
10.902	Natural Resources Conservation Service	South Dakota State University	22000262	7,207
10.912	Natural Resources Conservation Service	Quasar Energy Group	10020235	14,498
Total Department of Agriculture Pass-Through Awards				4,732,039
Department of Commerce				
11.419	Nat Oceanic & Atmospheric Admin	OH Dept of Natural Resources	26110000	1,667
11.420	Nat Oceanic & Atmospheric Admin	The Nature Conservancy	20020999	(235)
11.42020400	Nat Geodetic Survey	Gustin, Cothorn, and Tucker, Inc	10013447	79,901
11.42040000	Nat Inst of Standards & Tech	Greystone Health IT Diversity Solutions	10013467	25,000
11.42040000	ARRA Nat Inst of Standards & Tech	ARRA Wiklund Research & Design	10013399	42,560
11.431	Nat Oceanic & Atmospheric Admin	Univ of Michigan	22000005	11,706
11.432	Nat Oceanic & Atmospheric Admin	Univ of Illinois	22000009	92
11.463	Nat Oceanic & Atmospheric Admin	The Nature Conservancy	20020999	25,765
11.611	US Department of Commerce	Appalachian Partnership Economic Growth	20022111	(8,267)
11.620	Nat Inst of Standards & Tech	Edison Welding Inst Inc	10011218	5,415
Total Department of Commerce Pass-Through Awards				183,605
Department of Defense				
12.114	Missile Defense Agency	San Diego Composites, Inc.	10013538	18,876
12.300	Office of Naval Res	Carnegie-Mellon Univ	22000051	(1,524)
12.300	Office of Naval Res	Cornell University	22000081	(2,871)
12.300	Office of Naval Res	Univ of California - Santa Barbara	22000315	365,870
12.300	Office of Naval Res	Univ of Notre Dame	22000140	665,369

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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:				
12.351	Defense Threat Reduction Agency	Univ of California - Santa Barbara	22000315	104,712
12.351	Defense Threat Reduction Agency	Univ of Nebraska	22000085	131,732
12.420	Army Medical Res & Materiel Command	BioPhyZica, Inc	10013257	164,879
12.420	Army Medical Res & Materiel Command	Tulane University	22000372	37,114
12.420	Army Medical Res & Materiel Command	Virginia Polytechnic Inst	22000023	(32)
12.420	Army Medical Res Acquisition Activity	Henry M Jackson Fdn	20010473	192,885
12.420	Army Medical Res Acquisition Activity	Mount Sinai Sch of Medicine	22010031	27,667
12.420	Army Medical Res Acquisition Activity	Purdue Univ	22000002	7,723
12.420	Army Medical Res Acquisition Activity	Univ of Pittsburgh	22000036	22
12.420	Army Medical Res Acquisition Activity	Wake Forest Univ	22000286	172,670
12.420	Army Medical Res Acquisition Activity	Am Burn Association	20022044	1,000
12.420	Army Medical Res Acquisition Activity	Henry M Jackson Fdn for the Advn Mil Med	20012161	60,193
12.420	National Institutes of Health	Army Medical Res Acquisition Activity	50022700	272,891
12.420	US Department of Defense	Army Medical Res Acquisition Activity	50022700	548,167
12.420	US Department of Defense	Research Institute at Nationwide Childrn	20010182	46,696
12.420	US Department of Defense	Univ of Florida	22000108	16,581
12.431	Army Res Office	Univ of Chicago	22000018	29,706
12.431	Army Research, Development and Eng Cmd	Cornell University	22000081	97,368
12.431	Army Research, Development and Eng Cmd	Virginia Polytechnic Inst	22000023	42,881
12.431	Defense Advanced Res Projects Agency	Rice University	22000231	120,163
12.431	US Department of Defense	Univ of Michigan	22000005	143,995
12.431	UG Army Res Office	UG Univ of California - Los Angeles	22000269	10,627
12.50000000	US Department of Defense	Battelle Memorial Inst	20020012	70,145
12.50000000	US Department of Defense	High Performance Technologies Inc	10012364	128,677
12.50000000	US Department of Defense	Northrop Grumman Corp	10011657	92,923
12.50000000	US Department of Defense	Universal Tech Corp	10011471	(169)
12.50010000	Air Force	BerrieHill Research Corp	10020202	17,807
12.50010000	Air Force	EDActive Computing, Inc	10020211	47,031
12.50010000	Air Force	Etegent Technologies, Ltd.	10020293	37,930
12.50010000	Air Force	Hyper Tech Res Inc	10020102	40,230
12.50010000	Air Force	Infoscitex Corporation	10011833	2,365
12.50010000	Air Force	Massachusetts Inst Tech - Lincoln Lab	22000228	58,968
12.50010000	Air Force	PaneraTech Inc.	10013192	161,615
12.50010000	Air Force	UES Inc	10020049	150,137
12.50010000	Air Force	Universal Tech Corp	10011471	88,513
12.50010000	Air Force	Defense Engineering Corporation	10020364	100,267
12.50010100	Air Force Material Command	Battelle Memorial Inst	20020012	46,023

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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:				
12.50010100	Air Force Material Command	UES Inc	10020049	(872)
12.50010100	Air Force Material Command	Univ of North Texas	22000124	120,456
12.50010100	Air Force Material Command	Aptima, Inc.	10013496	45,416
12.50010105	Air Force Office of Scientific Res	RNET Technologies	10012505	194,593
12.50010126	Air Force Research Laboratory	GE Aviation Systems, LLC	10030085	59,110
12.50010126	Air Force Research Laboratory	Honeywell International Inc	10011512	95,215
12.50010126	Air Force Research Laboratory	Innovative Scientific Solutions Inc	10020096	82,760
12.50010126	Air Force Research Laboratory	Massachusetts Inst Tech - Lincoln Lab	22000228	16,710
12.50010126	Air Force Research Laboratory	Metron, Inc.	10013243	256,365
12.50010126	Air Force Research Laboratory	Michigan State Univ	22000044	(31,912)
12.50010126	Air Force Research Laboratory	PaneraTech Inc.	10013192	86,456
12.50010126	Air Force Research Laboratory	RNET Technologies	10012505	90,108
12.50010126	Air Force Research Laboratory	Rockwell Collins, Inc	10012888	149,395
12.50010126	Air Force Research Laboratory	Syntonics LLC	10012399	118,156
12.50010126	Air Force Research Laboratory	Tennessee State Univ	22000397	(374)
12.50010126	Air Force Research Laboratory	UES Inc	10020049	11,135
12.50010126	Air Force Research Laboratory	Univ of Toledo	22000277	32,349
12.50010126	Air Force Research Laboratory	Universal Tech Corp	10011471	124,823
12.50010126	Air Force Research Laboratory	XCOM Wireless, Inc.	10013301	176,181
12.50010126	Air Force Research Laboratory	Defense Engineering Corporation	10020364	78,236
12.50010126	Air Force Research Laboratory	Technology Service Corporation	10012408	19,708
12.50010126	Air Force Research Laboratory	L-3 Communications	10013079	48,580
12.50010126	Air Force Research Laboratory	Voss Scientific, LLC	10013299	81,037
12.50010126	Air Force Research Laboratory	Leidos, Inc	10013531	71,396
12.50010126	Air Force Research Laboratory	TallannQuest	10013547	18,397
12.50010126	Air Force Research Laboratory	Vector Electromagnetics	10020360	36,698
12.50010126	Air Force Research Laboratory	Wright State Applied Research Corp	20022222	62,706
12.50010126	Air Force Research Laboratory	Wyle Laboratories	10012528	35,570
12.50010126	Air Force Research Laboratory	SolAero Technologies, Corp.	10013592	58,657
12.50020000	Army	Georgia Inst of Tech	22000189	68,501
12.50020000	Army	Asymmetric Technologies, LLC	10020310	31,572
12.50020000	Army	US Technology Corporation	10020378	9,159
12.50020218	Army Aviation Applied Tech Directorate	Vertical Lift Consortium	20020103	73,204
12.50020220	Army Contracting Command	Nat Energetics	10013450	627,894
12.50020400	Army Res Office	Honeywell International Inc	10011512	(25,739)
12.50021500	Missile Defense Agency	Amtec Corporation	10013144	2,211
12.50021500	Missile Defense Agency	Applied Quantum Technologies	10013222	(1,022)

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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:				
12.50021500	Missile Defense Agency	Charles River Analytics Inc.	10011429	92,207
12.50021500	Missile Defense Agency	Virtual EM	10013124	79,744
12.50040000	Navy	Applied EM, Inc	10012411	27,530
12.50040000	Navy	Johns Hopkins Univ	22000133	837,043
12.50040000	Navy	Novateur Research Solutions	10013371	(29)
12.50040000	Navy	PaneraTech Inc.	10013192	97,535
12.50040000	Navy	Scientific Systems Company, Inc.	10012390	105,562
12.50040000	Navy	Sentient Corporation	10013230	13,789
12.50040000	Navy	Wang Electro-Opto Corporation	10012847	53,007
12.50040300	Office of Naval Res	Charles River Analytics Inc.	10011429	133,162
12.50040300	Office of Naval Res	DJW Technology, LLC	10020182	54,106
12.50040300	Office of Naval Res	Univ of Michigan	22000005	(572)
12.50040300	Office of Naval Res	Am Lightweight Materials Innovation Inst	20022269	258,233
12.50040300	UG Office of Naval Res	UG Univ of Michigan	22000005	601,007
12.50040800	Marine Corps	Syntonics LLC	10012399	(4,651)
12.50041004	Naval Health Research Center	Strategic Analysis, Inc.	10013512	25,115
12.50041600	Naval Air Warfare Ctr Aircraft Div	Applied EM, Inc	10012411	39,300
12.50041600	Naval Air Warfare Ctr Aircraft Div	Intelligent Automation, Inc	10012597	5,000
12.50060000	Defense Advanced Res Projects Agency	Boeing Co, The	10010013	139,063
12.50060000	Defense Advanced Res Projects Agency	Northrop Grumman Corp	10011657	322,465
12.50060000	Defense Advanced Res Projects Agency	Systems & Technology Research	10013305	64,799
12.50060000	Defense Advanced Res Projects Agency	Teledyne Scientific & Imaging, LLC	10013456	132,804
12.50060000	Defense Advanced Res Projects Agency	Univ of Illinois	22000009	12,956
12.50060000	Defense Advanced Res Projects Agency	Univ of Maryland, Baltimore County	22000393	304,442
12.50060000	Defense Advanced Res Projects Agency	Univ of Southern California	22000206	(5,346)
12.50130000	Defense Logistics Agency	Advanced Technology International	10012322	67,120
12.50200000	Nat Reconnaissance Office	Lockheed Martin Corp	10010042	32,057
12.50220000	Defense Threat Reduction Agency	MRIGlobal	20022139	491
12.50220000	Defense Threat Reduction Agency	Leidos, Inc	10013531	260,359
12.630	Air Force Research Laboratory	Dayton Area Graduate Studies Inst	20021372	61,523
12.630	Air Force Research Laboratory	Univ of Dayton	22000008	82,988
12.800	Air Force	Research Institute at Nationwide Childrn	20010182	125,224
12.800	Air Force	Univ of California - Santa Barbara	22000315	13,837
12.800	Air Force Office of Scientific Res	Georgia Inst of Tech	22000189	25,000
12.800	Air Force Office of Scientific Res	Indiana Univ	22000012	47,048
12.800	Air Force Office of Scientific Res	Univ of Michigan	22000005	86,641
12.800	Air Force Office of Scientific Res	Univ of New Mexico	22000056	203,436

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FOR THE YEAR ENDED JUNE 30, 2015

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	Florida State Univ	22000070	88,203
12.800	Air Force Office of Scientific Res	Univ of Central Florida	22010046	100,903
12.800	Air Force Research Laboratory	Dayton Area Graduate Studies Inst	20021372	31,370
12.800	Air Force Research Laboratory	Univ of Virginia	22000203	53,064
12.910	Defense Advanced Res Projects Agency	Univ of Illinois	22000009	170,797
Total Department of Defense Pass-Through Awards				12,078,986
Department of the Interior				
15.608	US Fish and Wildlife Service	Columbus Zoo	24000299	1,849
15.622	US Fish and Wildlife Service	OH Division of Wildlife	26110100	(37)
15.634	US Fish and Wildlife Service	OH Division of Wildlife	26110100	746,094
15.657	US Fish and Wildlife Service	OH Division of Wildlife	26110100	15,942
15.662	US Fish and Wildlife Service	Northern Illinois Univ	22000333	55,681
15.662	US Fish and Wildlife Service	The Nature Conservancy	20020999	31,454
15.808	US Geological Survey	Southern Illinois Univ	22000055	23,771
Total Department of the Interior Pass-Through Awards				874,753
Department of Labor				
17.261	US Department of Labor	OH Dept of Job & Family Services	26630000	336,885
17.283	US Department of Labor	OH Dept of Job & Family Services	26630000	51,148
17.283	US Department of Labor	Wargo-Brock Workforce Dimensions LLC	10020314	70,492
17.76000000	US Department of Labor	Mathematica Policy Research	10011423	1,644
17.76050000	Bureau of Labor Statistics	Nat Opinion Res Ctr	20020932	3,216,245
Total Department of Labor Pass-Through Awards				3,676,413
Department of State				
19.021	US Department of State	Institute of International Education	20021662	4,870
19.401	US Department of State	Institute of International Education	20021662	87,147
Total Department of State Pass-Through Awards				92,017
Department of Transportation				
20.10900000	Federal Aviation Administration	Mississippi State Univ	22000196	1,375
20.701	US Department of Transportation	Purdue Univ	22000002	340,291

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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:				
20.761	US Department of Transportation	Iowa State Univ	22000047	45,685
20.800	US Department of Transportation	Ctr Transportation and the Environment	20022049	9,189
20.82010000	US Department of Transportation	Battelle Memorial Inst	20020012	76,687
20.82030000	Federal Aviation Administration	Honeywell International Inc	10011512	2,726
20.82040000	Nat Highway Traffic Safety Admin	Leidos, Inc	10013531	72,102
20.82040000	Nat Highway Traffic Safety Admin	Indiana Univ-Purdue Univ Indianapolis	22010034	2,275
20.931	US Department of Transportation	Univ of Massachusetts - Lowell	22000377	45,348
Total Department of Transportation Pass-Through Awards				595,678
Department of the Treasury				
21.84000000	Dept of Treasury	Patient-Centered Outcomes Res Inst	20012278	67,478
Total Department of the Treasury Pass-Through Awards				67,478
National Aeronautics and Space Administration				
43.001	NASA Headquarters	Smithsonian Astrophysical Observatory	30060200	46,259
43.001	Nat Aeronautics & Space Admin	Univ of Houston	22000092	65,143
43.001	Nat Aeronautics & Space Admin	Univ of Washington	22000212	278,685
43.001	Marshall Space Flight Center	Smithsonian Astrophysical Observatory	30060200	21,806
43.002	UG NASA Headquarter	UG Univ of Illinois	22000009	12,738
43.008	Nat Aeronautics & Space Admin	Ohio Aerospace Inst	20021048	17,806
43.009	Nat Aeronautics & Space Admin	Univ of Michigan	22000005	11,704
43.33000000	Nat Aeronautics & Space Admin	Innovative Scientific Solutions Inc	10020096	741
43.33000000	Nat Aeronautics & Space Admin	Jet Propulsion Lab	33000303	91,661
43.33000000	Nat Aeronautics & Space Admin	Micro Cooling Concepts	10013309	37,282
43.33000000	Nat Aeronautics & Space Admin	Space Telescope Sci Inst	20021006	25,470
43.33000000	Nat Aeronautics & Space Admin	Univ of California - Los Angeles	22000269	38,758
43.33000000	Nat Aeronautics & Space Admin	Vantage Partners, LLC	10013302	232,043
43.33000000	Nat Aeronautics & Space Admin	Simpson Weather Associates, Inc.	10013394	43,096
43.33000000	UG Nat Aeronautics & Space Admin	UG Univ of Michigan	22000005	101,576
43.33000105	NASA Headquarters	Advanced Materials Technology, Inc	10013324	(20,938)
43.33000105	NASA Headquarters	Hyper Tech Res Inc	10020102	115,328
43.33000105	NASA Headquarters	Jet Propulsion Lab	33000303	282,722
43.33000105	NASA Headquarters	RNET Technologies	10012505	22,760
43.33000105	NASA Headquarters	Space Telescope Sci Inst	20021006	227,149
43.33000105	NASA Headquarters	ASCA Inc.	10013503	48,038

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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:				
43.33000301	Goddard Space Flight Center	Science Systems and Applications, Inc.	10013125	(91)
Total National Aeronautics and Space Administration Pass-Through Awards				1,699,739
National Endowment for the Humanities				
45.312	Institute of Museum and Library Services	National Audubon Society, Inc	20020425	2,266
Total National Endowment for the Humanities Pass-Through Awards				2,266
National Science Foundation				
47.014	NSF Industrial Innovation & Partnerships	PaneraTech Inc.	10013192	5,781
47.041	Nat Science Foundation	Georgia Tech Res Inst	22000245	8,020
47.041	Nat Science Foundation	Nanomaterial Innovation, Ltd	10020152	1,378
47.041	Nat Science Foundation	Core Quantum Technologies, Inc	10020323	(3,314)
47.041	NSF Div Civil, Mechanical & Maufact Innv	Univ of Southern California	22000206	29,516
47.041	NSF Industrial Innovation & Partnerships	Bioprocessing Innovative Co Inc	10020039	13,596
47.041	NSF Industrial Innovation & Partnerships	Phycal	10020228	(1,195)
47.041	NSF Industrial Innovation & Partnerships	Univ at Albany	22000382	84,300
47.041	NSF Industrial Innovation & Partnerships	EnergyEne	10020326	78,606
47.041	NSF Industrial Innovation & Partnerships	Ohio Surgical Optics, LLC	10020350	15,279
47.047	NSF Div Chemistry	Univ of Minnesota	22000067	168,851
47.047	NSF Integrative Oranismal Biology	Carnegie Institution of Washington	22000354	92,938
47.049	NSF Div Materials Research	Univ of California - Davis	22000013	8,249
47.049	Nat Science Foundation	Univ of California - Santa Cruz	22000369	80,147
47.049	Nat Science Foundation	Univ of Cincinnati	22000074	(71)
47.049	NSF Div Astronomical Sciences	Assn Universities Res in Astronomy, Inc	20021158	1,263
47.049	NSF Div Chemistry	Univ of California - San Diego	22000288	94,013
47.049	NSF Div Mathematical Sciences	Univ of California - Davis	22000013	146,387
47.049	NSF Div Mathematical Sciences	Univ of Minnesota	22000067	(49)
47.049	NSF Div Physics	Univ of Cincinnati	22000074	25,550
47.049	UG NSF Div Physics	UG Princeton Univ	22000289	195,207
47.049	NSF Div Materials Research	Brown University	22000284	67,813
47.049	NSF Div Materials Research	Univ of California - Santa Barbara	22000315	21,633
47.050	Nat Science Foundation	Boston College	22000310	16,661
47.050	Nat Science Foundation	Consortium for Ocean Leadership, Inc	20021599	40
47.050	NSF Div Ocean Sciences	Consortium for Ocean Leadership, Inc	20021599	8,742
47.050	UG Nat Science Foundation	UG Univ of Colorado	22000039	73,327

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FOR THE YEAR ENDED JUNE 30, 2015

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Research and Development Cluster —				
Pass-through from other sources:				
47.050	NSF Div Atmospheric Science	Texas A & M Univ	22000053	103,873
47.050	NSF Div Atmospheric Science	Univ Corp for Atmospheric Res	20020793	101,673
47.050	NSF Div Polar Programs	Univ of Texas at Austin	22000270	64,323
47.070	Nat Science Foundation	Raytheon BBN Technologies	10012357	24,370
47.070	Nat Science Foundation	Univ of Tennessee	22000010	(2,013)
47.070	Nat Science Foundation	Univ of Akron	22000066	4,079
47.070	NSF Div of Computer & Network Systems	Univ of Missouri	22000073	32,794
47.070	NSF Office of Cyberinfrastructure	Univ of Illinois	22000009	267,964
47.070	NSF Office of Intergrative Activities	Univ of Akron	22000066	5,113
47.070	NSF Div Info and Intelligent Systems	Univ of Notre Dame	22000140	18,502
47.070	NSF Div Info and Intelligent Systems	Univ of Wisconsin	22000006	62,903
47.074	Nat Science Foundation	Miami Univ	22000049	11,621
47.074	Nat Science Foundation	Colorado State Univ	22000110	(29,416)
47.074	NSF Environmental Biology	Georgia Southern University	22000365	14,784
47.074	NSF Environmental Biology	Univ of North Carolina	22000146	25,347
47.074	NSF Biological Sciences	Univ of Florida	22000108	26,900
47.074	NSF Biological Sciences	Univ of Virginia	22000203	2,738
47.075	NSF Social & Economic Sciences	Univ of North Carolina	22000146	3,751
47.076	Nat Science Foundation	Stark State College of Technology	22010051	13,526
47.076	NSF Div Human Resource Development	American Physical Society	20021996	47,200
47.076	NSF Div of Research on Learning	Univ of Cincinnati	22000074	14,939
47.076	NSF Div Undergraduate Education	Bowling Green State University	22000221	81,533
47.076	NSF Div Undergraduate Education	Macalester College	22000355	2,764
47.076	NSF Div Undergraduate Education	Univ of Cincinnati	22000074	41,539
47.076	NSF Div Undergraduate Education	Dordt College	22000387	10,628
47.076	NSF Education & Human Resources	National Federation of the Blind	20022130	45,532
47.076	NSF Education & Human Resources	Science Museum of Minnesota	20021749	15,242
47.078	NSF Div Polar Programs	Univ of Texas at Austin	22000270	75,407
47.079	NSF Ofc of International Science & Eng	Civilian Res & Dev Fdn	20012104	7,906
47.080	NSF Office of Cyberinfrastructure	Univ of Illinois	22000009	165,126
47.080	NSF Office of Cyberinfrastructure	Univ of Texas at Austin	22000270	153,845
47.082	ARRA Nat Science Foundation	ARRA Univ of California - Los Angeles	22000269	154,379
47.082	ARRA Nat Science Foundation	ARRA Drexel Univ	22000246	45,747
47.50000000	Nat Science Foundation	Georgia Inst of Tech	22000189	2,335
47.50000000	Nat Science Foundation	World Technology Evaluation Center, Inc	20022167	1,558
Total National Science Foundation Pass-Through Awards				2,851,185

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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:				
Department of Small business Administration				
59.037	Small Business Administration	OH Development Services Agency	26140000	104,383
Total Department of Small Business Administration Pass-Through Awards				104,383
Department of Veterans Affairs				
64.30170000	Veterans Affairs	OH Willow Wood Co, Inc.	10020287	(18,743)
64.30170000	Veterans Affairs	Univ of Pittsburgh	22000036	45,327
Total Department of Veterans Affairs Pass-Through Awards				26,585
Environmental Protection Agency				
66.041	Environmental Protection Agency	Mid-OH Regional Planning Commission	26270000	21,702
66.32000000	Environmental Protection Agency	Battelle Memorial Inst	20020012	14,438
66.32000000	Environmental Protection Agency	Res Triangle Inst	20020058	111,232
66.460	Environmental Protection Agency	OH Environ Protection Agency	26340000	13,245
66.469	Environmental Protection Agency	Buffalo State College	22000356	(36)
66.469	Environmental Protection Agency	Lake Erie Comsn	26550000	30,523
66.469	Environmental Protection Agency	OH Division of Wildlife	26110100	48,181
66.469	Environmental Protection Agency	OH Environ Protection Agency	26340000	4,890
66.469	Environmental Protection Agency	Pennsylvania State Univ	22000030	(140)
66.469	Environmental Protection Agency	The Nature Conservancy	20020999	7,447
66.469	Environmental Protection Agency	Univ of Minnesota	22000067	14,855
66.469	Environmental Protection Agency	Univ of Wisconsin	22000006	5,648
66.605	Environmental Protection Agency	OH Environ Protection Agency	26340000	19,281
66.814	Environmental Protection Agency	California Dept Toxic Substances Control	24000543	16,680
Total Environmental Protection Agency Pass-Through Awards				307,944
Department of Nuclear Regulatory Commission				
77.30220000	UG Nuclear Regulatory Commission	UG Purdue Univ	22000002	2,071
Total Nuclear Regulatory Commission Pass-Through Awards				2,071
Department of Energy				
81.049	US Department of Energy	Hyper Tech Res Inc	10020102	(8,365)

See Accompanying Notes to the 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:				
81.049	US Department of Energy	Louisiana State University	22000091	4,228
81.049	US Department of Energy	Makel Engineering, Inc	10012377	7,079
81.049	US Department of Energy	Michigan State Univ	22000044	24,377
81.049	US Department of Energy	Princeton Univ	22000289	1,580
81.049	US Department of Energy	Rutgers Univ	22000003	112,446
81.049	US Department of Energy	Sinmat, Inc.	10013285	87,472
81.049	US Department of Energy	Tech4Imaging LLC	10020227	121,880
81.049	US Department of Energy	Univ of Florida	22000108	42,997
81.049	US Department of Energy	Univ of Michigan	22000005	153,251
81.049	US Department of Energy	Univ of Rochester	22000193	(2,821)
81.049	US Department of Energy	MetroLaser Inc	10012538	59,935
81.049	US Department of Energy	AltaSim Technologies	10020187	33,000
81.049	Los Alamos Nat Lab	Texas A & M Univ	22000053	12,000
81.049	UG US Department of Energy	UG RNET Technologies	10012505	15,768
81.086	US Department of Energy	General Motors Corp	10010246	229,741
81.086	US Department of Energy	US Automotive Material Partnership	10012073	87,439
81.086	US Department of Energy	GE Global Res	10011744	13,709
81.087	US Department of Energy	Consortium Plant Biotechnology Res Inc	20021036	39,786
81.087	US Department of Energy	Univ of Michigan	22000005	704,464
81.089	Nat Energy Tech Lab	Tuskegee University	22010053	(8,795)
81.089	Nat Energy Tech Lab	Univ of Texas at Austin	22000270	86,630
81.089	Nat Energy Tech Lab	West Virginia Univ	22000032	38,058
81.089	US Department of Energy	Alliant Techsystems Inc.	10012194	83,733
81.089	US Department of Energy	Babcock & Wilcox	10010026	144,851
81.089	US Department of Energy	General Electric Co	10010024	15,609
81.089	US Department of Energy	Howard Univ	22000290	48,525
81.089	US Department of Energy	Univ of Kentucky	22000143	43,535
81.089	US Department of Energy	Univ of North Dakota	22000072	1,055
81.089	US Department of Energy	Univ of Texas at Austin	22000270	93,374
81.121	US Department of Energy	Pennsylvania State Univ	22000030	12,486
81.121	US Department of Energy	Univ of Utah	22000145	18,003
81.121	US Department of Energy	Univ of Wisconsin	22000006	72,586
81.124	US Department of Energy	Univ of Illinois	22000009	200,067
81.55000000	US Department of Energy	Advanced Technology International	10012322	(20,430)
81.55000000	US Department of Energy	Battelle Energy Alliance, LLC	20021641	877,150
81.55000000	US Department of Energy	Brookhaven Sci Assoc, LLC	20021624	124,376
81.55000000	US Department of Energy	GE Aviation Systems, LLC	10030085	61,938

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Research and Development Cluster —				
Pass-through from other sources:				
81.55000000	US Department of Energy	Hyper Tech Res Inc	10020102	1,021
81.55000000	US Department of Energy	Lawrence Berkeley National Laboratory	55080000	519,029
81.55000000	US Department of Energy	Lawrence Livermore National Laboratory	55100000	49,725
81.55000000	US Department of Energy	Oak Ridge Associated Universities	20021205	1,774
81.55000000	US Department of Energy	Oak Ridge Nat Lab	55110000	52,773
81.55000000	US Department of Energy	Pacific Northwest National Laboratory	20021070	269,301
81.55000000	US Department of Energy	RNET Technologies	10012505	12,130
81.55000000	US Department of Energy	Sandia Corp	10011170	93,730
81.55000000	US Department of Energy	Spectral Energies, LLC	10020205	76,105
81.55000000	US Department of Energy	UChicago Argonne, LLC	20021718	43,163
81.55000000	US Department of Energy	Univ of California - Berkeley	22000294	54,009
81.55000000	US Department of Energy	Univ of Idaho	22000016	183,440
81.55000000	US Department of Energy	Universities Res Assn Inc	20021485	156,885
81.55000000	US Department of Energy	UT-Battelle LLC	20021486	34,352
81.55000000	US Department of Energy	Engineering Mechanics Corp Of Columbus	10020135	90,470
81.55000000	US Department of Energy	Los Alamos Nat Lab	55050000	89,645
81.55000000	US Department of Energy	Alliance for Sustainable Energy, LLC	20021831	4,573
Total Department of Energy Pass-Through Awards				5,364,838
Department of Education				
84.002	Ofc vocational & Adult Education Progrms	OH Board of Regents	26060000	237,606
84.002	US Department of Education	OH Board of Regents	26060000	1,209,461
84.002	US Department of Education	OH Dept of Administrative Services	26180000	(13,538)
84.048	US Department of Education	OH Dept of Educ	26080000	138,924
84.126	Small Business Administration	OH Development Services Agency	26140000	8,165
84.126	Rehabilitation Services Admin	Carolinas HealthCare System	20021451	9,179
84.133	Nat Inst Disability & Rehabilitation Res	Educational Testing Service	20020742	20,630
84.305	US Department of Education	Michigan State Univ	22000044	191,517
84.305	US Department of Education	Institute of Education Sciences	53020000	100,015
84.323	US Department of Education	OH Dept of Educ	26080000	122,306
84.324	US Department of Education	Univ of Kansas	22000219	126,017
84.325	US Department of Education	Salus University	22000322	29,984
84.366	US Department of Education	Miami Univ	22000049	24,956
84.366	US Department of Education	OH Dept of Educ	26080000	3,774,506
84.367	US Department of Education	Nat Writing Project Corp	20021378	3,739
84.367	US Department of Education	OH Board of Regents	26060000	172,140

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Research and Development Cluster —				
Pass-through from other sources:				
84.395	ARRA US Department of Education	ARRA OH Dept of Administrative Services	26180000	8,294
84.395	ARRA US Department of Education	ARRA OH Dept of Educ	26080000	986,820
84.395	ARRA Ofc of Elementary & Secondary Education	ARRA OH Dept of Educ	26080000	110,393
84.412	US Department of Education	OH Dept of Educ	26080000	390,141
84.53000000	US Department of Education	OH Dept of Educ	26080000	52,845
84.53000000	US Department of Education	Opp for Ohioans with Disabilities	26120000	14,785
Total Department of Education Pass-Through Awards				7,718,882
Department of Japan-US Friendship Commission				
90.30560000	Japan-US Friendship Commission	Asc for Asian Studies	20021251	3,576
Total Department of Japan-US Friendship Commission Pass-Through Awards				3,576
Department of Health and Human Services				
93.070	Centers for Disease Control & Prevention	OH Dept of Health	26090000	3,649
93.077	National Cancer Institute	Univ of Minnesota	22000067	432,541
93.103	Food and Drug Administration	Univ of Florida	22000108	13,086
93.110	Health Resources & Services Admin	Massachusetts General Hospital	20021587	100,360
93.110	Health Resources & Services Admin	OH Dept of Developmental Disabilities	26430000	43,276
93.110	Maternal & Child Health Bureau	Hemophilia Fdn of Michigan	20021026	22,564
93.113	Nat Inst of Environ Health Scis	Univ of Connecticut	22000076	180,920
93.113	Nat Inst of Environ Health Scis	Univ of Maryland	22000120	17,220
93.113	Nat Inst of Environ Health Scis	Univ of Pittsburgh	22000036	146
93.113	UG Nat Inst of Environ Health	UG Univ of Kentucky	22000143	3,499
93.117	Health Resources & Services Admin	Acad Consort Integrative Med & Health	20022292	8,724
93.121	Nat Inst of Dental & Craniofacial Res	Johns Hopkins Univ	22000133	354,586
93.121	Nat Inst of Dental & Craniofacial Res	LSU Health Sciences Center	22000381	220,544
93.121	Nat Inst of Dental & Craniofacial Res	Univ of Alabama at Birmingham	22000207	148,740
93.121	Nat Inst of Dental & Craniofacial Res	UT-Battelle LLC	20021486	96,577
93.121	National Institutes of Health	North Carolina State Univ	22000136	1,511
93.121	National Institutes of Health	Univ at Buffalo	22000240	563
93.135	Centers for Disease Control & Prevention	OH Dept of Medicaid	26680000	48,373
93.136	US Department of Health & Human Services	OH Dept of Health	26090000	14,304
93.136	Centers for Disease Control & Prevention	Research Institute at Nationwide Childrn	20010182	11,908
93.145	Health Resources & Services Admin	Univ of Pittsburgh	22000036	205,692
93.172	National Human Genome Resaerch Institute	Fred Hutchinson Cancer Research Center	20021734	16,451

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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:				
93.172	National Human Genome Resaerch Institute	Univ of Michigan	22000005	112,875
93.172	National Human Genome Resaerch Institute	Univ of North Carolina	22000146	25,932
93.173	Nat In Deafness & Other Communctn Disorders	Oregon Health and Science University	22000252	44,341
93.173	Nat In Deafness & Other Communctn Disorders	Research Institute at Nationwide Childrn	20010182	516,001
93.173	Nat In Deafness & Other Communctn Disorders	Univ of California - Davis	22000013	18,347
93.173	Nat In Deafness & Other Communctn Disorders	Univ of Pittsburgh	22000036	256,355
93.173	Nat In Deafness & Other Communctn Disorders	Northeast Ohio Medical University	22000350	11,510
93.173	UG Nat In Deafness & Other Communctn Disorders	UG Univ of Wisconsin	22000006	38,617
93.184	Centers for Disease Control & Prevention	Hemophilia Fdn of Michigan	20021026	14,833
93.184	Centers for Disease Control & Prevention	Univ of Louisville	22000299	58,432
93.213	Nat Ctr Complementary & Alternative Med	Massachusetts General Hospital	20021587	79
93.213	Nat Ctr Complementary & Alternative Med	Univ of North Carolina	22000146	18,788
93.226	Agency for Healthcare Res & Quality	AcademyHealth	20022065	51,312
93.226	Agency for Healthcare Res & Quality	Case Western Reserve Univ	22000238	10,773
93.226	Agency for Healthcare Res & Quality	Research Institute at Nationwide Childrn	20010182	12,763
93.226	Agency for Healthcare Res & Quality	Univ of California - San Francisco	22000317	7,256
93.226	Agency for Healthcare Res & Quality	Univ of Colorado	22000039	15,159
93.242	National Institute of Mental Health	Univ of Massachusetts - Worcester	22000318	1,170
93.242	National Institute of Mental Health	Kitware, Inc	10012569	22,834
93.242	National Institutes of Health	Emory Univ	22000295	143,117
93.243	Substance Abuse & Mental Health Servcs Admin	First Call Alcohol/Drug Prev & Recov	20022115	22,615
93.262	Nat Inst Occupational Safety & Health	Univ of Louisville	22000299	170,302
93.279	National Institutes of Health	Pennsylvania State Univ	22000030	8,589
93.279	National Institutes of Health	Univ of Memphis	22000325	100,297
93.279	National Institute on Drug Abuse	UG Pacific Inst for Research and Evaluation	20021888	50,460
93.283	Centers for Disease Control & Prevention	Am Thrombosis and Hemostasis Network	20021818	4,480
93.283	Centers for Disease Control & Prevention	Ohio University	22000130	1,144
93.286	UG Nat In Biomedical Imaging & Bioengineering	UG Wayne State Univ	22000034	141,497
93.286	UG Nat In Biomedical Imaging & Bioengineering	UG Univ of Memphis	22000325	124,479
93.307	Nat Ctr Minority Hlth & Hlth Disparities	Case Western Reserve Univ	22000238	87,662
93.310	Nat In Diabetes&Digestive&KidneyDiseases	Univ of Florida	22000108	95,747
93.350	Nat Ctr of Advancing Tranlsational Scis	EXCMR, Ltd.	10020229	17,889
93.351	Nat Inst of Health, Ofc of the Director	Celldex Therapeutics, Inc.	10013270	21,610
93.361	National Institute of Nursing Research	Arizona State Univ	22000109	(631)
93.361	National Institute of Nursing Research	Univ of Minnesota	22000067	2,619
93.361	National Institute of Nursing Research	Vidatak, LLC	10013342	(19,762)
93.393	National Cancer Institute	Georgetown Univ	22000339	22,706

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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:				
93.393	National Cancer Institute	Mount Sinai Sch of Medicine	22010031	12,933
93.393	National Cancer Institute	Roswell Park Cancer Institute	20021570	31,071
93.393	National Cancer Institute	Univ of Chicago	22000018	558
93.393	National Cancer Institute	Univ of Miami	22000255	8,088
93.393	National Cancer Institute	Univ of Pennsylvania	22000195	59,551
93.393	National Cancer Institute	Univ of Pittsburgh	22000036	23,324
93.393	National Cancer Institute	Univ of Texas at Dallas	22000363	(1)
93.393	National Cancer Institute	Univ of Utah	22000145	33,559
93.393	National Cancer Institute	Univ of Washington	22000212	11,985
93.393	UG National Cancer Institute	UG Univ of Michigan	22000005	47920.8
93.393	UG National Cancer Institute	UG Fred Hutchinson Cancer Research Center	20021734	153,861
93.393	UG National Cancer Institute	UG Thomas Jefferson Univ	22010026	8,517
93.393	UG National Cancer Institute	UG Arizona State Univ	22000109	78,331
93.393	UG National Cancer Institute	UG Washington Univ	22000209	12,506
93.394	National Cancer Institute	Brigham & Women's Hosp Inc	20021152	670,703
93.394	National Cancer Institute	Cleveland Clinic Lerner College of Med	22010063	129,353
93.394	National Cancer Institute	Columbia University	22000135	53,726
93.394	National Cancer Institute	Hyper Tech Res Inc	10020102	187,504
93.394	National Cancer Institute	Luna Innovations Inc	10012514	100,507
93.394	National Cancer Institute	Univ of Nebraska	22000085	65,030
93.394	National Cancer Institute	Univ of Texas M D Anderson Cancer Center	22010039	38,879
93.394	National Cancer Institute	Yale Univ	22000088	14,479
93.394	UG National Cancer Institute	UG Virginia Polytechnic Inst	22000023	1,761
93.394	UG National Cancer Institute	UG Univ of Texas M D Anderson Cancer Center	22010039	118,739
93.395	National Cancer Institute	Am Coll of Radiology	20020917	432,771
93.395	National Cancer Institute	Brigham & Women's Hosp Inc	20021152	797,273
93.395	National Cancer Institute	Cypris, LLC	10013440	20,536
93.395	National Cancer Institute	Gynecologic Oncology Group	20020024	320,851
93.395	National Cancer Institute	Intl Breast Cancer Research Foundation	20021976	7,618
93.395	National Cancer Institute	John Wayne Cancer Inst	20021377	5,404
93.395	National Cancer Institute	Mayo Fdn for Medical Educ & Res	20010289	79,356
93.395	National Cancer Institute	Myatt & Johnson, Inc.	10012955	19,162
93.395	National Cancer Institute	NSABP Fdn Inc	20010527	3,496
93.395	National Cancer Institute	Oregon Health and Science University	22000252	19,901
93.395	National Cancer Institute	Research Institute at Nationwide Childrn	20010182	398,171
93.395	National Cancer Institute	Stanford Univ	22000142	217,962
93.395	National Cancer Institute	The Children's Hospital of Philadelphia	20020015	99,194

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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:				
93.395	National Cancer Institute	The EMMES Corp	10012757	41,059
93.395	National Cancer Institute	Univ of California - San Diego	22000288	696,438
93.395	National Cancer Institute	Univ of California - San Francisco	22000317	(228)
93.395	National Cancer Institute	Univ of Chicago	22000018	8,548
93.395	National Cancer Institute	Univ of Michigan	22000005	35,857
93.395	National Cancer Institute	West Virginia Univ	22000032	34,270
93.395	National Cancer Institute	Mount Sinai Medical Center	10011783	6,936
93.395	National Cancer Institute	NRG Oncology	20022229	93,213
93.395	UG National Cancer Institute	UG Univ of Michigan	22000005	2,025
93.395	UG National Cancer Institute	UG Univ of South Florida	22000123	18,745
93.395	UG National Cancer Institute	UG Research Institute at Nationwide Childrn	20010182	9,761
93.395	UG National Cancer Institute	UG Am Coll of Radiology	20020917	976,541
93.395	UG National Cancer Institute	UG Emory Univ	22000295	140,453
93.396	National Cancer Institute	Univ of Kentucky	22000143	99,895
93.396	National Cancer Institute	Vanderbilt Univ	22000296	119,913
93.396	UG National Cancer Institute	UG Indiana Univ	22000012	15,940
93.397	National Cancer Institute	Columbia University	22000135	21,658
93.397	National Cancer Institute	Northwestern University	22000041	9,962
93.397	National Cancer Institute	SARC	20022185	84,198
93.397	National Cancer Institute	Univ of Kentucky	22000143	172,248
93.397	National Cancer Institute	Univ of Texas Hlth Sci Ctr - San Antonio	22000330	7,215
93.397	National Cancer Institute	UT Southwestern Medical Center At Dallas	22000316	11,233
93.424	Centers for Disease Control & Prevention	Allen County Health Department	24000583	9,851
93.506	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	26680000	32,383
93.507	Canter for Disease Control	Defiance County General Health District	24000591	1,812
93.507	Canter for Disease Control	Youngstown City Health District	24000589	2,052
93.507	Canter for Disease Control	Stark County Health Department	24000590	7,735
93.516	Health Resources & Services Admin	Univ of Illinois	22000009	70,655
93.524	Centers for Disease Control & Prevention	Cncl State Territorial Epidemiologists	20022219	246,126
93.524	US Department of Health & Human Services	Assn State and Territorial Hlth Ofcls	20021937	7,658
63.60000000	US Department of Health & Human Services	OH Dept of Health	26090000	91,139
63.60040000	Public Health Service	Nat Marrow Donor Prog	20021576	7,505
63.60041200	Agency for Healthcare Res & Quality	Truven Health Analytics	10030250	107,738
93.630	Administration for Children and Families	Wright State Univ	22000087	9,789
93.630	US Department of Health & Human Services	OH Dept of Developmental Disabilities	26430000	(341)
93.630	US Department of Health & Human Services	OH Developmental Disabilities Plng Cncl	26430100	43,633
93.64000000	National Institutes of Health	Alliance for Clinical Trials in Oncology	20022076	1,419

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Research and Development Cluster —				
Pass-through from other sources:				
93.64000000	National Institutes of Health	Cancer & Leukemia Group B Fdn	20010031	1,310
93.64000000	National Institutes of Health	Mayo Fdn for Medical Educ & Res	20010289	32,573
93.64000000	National Institutes of Health	Viocare, Inc.	10013075	16,137
93.64000000	National Institutes of Health	MetalloPharm, LLC	10020354	15,529
93.64000000	UG National Institutes of Health	UG Univ of California - Davis	22000013	21,345
93.64000002	National Cancer Institute	Alliance for Clinical Trials in Oncology	20022076	22,716
93.64000002	National Cancer Institute	Brigham & Women's Hosp Inc	20021152	5,108
93.64000002	National Cancer Institute	Cancer & Leukemia Group B Fdn	20010031	3,291
93.64000002	National Cancer Institute	Eastern Cooperative Oncology Group	20021810	2,062
93.64000002	National Cancer Institute	The Univ of Oklahoma Health Scis Ctr	22000349	305,944
93.64000002	National Cancer Institute	Univ of Texas at San Antonio	22000348	79,440
93.64000002	National Cancer Institute	Washington Univ	22000209	170,750
93.64000002	National Cancer Institute	Leidos, Inc	10013531	107,812
93.64000002	National Cancer Institute	Westat Inc	10012409	63,585
93.64000002	National Cancer Institute	Southwest Oncology	20020412	2177.82
93.64000002	ARRA National Cancer Institute	ARRA Case Western Reserve Univ	22000238	2459.21
93.64000003	National Heart, Lung and Blood Inst	Case Western Reserve Univ	22000238	210,607
93.64000004	Nat Inst of Allergy & Infectious Diseases	Institute for Clinical Research Inc	20022020	24,846
93.64000004	Nat Inst of Allergy & Infectious Diseases	Mount Sinai Sch of Medicine	22010031	71,579
93.64000004	Nat Inst of Allergy & Infectious Diseases	Univ of California - San Francisco	22000317	(7,414)
93.64000004	Nat Inst of Allergy & Infectious Diseases	Univ of Minnesota	22000067	(6,983)
93.64000004	Nat Inst of Allergy & Infectious Diseases	Wayne State Univ	22000034	34,644
93.64000004	Nat Inst of Allergy & Infectious Diseases	St. Jude Children's Research Hospital	20022231	608,315
93.64000008	Nat Inst Neurological Disorders & Stroke	Massachusetts General Hospital	20021587	5,036
93.652	Administration for Children and Families	Franklin Co Children Services	24000056	223,025
93.66000000	Centers for Disease Control & Prevention	OH Dept of Health	26090000	5,306
93.66000000	Centers for Disease Control & Prevention	National Ground Water Association Inc	20022161	10,246
93.701	ARRA Nat Inst Neurological Disorders & Stroke	ARRA The EMMES Corp	10012757	18,312
93.758	US Department of Health & Human Services	OH Dept of Health	26090000	4,193
93.767	Ctrs for Medicare & Medicaid Services	OH Dept of Aging	26280000	44,758
93.767	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	26680000	509,125
93.791	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	26680000	154,623
93.837	National Heart, Lung, and Blood Inst	Cleveland Clinic	20021182	68,001
93.837	National Heart, Lung, and Blood Inst	Duke Univ	22000094	2,615
93.837	National Heart, Lung, and Blood Inst	Jewish General Hospital	20021801	819
93.837	National Heart, Lung, and Blood Inst	Mount Sinai Sch of Medicine	22010031	30,748
93.837	National Heart, Lung, and Blood Inst	Oregon Health and Science University	22000252	(6,893)

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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:				
93.837	National Heart, Lung, and Blood Inst	Research Institute at Nationwide Childrn	20010182	58,023
93.837	National Heart, Lung, and Blood Inst	Univ of Colorado	22000039	36,232
93.837	National Heart, Lung, and Blood Inst	Univ of Kentucky	22000143	58,071
93.837	National Heart, Lung, and Blood Inst	Univ of Maryland	22000120	69,896
93.837	National Heart, Lung, and Blood Inst	Univ of Pittsburgh	22000036	(7,294)
93.837	National Heart, Lung, and Blood Inst	Univ of Toledo	22000277	(664)
93.837	National Heart, Lung, and Blood Inst	Viocare, Inc.	10013075	7,120
93.837	National Heart, Lung, and Blood Inst	Wake Forest Univ	22000286	14,364
93.837	National Heart, Lung, and Blood Inst	Yeshiva Univ	22000331	177
93.837	National Heart, Lung, and Blood Inst	Northeast Ohio Medical University	22000350	23,045
93.838	National Heart, Lung, and Blood Inst	Cleveland Clinic	20021182	15,654
93.838	National Heart, Lung, and Blood Inst	Fred Hutchinson Cancer Research Center	20021734	17,591
93.838	National Heart, Lung, and Blood Inst	Univ of Michigan	22000005	15,703
93.838	National Heart, Lung, and Blood Inst	Univ of Toledo	22000277	1,078
93.839	National Heart, Lung, and Blood Inst	Nat Marrow Donor Prog	20021576	48,538
93.846	Nat In Arthritis&Muscoskeletal&Skin Ds	Cincinnati Children's Hos Med Ctr	20021628	13,672
93.846	National Institutes of Health	Cleveland Clinic Fdn	20010421	19,666
93.846	Nat In Arthritis&Muscoskeletal&Skin Ds	Children's Mercy Hospitals and Clinics	20021968	16,730
93.846	Nat In Arthritis&Muscoskeletal&Skin Ds	Cincinnati Children's Hos Med Ctr	20021628	(20,187)
93.846	Nat In Arthritis&Muscoskeletal&Skin Ds	Northwestern University	22000041	160,141
93.846	Nat In Arthritis&Muscoskeletal&Skin Ds	Univ of Maryland	22000120	67,827
93.846	Nat In Arthritis&Muscoskeletal&Skin Ds	Vanderbilt Univ	22000296	31,835
93.846	Nat In Arthritis&Muscoskeletal&Skin Ds	Univ of Arizona	22000116	70,006
93.846	Nat In Arthritis&Muscoskeletal&Skin Ds	Univ of Alabama at Birmingham	22000207	245,829
93.847	Nat In Diabetes&Digestive&KidneyDiseases	Minneapolis Medical Research Foundation	20012090	45,348
93.847	Nat In Diabetes&Digestive&KidneyDiseases	Research Institute at Nationwide Childrn	20010182	16,971
93.847	Nat In Diabetes&Digestive&KidneyDiseases	Samford Univ	22000398	14,650
93.847	Nat In Diabetes&Digestive&KidneyDiseases	Univ of Louisville	22000299	144,584
93.847	Nat In Diabetes&Digestive&KidneyDiseases	UT Southwestern Medical Center At Dallas	22000316	67,061
93.847	UG Nat In Diabetes&Digestive&KidneyDiseases	UG Research Institute at Nationwide Childrn	20010182	21,116
93.853	Nat Inst Neurological Disorders & Stroke	Beth Israel Deaconess Medical Center	10011582	1,630
93.853	Nat Inst Neurological Disorders & Stroke	Brigham & Women's Hosp Inc	20021152	13,920
93.853	Nat Inst Neurological Disorders & Stroke	Cleveland Clinic	20021182	304,485
93.853	Nat Inst Neurological Disorders & Stroke	Cleveland Clinic Lerner College of Med	22010063	27,146
93.853	Nat Inst Neurological Disorders & Stroke	Drexel Univ	22000246	1,306
93.853	Nat Inst Neurological Disorders & Stroke	Indiana Univ	22000012	132,406
93.853	Nat Inst Neurological Disorders & Stroke	Johns Hopkins Univ	22000133	13,277

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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:				
93.853	Nat Inst Neurological Disorders & Stroke	Massachusetts General Hospital	20021587	147,672
93.853	Nat Inst Neurological Disorders & Stroke	Northwestern University	22000041	8,911
93.853	Nat Inst Neurological Disorders & Stroke	Research Institute at Nationwide Childrn	20010182	149,941
93.853	Nat Inst Neurological Disorders & Stroke	Univ of California - San Francisco	22000317	14,705
93.853	Nat Inst Neurological Disorders & Stroke	Univ of Illinois	22000009	75,170
93.853	Nat Inst Neurological Disorders & Stroke	Univ of Louisville	22000299	18,557
93.853	Nat Inst Neurological Disorders & Stroke	Univ of Michigan	22000005	139,976
93.853	Nat Inst Neurological Disorders & Stroke	Univ of Minnesota	22000067	5,019
93.853	Nat Inst Neurological Disorders & Stroke	UT Southwestern Medical Center At Dallas	22000316	564
93.853	Nat Inst Neurological Disorders & Stroke	Yale Univ	22000088	2,303
93.853	Nat Inst Neurological Disorders & Stroke	Radikal Therapeutics	10013565	33,980
93.853	National Institutes of Health	Army Medical Res Acquisition Activity	50022700	(1,950)
93.853	UG Nat Inst Neurological Disorders & Stroke	UG Massachusetts General Hospital	20021587	17,593
93.855	Nat Inst of Allergy & Infectious Diseases	Brigham & Women's Hosp Inc	20021152	70,011
93.855	Nat Inst of Allergy & Infectious Diseases	Duke Univ	22000094	26,873
93.855	Nat Inst of Health, Ofc of the Director	Yeshiva Univ	22000331	36,609
93.855	National Cancer Institute	Fred Hutchinson Cancer Research Center	20021734	29,247
93.855	National Institutes of Health	Univ of North Carolina	22000146	56,422
93.855	UG Nat Inst of Allergy & Infectious Diseases	UG Univ at Albany	22000382	1,905
93.855	Nat Inst of Allergy & Infectious Diseases	Brigham & Women's Hosp Inc	20021152	543,284
93.855	Nat Inst of Allergy & Infectious Diseases	Duke Univ	22000094	8,838
93.855	Nat Inst of Allergy & Infectious Diseases	Institute for Clinical Research Inc	20022020	5,408
93.855	Nat Inst of Allergy & Infectious Diseases	Kansas State Univ	22000062	167,165
93.855	Nat Inst of Allergy & Infectious Diseases	Research Institute at Nationwide Childrn	20010182	16,393
93.855	Nat Inst of Allergy & Infectious Diseases	Univ of Chicago	22000018	16,381
93.855	Nat Inst of Allergy & Infectious Diseases	Univ of Massachusetts - Worcester	22000318	28,607
93.855	Nat Inst of Allergy & Infectious Diseases	Univ of North Carolina	22000146	165,434
93.855	Nat Inst of Allergy & Infectious Diseases	Univ of Pittsburgh	22000036	741,997
93.855	Nat Inst of Allergy & Infectious Diseases	Univ of Washington	22000212	33,943
93.855	Nat Inst of Allergy & Infectious Diseases	Yeshiva Univ	22000331	19,784
93.855	Nat Inst of Allergy & Infectious Diseases	Sorrento Therapeutics	10013453	53,108
93.855	Nat Inst of Allergy & Infectious Diseases	Forsyth Institute	20022165	13,315
93.855	Nat Inst of Allergy & Infectious Diseases	Benaroya Research Institute	20022216	31,889
93.855	UG Nat Inst of Allergy & Infectious Diseases	UG Univ of Pittsburgh	22000036	201,515
93.855	UG Nat Inst of Allergy & Infectious Diseases	UG Weill Cornell Medical College	20021833	126,447
93.855	UG Nat Inst of Allergy & Infectious Diseases	UG ChromoLogic LLC	10013482	78,559
93.855	UG Nat Inst of Allergy & Infectious Diseases	UG Stellenbosch Univ	22010115	3,821

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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:				
93.855	UG Nat Inst of Allergy & Infectious Diseases	UG Brigham & Women's Hosp Inc	20021152	80,564
93.855	UG Nat Inst of Allergy & Infectious Diseases	UG Tufts University	22000343	1,603
93.859	Nat Inst Gen Medical Scis	Beth Israel Deaconess Medical Center	10011582	41,038
93.859	Nat Inst Gen Medical Scis	Cleveland Clinic	20021182	67,003
93.859	Nat Inst Gen Medical Scis	Oregon Health and Science University	22000252	110,435
93.859	Nat Inst Gen Medical Scis	Research Institute at Nationwide Childrn	20010182	83,406
93.859	Nat Inst Gen Medical Scis	Rutgers Univ	22000003	74,113
93.859	Nat Inst Gen Medical Scis	The Scripps Research Institute	20021352	157,781
93.859	Nat Inst Gen Medical Scis	Tulane University	22000372	24,956
93.859	Nat Inst Gen Medical Scis	Univ of California - San Francisco	22000317	116,477
93.859	Nat Inst Gen Medical Scis	Univ of Chicago	22000018	(1,254)
93.859	Nat Inst Gen Medical Scis	Univ of Michigan	22000005	265,528
93.859	Nat Inst Gen Medical Scis	Univ of Pittsburgh	22000036	2,518
93.859	Nat Inst Gen Medical Scis	Univ of Wisconsin	22000006	(571)
93.859	Nat Inst Gen Medical Scis	Guild BioSciences	10020370	14,945
93.859	National Institutes of Health	Univ of Florida	22000108	221,758
93.859	UG Nat Inst Gen Medical Scis	UG Univ of Texas Hlth Sci Ctr - San Antonio	22000330	14,976
93.865	Nat Inst Child Health & HumanDevelopment	Pennsylvania State Univ	22000030	23,665
93.865	Nat Inst Child Health & HumanDevelopment	Research Institute at Nationwide Childrn	20010182	48,986
93.865	Nat Inst Child Health & HumanDevelopment	Univ of North Carolina	22000146	27,944
93.865	National Institutes of Health	Clemson University	22000222	1,951
93.865	US Department of Health & Human Services	Univ of Michigan	22000005	17,142
93.865	UG Nat Inst Child Health & HumanDevelopment	UG Virginia Polytechnic Inst	22000023	195,319
93.865	Nat Inst of Allergy & Infectious Diseases	Case Western Reserve Univ	22000238	55,887
93.865	US Department of Health & Human Services	George Washington Univ	22000025	595,976
93.865	US Department of Health & Human Services	Research Institute at Nationwide Childrn	20010182	7,351
93.865	US Department of Health & Human Services	SuperBetter Labs, Inc.	10013227	58,338
93.865	US Department of Health & Human Services	Univ of California - Irvine	22010062	74,200
93.865	US Department of Health & Human Services	Univ of Colorado	22000039	168,534
93.865	US Department of Health & Human Services	Univ of Texas at Austin	22000270	3,635
93.865	UG Nat Inst Child Health & HumanDevelopment	UG Univ of Pittsburgh	22000036	115,259
93.865	UG Nat Inst Child Health & HumanDevelopment	UG Virginia Polytechnic Inst	22000023	149,294
93.865	UG Nat Inst Child Health & HumanDevelopment	UG Northwestern University	22000041	143,697
93.866	National Institute on Aging	Mount Sinai Sch of Medicine	22010031	33
93.866	National Institute on Aging	Univ of California - Los Angeles	22000269	12,394
93.866	National Institute on Aging	Univ of California - San Diego	22000288	204,494
93.866	National Institute on Aging	Univ of Pittsburgh	22000036	15,575

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Research and Development Cluster —				
Pass-through from other sources:				
93.866	National Institute on Aging	Univ of Texas at Austin	22000270	37,130
93.866	National Institute on Aging	Nat Bur Econ Res	20020748	121,055
93.866	UG National Institute on Aging	UG Vanderbilt Univ	22000296	27,838
93.867	National Cancer Institute	Univ of Washington	22000212	48,195
93.867	National Eye Institute	Jaeb Ctr for Health Res	20021387	56,277
93.867	National Eye Institute	Massachusetts General Hospital	20021587	11,433
93.867	National Eye Institute	Pennsylvania State Univ	22000030	330
93.867	National Eye Institute	Precision Vision	10013290	2,670
93.867	National Eye Institute	Salus University	22000322	15,716
93.867	National Eye Institute	St. Luke's-Roosevelt Hospital Center	20021423	4,881
93.867	National Eye Institute	Univ of California - Irvine	22010062	116,716
93.867	National Eye Institute	Univ of Houston	22000092	64,315
93.867	National Eye Institute	Univ of Louisville	22000299	8,382
93.867	National Eye Institute	Univ of Pennsylvania	22000195	6,113
93.867	National Eye Institute	RashmiVu, LLC	10020335	6,247
93.867	UG National Eye Institute	UG Salus University	22000322	11,388
93.867	UG National Eye Institute	UG Univ of Maryland	22000120	7,697
93.879	National Library of Medicine	Brigham & Women's Hosp Inc	20021152	14,269
93.937	National Cancer Institute	SARC	20022185	397,415
93.946	Centers for Disease Control	Cincinnati Children's Hos Med Ctr	20021628	1,239
93.991	US Department of Health & Human Services	OH Dept of Health	26090000	97,608
93.994	Maternal & Child Health Bureau	OH Dept of Health	26090000	1,587
Total Department of Health and Human Services Pass-Through Awards				23,674,581
Director of National Intelligence				
95.30350201	Intelligence Advanced Res Projects Agcy	Intl Computer Science Institute	20022122	4,307
Total Director of National Intelligence Pass-Through Awards				4,307
Department of Homeland Security				
97.044	US Department of Homeland Security	Univ of Illinois	22000009	(285)
Total Department of Homeland Security Pass-through Awards				(285)

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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:				
Agency for International Development				
98.001	Agency for Intl Dev	Intl Rice Res Inst	20021413	3,930
98.001	Agency for Intl Dev	Purdue Univ	22000002	4,726
98.001	Agency for Intl Dev	Research Institute at Nationwide Childrn	20010182	122,938
98.001	Agency for Intl Dev	Univ of California - Davis	22000013	425,901
98.001	Agency for Intl Dev	Virginia Polytechnic Inst	22000023	554,169
98.001	Agency for Intl Dev	KPMG East Africa	10030355	165,275
98.011	Agency for Intl Dev	Purdue Univ	22000002	17,168
98.012	Agency for Intl Dev	Higher Education for Development	20021686	313,909
Total Agency for International Development Pass-Through Awards				1,608,016
Subtotal pass-through from other sources				\$ 65,669,057
Total Research and Development Cluster				\$ 351,724,649

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CFDA Number	Federal Agency Sponsor	Federal Expenditures
Student Financial Aid Cluster —		
Funds received directly from the following federal agencies:		
Department of Education		
84.007	Supplemental Education Opportunity Grant	\$ 1,104,642
84.033	Federal Workstudy Program	2,787,132
84.038	Federal Perkins Loans	4,929,310
84.063	Federal Pell Grant Program	52,616,681
84.268	Federal Direct Lending	349,197,382
84.379	Teacher Ed Assistance for College and Higher Ed Grants	19,822
Total Department of Education Direct Awards		410,654,969
Department of Health and Human Services		
93.264	Nursing Faculty Loan	68,533
93.342	Health Professions Student Loans	2,140,133
93.364	Nursing Student Loan	197,404
Total Department of Health and Human Services Direct Awards		2,406,070
Subtotal Student Financial Aid Cluster		\$ 413,061,039
Economic Development Cluster —		
Funds received directly from the following federal agencies:		
Department of Commerce		
11.307	Econ Dev Admin	\$ 58,198
Total Department of Commerce Direct Awards		58,198
Subtotal Economic Development Cluster		\$ 58,198
Trio Cluster —		
Funds received directly from the following federal agencies:		
Department of Education		
84.042	US Department of Education	\$ 304,847

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

CFDA Number	Federal Agency Sponsor	Federal Expenditures
84.047	UG US Department of Education	520,458
Total Department of Education Direct Awards		825,304
Subtotal Trio Cluster		\$ 825,304
Teacher Quality Partnership Grants Cluster — Funds received directly from the following federal agencies:		
Department of Education		
84.336	US Department of Education	\$ 918,523
Total Department of Education Direct Awards		918,523
Subtotal Teacher Quality Partnership Grants Cluster		\$ 918,523

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

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	\$ 1,543,410
15.605	US Fish and Wildlife Service	Southern Illinois Univ	22000055	75,958
15.611	US Department of the Interior	OH Division of Wildlife	26110100	373,539
15.611	US Fish and Wildlife Service	OH Division of Wildlife	26110100	4,901
Total Department of the Interior Pass-Through Awards				1,997,808
Subtotal Fish and Wildlife Cluster				\$ 1,997,808
Highway Planning and Construction Cluster — Pass throughs from other sources:				
Department of Transportation				
20.205	Federal Highway Administration	OH Dept of Transportation	26010000	\$ 528,880
20.205	US Department of Transportation	OH Dept of Transportation	26010000	284,612
Total Department of Transportation Pass-Through Awards				813,492
Subtotal Highway Planning and construction Cluster				\$ 813,492
Highway Safety Cluster — Pass throughs from other sources:				
Department of Transportation				
20.600	Nat Highway Traffic Safety Admin	OH Dept of Public Safety	26400000	\$ 11,685
Total Department of Transportation Pass-Through Awards				11,685
Subtotal Highway Planning and construction Cluster				\$ 11,685
Special Education (IDEA) Cluster — Pass throughs from other sources:				

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Department of Education				
84.027	US Department of Education	OH Dept of Educ	26080000	\$ 66,229
		Univ of Dayton	22000008	294,343
		Utah State Office of Education	24000579	7,037
Total Department of Education Pass-Through Awards				367,609
Subtotal Special Education (IDEA) Cluster				\$ 367,609
School Improvement Grants Cluster — Pass throughs from other sources:				
Department of Education				
84.388	US Department of Education	ARRA Tomorrow Center, The	20022018	6,126
Total Department of Education Pass-Through Awards				6,126
Subtotal School Improvement Grants Cluster				\$ 6,126
Medicaid Cluster — Pass throughs from other sources:				
Department of Health and Human Services				
93.778	Ctrs for Medicare & Medicaid	Cincinnati Children's Hos Med Ctr	20021628	\$ 194,245
93.778	Ctrs for Medicare & Medicaid	Northeast Ohio Medical University	22000350	6,821
93.778	Ctrs for Medicare & Medicaid	OH Dept of Medicaid	26680000	18,453,284
93.778	Ctrs for Medicare & Medicaid	Franklin County Dept of Health		256,097
Total Department of Health and Human Services Pass-Through Awards				18,910,447
Subtotal Medicaid Cluster				\$ 18,910,447
Supplemental Nutrition Assistance Program Cluster — Pass throughs from other sources:				
Department of Agriculture				
10.561	USDA Food and Nutrition Service	OH Dept of Job & Family Services	26630000	\$ 4,154,097
Total Department of Agriculture Pass-Through Awards				4,154,097

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Subtotal Supplemental Nutrition Assistance Program Cluster				\$ 4,154,097
CDBG Entitlements Grants Cluster — Pass throughs from other sources:				
Department of Housing and Urban Development				
14.218	Department of Housing & Urban Dev	City of Dayton	24000572	\$ 15,010
14.218	Department of Housing & Urban Dev	Cleveland Dept of Community Development	24000528	52,679
14.218	Department of Housing & Urban Dev	City of Columbus	24000306	5,091
Total Department of Housing and Urban Development Pass-Through Awards				72,781
Subtotal CDBG Entitlements Grants Cluster				\$ 72,781
TANF Cluster — Pass throughs from other sources:				
Department of Health and Human Services				
93.558	Administration for Children and Families	Butler County Board of Commissioners	24000522	\$ 232,951
93.558	Administration for Children and Families	OH Gov Ofc Faith-Based & Comm Initiative	26000003	190,540
93.558	Administration for Children and Families	After-School All-Stars Ohio	20022119	30,611
Total Department of Health and Human Services Pass-Through Awards				454,102
Subtotal TANF Grants Cluster				\$ 454,102

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

CFDA Number	Federal Agency Sponsor	Federal Expenditures
Funds received directly from the following federal agencies		
Other Programs:		
Department of Agriculture		
10.025	Animal & Plant Health Inspection Service	\$ 62,544
10.500	National Institute of Food & Agriculture	307,563
10.500	Cooperative Extension Service	12,619,478
10.575	USDA Food and Nutrition Service	24,444
Total Department of Agriculture Direct Awards		13,014,029
Department of Commerce		
11.553	National Telecommunications and Information Administration	102,432
Total Department of Defense Direct Awards		102,432
Department of Defense		
12.50022801	Army Morale Welfare and Recreation	106,708
Total Department of Defense Direct Awards		106,708
Department of State		
19.009	Bureau of Educ & Cultural Affairs	72,983
19.040	US Department of State	263,542
Total Department of State Direct Awards		336,525
Department of National Endowment for the Humanities		
45.160	Faculty Research Abroad	18,355
45.164	National Endowment For The Humanities	20,174
Total Department of National Endowment for the Humanities Direct Awards		38,529
Department of Veterans Affairs		
64.011	Veterans Outpatient Care	78,501
64.125	Vocational and Educational Counseling for Servicemembers and Veterans	12
Total Department of Veterans Affairs Direct Awards		78,513
Department of Environmental Protection Agency		

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

CFDA Number	Federal Agency Sponsor	Federal Expenditures
Funds received directly from the following federal agencies		
Other Programs:		
66.469	Environmental Protection Agency	38,101
Total Department of Environmental Protection Agency Direct Awards		38,101
Department of Education		
84.015	US Department of Education	494,674
84.022A	Student Research Abroad	106,387
84.133	Ofc of Special Ed & Rehabilitative Svcs	(45,815)
84.325	US Department of Education	136,080
84.327	US Department of Education	455,600
Total Department of Education Direct Awards		1,146,926
Department of Health and Human Services		
93.249	Health Resources & Services Admin	27,757
93.502	Health Resources & Services Admin	20,945,404
93.600	Administration for Children and Families	130,729
93.60110000	Administration for Community Living	103,990
93.667	Social Services Block Grant	301,432
93.702	ARRA Nat Center for Research Resources	(28)
Total Department of Health and Human Services Direct Awards		21,509,285
Subtotal funds received directly from federal agencies		\$ 36,371,048

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

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				
10.170	Agricultural Marketing Service	Ohio Department Of Agriculture	26390000	13,468
10.215	National Institute of Food & Agriculture	Univ of Minnesota	22000067	18,496
10.303	National Institute of Food & Agriculture	Univ of Illinois	22000009	23,969
10.310	National Institute of Food & Agriculture	Univ of Wisconsin	22000006	5,987
10.319	National Institute of Food & Agriculture	North Dakota State Univ	22000263	21,749
10.319	National Institute of Food & Agriculture	Cornell University	22000081	5,137
10.320	National Institute of Food & Agriculture	Cornell University	22000081	45,621
10.500	National Institute of Food & Agriculture	Iowa State Univ	22000047	(215)
10.500	National Institute of Food & Agriculture	Kansas State Univ	22000062	54,832
10.500	National Institute of Food & Agriculture	Pennsylvania State Univ	22000030	93,485
10.500	National Institute of Food & Agriculture	Purdue Univ	22000002	349,501
10.500	National Institute of Food & Agriculture	Univ of Minnesota	22000067	49,199
10.500	National Institute of Food & Agriculture	Univ of Nebraska	22000085	133,355
10.500	National Institute of Food & Agriculture	Ohio Ecological Food and Farm Assn	20021795	11,019
10.558	National Institute of Food & Agriculture	OH Dept of Educ	26080000	59,412
10.558	Child and Adult Care Food Program			192,122
10.664	US Department of Agriculture	OH Dept of Natural Resources	26110000	(28)
10.680	USDA Forest Service	Purdue Univ	22000002	5,584
Total Department of Agriculture Pass-Through Awards				1,082,694
Department of Commerce				
11.419	Nat Oceanic & Atmospheric Admin	OH Dept of Natural Resources	26110000	42,052
11.557	ARRA US Department of Commerce	ARRA OneCommunity	20021975	7,833
11.557	ARRA Nat Telecommunications and Info Admin	ARRA Com Net, Inc.	10020267	8,502
Total Department of Commerce Pass-Through Awards				58,387
Department of Defense				
12.611	Office of Economic Adjustment	Univ of Michigan	22000005	156,751
Total Department of Defense Pass-Through Awards				156,751
Department of Housing and Urban Development				
14.70000000	Dept of Housing & Urban Dev	Cleveland Dept of Community Development	24000528	66,936

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Pass-through from other sources:				
Other Programs:				
Total Department of Housing and Urban Development Pass-Through Awards				66,936
Department of Justice				
16.575	US Department of Justice	Ohio Office of Attorney General	26310000	83,664
16.726	Office of Justice Programs	National 4-H Council	20021037	165,447
Total Department of Justice Pass-Through Awards				249,111
Department of Labor				
17.268	US Department of Labor	OH Board of Regents	26060000	442
Total Department of Labor Pass-through Awards				442
National Endowment for the Humanities				
45.024	Grants to Organizations and Individuals	Wexner Center Foundation		60,000
45.025	National Endowment for the Arts	Arts Midwest	20020844	2,375
45.025	National Endowment for the Arts	OH Arts Council	26050000	2,628
45.129	National Endowment for the Humanities	OH Humanities Council	26290000	2,000
45.310	Institute of Museum and Library Services	State Library Board	26040000	1,599,978
Total National Endowment for the Humanities Pass-Through Awards				1,666,981
Department of Energy				
81.55000000	US Department of Energy	Battelle Energy Alliance, LLC	20021641	12,976
81.55000000	US Department of Energy	Pacific Northwest National Laboratory	20021070	758,303
Total Department of Energy Pass-Through Awards				771,279
Department of Education				
84.287	Ofc of Elementary & Secondary Education	Fredericktown Local School District	24000597	735
84.287	Ofc of Elementary & Secondary Education	East Knox Local School District	24000598	1,255
84.367	US Department of Education	OH Board of Regents	26060000	167,495
Total Department of Education Pass-Through Awards				169,485
Department of Health and Human Services				
93.507	Centers for Disease Control & Prevention	Perry County Health Department	24000574	(29)

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Pass-through from other sources:				
Other Programs:				
93.507	Centers for Disease Control & Prevention	Knox County Health Department	24000592	2,637
93.507	Centers for Disease Control & Prevention	Holmes County Health District	24000569	2,694
93.564	Administration for Children and Families	Stark County Health Department	24000590	(245)
93.600	Administration for Children and Families	OH Dept of Job & Family Services	26630000	5,537
93.658	Foster Care Title IV-E	OH Dept of Job & Family Services		115,232
93.912	Health Resources & Services Admin	Child Dev Cncl of Franklin County, Inc.	20021104	37,284
93.991	Centers for Disease Control & Prevention	Trinity Hospital Twin City	20021726	4,025
93.xxx	US Department of Health & Human Services	Cuyahoga County Board of Health	24000524	12,444
		OH Dept of Health	26090000	42,211
Total Department of Health and Human Services Pass-Through Awards				221,789
Corporation for National and Community Service				
94.006	Corp for Nat & Community Service	OH Commission Service and Volunteerism	26650000	30,022
Total Corporation for National and Community Service Pass-Through Awards				30,022
Agency for International Development				
98.001	Agency for Intl Dev	Michigan State Univ	22000044	172,786
Total Agency for International Development Pass-Through Awards				172,786
Subtotal pass-through from other sources				4,646,663
Total Federal Expenditures				\$ 834,393,573

The Ohio State University

Notes to Schedule of Expenditures of Federal Awards

June 30, 2015 and 2014

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the following entities, which constitute the primary institution 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 following university blended component units are included in the university's financial statements and schedule of expenditures of federal awards:

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

In addition to the blended component units above, the university's financial statements and schedule of expenditures of federal awards 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 financial statements.

The Ohio State University
Notes to Schedule of Expenditures of Federal Awards
June 30, 2015 and 2014

2. Reimbursement of Facilities and Administrative Costs and Uniform Guidance

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
	<u>FY15</u>
Organized Research	
On campus	54.0%
Off campus	26.0%
Instruction	
On campus	52.0%
Off campus	26.0%
Other Sponsored Activities	
On campus	38.0%
Off campus	26.0%

3. 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, 2015 and 2014

During the fiscal year ended June 30, 2015, the university passed funds to sub-grantees for the following programs:

CFDA Number	Program	Total
10.500	Cooperative Extension Service	290,989
10.561	Supplemental Nutrition Assistance Program	9,077
19.009	Academic Exchange Programs - Undergraduate	13,848
19.040	Public Diplomacy Programs	43,979
15.605	Sport Fish Restoration Program	102,555
15.611	Wildlife Restoration and Basic Hunter Education	16,000
20.205	Highway Planning and Construction	273,532
84.327	Special Education - Educational Technology Media	53,286
84.336	Teacher Quality Partnership Grants	525,216
84.388	School Improvement Grants	6,125
93.778	Medical Assistance Program	11,154,361
Various	Research and Development	43,403,491
Total		<u>\$ 55,892,457</u>

4. 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, 2015, the university's students and parents received the following amount of new loans under this program:

	CFDA Number	Amount Issued
Direct Student Loans	84.268	
Subsidized		\$ 76,858,529
Unsubsidized		197,966,691
Direct Parent Loans for Undergraduate Students	84.268	45,334,081
Direct Parent Loans for Graduate Students	84.268	29,038,081
		<u>\$ 349,197,382</u>

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 Ohio State University
Notes to Schedule of Expenditures of Federal Awards
June 30, 2015 and 2014

the university's basic financial statements. It is not practical to determine the balance of loans outstanding under these programs at June 30, 2015.

5. University-Administered Federal Loan Programs

The university had the following loan balances outstanding at June 30, 2015. These balances are not included in the schedule of federal expenditures.

	CFDA Number	Outstanding balance at June 30, 2015
Department of Education		
Federal Perkins Program	84.038	\$ 34,730,223
		<u>34,730,223</u>
Department of Health and Human Services		
Health Professions Student Loan Program	93.342	
Dentistry		8,553,180
Optometry		1,967,628
Medicine		104,738
Pharmacy		1,096,668
Veterinary		5,064,280
Primary Care Loan Program	93.342	
Medicine		1,439,165
Loans to Disadvantaged Student Program	93.342	
Dentistry		133,348
Optometry		28,000
Medicine		124,188
Veterinary		9,925
		<u>18,521,120</u>
Nursing Student Loan Program	93.364	<u>1,467,734</u>
ARRA - Nursing Faculty Loan Program	93.408	<u>18,944</u>
Nursing Faculty Loan Program	93.264	<u>443,342</u>
Total Federal Loans Outstanding		<u><u>\$ 55,181,363</u></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 financial statements. The schedule of expenditures of federal awards includes loan expenditures and

The Ohio State University
Notes to Schedule of Expenditures of Federal Awards
June 30, 2015 and 2014

disbursements to students and administrative costs of the loan program for the fiscal year ended June 30, 2015. The university received administrative cost allowances and collection costs related to the Perkins Loan of \$372,741 and \$1,034,738, respectively, for the fiscal year ended June 30, 2015.

The university issued the following amounts of new loans during the fiscal year ended June 30, 2015:

	CFDA Number	FY15 Loan Advances
Department of Education		
Federal Perkins Program	84.038	<u>\$ 4,807,698</u>
		4,807,698
Department of Health and Human Services		
Health Professions Student Loan Program	93.342	
Dentistry		1,013,900
Optometry		203,500
Pharmacy		120,333
Veterinary		802,400
		<u>2,140,133</u>
Nursing Student Loan Program	93.364	<u>197,404</u>
Nursing Faculty Loan Program	93.264	<u>68,533</u>
Total Federal Loans Issued July 1, 2014 through June 30, 2015		<u>\$ 7,213,768</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 of the aggregate discretely presented component units of The Ohio State University (the "University"), a component unit of the State of Ohio, as of and for the year ended June 30, 2015, appearing on pages 20 to 77, which consist of the statement of net position, the related statements of revenues, expenses and other changes in net position and of cash flows, 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 30, 2015, which included a matter of emphasis paragraph concerning the University's adoption of new accounting guidance related to the manner in which it accounts for pensions.

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 basic 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*.

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 University'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 University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PricewaterhouseCoopers LLP

October 30, 2015



**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 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, 2015. 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 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, The Ohio State 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, 2015.

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 item 2015-001. Our opinion on each major federal program is not modified with respect to this matter.

The University's response to the noncompliance finding identified in our audit is described in the accompanying 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 Ohio State 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, 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.

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 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. 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

December 14, 2015

The Ohio State University
Schedule of Findings and Questioned Costs
June 30, 2015

Section I – Summary of Auditor’s Results

Financial statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) 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 federal programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Type of auditor’s report issued on compliance for major federal 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 federal programs:
CFDA Number(s)

Name of Federal Program or Cluster

Various	Research and Development Cluster
Various	Student Financial Aid Cluster
Various	TRIO Cluster
10.561	Supplemental Nutrition Assistance Program (SNAP)
20.205	Highway Planning and Construction Cluster
81.550	US Department of Energy

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

Audited qualified as low-risk auditee? ☒ Yes ☐ No

The Ohio State University
Schedule of Findings and Questioned Costs
June 30, 2015

Section II – Financial Statement Findings

There are no findings related to the financial statements to be reported.

The Ohio State University
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June 30, 2015

Section III – Federal Award Findings and Questioned Costs

Finding Number	2015-001		
CFDA Number	Research and Development Cluster		
	CFDA 10.200	CFDA 93.262	CFDA 93.262
Federal Agency	U.S. Department of Agriculture National Institute of Food and Agriculture	U.S. Department of Health and Human Services Centers for Disease Control and Prevention	U.S. Department of Health and Human Services Centers for Disease Control and Prevention
Pass-Through Agency	Iowa State University	University of Louisville	N/A
Award	GRT00032886	GRT00028373	GRT00036780
Award Year	September 2014	September 2013	July 2014

Criteria:

Cost principles for Educational Institutions under OMB Circular A-21 (2 CFR 220).

J. General provisions for selected items of cost

10. Compensation for personal services

d. Salary rates for faculty members

(2) Periods outside the academic year.

(a) Except as otherwise specified for teaching activity in subsection (b), charges for work performed by faculty members on sponsored agreements during the summer months or other period not included in the base salary period will be determined for each faculty member at a rate not in excess of the base salary divided by the period to which the base salary relates, and will be limited to charges made in accordance with other parts of this section. The base salary period used in computing charges for work performed during the summer months will be the number of months covered by the faculty member's official academic year appointment.

(b) Charges for teaching activities performed by faculty members on sponsored agreements during the summer months or other periods not included in the base salary period will be based on the normal policy of the institution governing compensation to faculty members for teaching assignments during such periods.

Condition: Three instances were identified where personnel salaries related to nine-month appointments charged to the program sponsor occurred after the appointment of those personnel ended.

Questioned Costs: \$10,108

Context: The University appoints certain personnel to both nine-month and 12-month terms at the discretion of the relevant department. Under a nine-month appointment the employee is paid over a twelve-month period (referred to as "9 over 12"). When the nine-month employee is working on a Federal sponsored project, the University is allowed to charge the three months of salary paid in the

The Ohio State University

Schedule of Findings and Questioned Costs

June 30, 2015

employee's off duty quarter to the sponsored project during the appointment period – this is referred to as billing acceleration.

Billing acceleration is an allowable process that matches the Principal Investigator's effort to the billing period. Billing acceleration is accomplished through an automated process that must be turned off by the department at the appropriate time (e.g., at the beginning of the off duty quarter). Additionally, the department is required to use a valid 9 over 12 payroll account code when accelerating billing, since a 12-month appointment should never be accelerated.

The Office of Sponsored Programs executes a query for valid 9 over 12 payroll accounts designed to identify billing accelerations that were not discontinued timely.

Cause: The departments for each instance identified above did not manually discontinue the billing acceleration process in a timely manner, and for certain instances did not use a valid 9 over 12 payroll account, resulting in unallowable additional charges to the program sponsors.

Effect: The University determined that the errors directly charged to all program sponsors involved two employees and totaled \$10,108 (\$6,380 salaries, \$2,073 fringe benefits and \$1,655 F&A) in unallowable costs out of \$218,017,319 of total personnel cost (0.0046%).

Recommendation: The University Human Resources department should restrict billing acceleration to valid 9 over 12 payroll accounts and provide an exception report to both the Office of Sponsored Programs and Senior Fiscal Officers that identifies 9 over 12 billing accelerations that have not been discontinued timely.

Views of Responsible Officials: We agree with the finding and will work with University Human Resources and the Senior Fiscal Officers to implement the recommendation. Additionally, the improper charges have been removed and the associated billing/reporting corrected.

The Ohio State University
Summary Schedule of Prior Audit Findings
June 30, 2015

Number	Finding and Description	Status
2014-001	Significant deficiency identified in the University financial statements: The valuation of patient accounts receivable was materially misstated and a post-close adjustment was required to present the financial statements appropriately.	Remediated during the current year. In September 2014, we implemented separate models for adjudicated versus non-adjudicated claim processing and have refined data sources necessary to support the new approach. Subsequent cash collections are the ultimate standard by which receivables valuation is measured and the University has a consistent record of valuing receivables accurately. We monitor cash collections daily, weekly and monthly for any indication of a change in receivable value. The changes implemented in September will provide additional strength to our existing receivables valuation process and will be important in the era of insurance exchanges and high deductible health plans.

Office of the Controller

2030 Blankenship Hall
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Phone (614) 292-6220
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December 14, 2015

RE: Corrective Action Plan

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

Thomas F. Ewing
Associate Controller
The Ohio State University
2020 Blankenship Hall
901 Woody Hayes Drive
Columbus, OH 43210
Phone: 614-688-3113
E-mail: ewing.6@osu.edu



2. Corrective actions planned:

Finding Number 2015-001 – Federal Award Findings and Questioned Costs

View of responsible officials and planned corrective actions – We agree with the finding and will work with the university's Office of Human Resources and Senior Fiscal Officers to implement the recommendation. Additionally, the improper charges have been removed and the associated billing/reporting corrected.