



THE OHIO STATE UNIVERSITY

**2001**

Financial Report

# The Ohio State University statistical summary

## Enrollment (Autumn 2000)

<b>Total, all campuses</b>	<b>55,043</b>
Men	26,890
Women	28,153
Undergraduates	42,314
Graduate students	9,908
Professional students	2,821
Ohioans	44,569
Foreign students	4,046
Columbus campus	47,952

## Enrollment, Minority (Autumn 2000)

	Number	% of Total
<b>Total minorities</b>	<b>7,990</b>	<b>14.5%</b>
African Americans	3,627	6.5%
Asian Americans	2,557	4.6%
Hispanics	951	1.7%
American Indians	200	0.3%

## Tuition and Fees, 2001-2002 academic year

	Quarter	Annual
Ohio undergraduate (Columbus)	\$1,587	\$4,761
Ohio undergraduate (regional, lower div.)	\$1,202	\$3,606
Ohio undergraduate (ATI*)	\$1,202	\$3,606
Nonresident undergraduate (Columbus)	\$4,509	\$13,527
Ohio graduate (Columbus)	\$2,102	\$6,306
Nonresident graduate (Columbus)	\$5,459	\$16,377
Room & board (typical plan)	\$1,899	\$5,697

**Typical annual cost, all fees \$12,483**

(Annual fee figure covers three quarters for an Ohio undergraduate. Includes tuition, room and board, textbooks and supplies, health insurance, parking, COTA bus pass, football and basketball tickets.)

## Historical Information

Established by Legislature	1870
First classes taught	1873
Received present name	1878
First graduating class	1878
Degrees granted (through August 2001)	517,393

## Employees (Autumn 2000)

	FTE	Headcount
<b>Total</b>	<b>23,369.3</b>	<b>31,302</b>
Regular Faculty	2,962.1	2,982
Regular Clinical Faculty	188.9	195
Auxiliary Faculty	1,165.7	1,519
Administrative and Professional Staff	9,089.6	9,936
Civil Service Staff	5,700.6	5,957
Student employees	4,262.7	10,713

## Academic Structure (September 2001)

Undergraduate majors	174
Master's degree programs	111
Doctoral degree programs	93
Courses (estimated)	12,000

## Buildings (September 2001)

<b>Total</b>	<b>859</b>
Columbus campus (Franklin County)	421
OARDC (all locations) & ATI*	338
Lima, Mansfield, Marion, Newark	30
Other areas	70

## Acreage (September 2001)

<b>Total</b>	<b>13,500</b>
OARDC (all locations) & ATI*	5,926
Molly Caren Agricultural Center	2,095
Columbus campus	1,713
Lima, Mansfield, Marion, Newark campuses	1,443
Airport	1,405
Golf courses	295
Miscellaneous	623

## Administration

<b>President</b>	William E. Kirwan
<b>Provost</b>	Edward J. Ray

## Trustees

	Term Ending
David L. Brennan, chair	2002
James F. Patterson, vice chair	2003
Zuheir Sofia	2004
Tamala Longaberger	2005
Daniel M. Slane	2006
Robert M. Duncan	2007
Karen L. Hendricks	2008
Dimon R. McFerson	2009
Jo Ann Davidson	2010
Kevin Filiatraut, student	2002
Joe Shultz, student	2003

William J. Napier, Secretary  
James L. Nichols, Treasurer

## Enrollments, large U.S. campuses (Autumn 1999)

University of Texas, Austin	49,009
The Ohio State University, Columbus	48,003
University of Minnesota, Twin Cities	45,361
Arizona State University, Tempe	44,215
Texas A & M University, College Station	43,817
University of Florida, Gainesville	43,382
Michigan State University	43,038
Penn State University, University Park	40,658
University of Wisconsin, Madison	40,099
University of Michigan, Ann Arbor	37,846

## \* Abbreviations:

ATI = Agricultural Technical Institute  
FTE = Full-time Equivalent  
OARDC = Ohio Agricultural Research and Development Center

The Office of University Relations updates basic information about the University on the Web approximately twice a year. To check for updates, visit [www.acs.ohio-state.edu/units/ucomm/stuinfo.html](http://www.acs.ohio-state.edu/units/ucomm/stuinfo.html).



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

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Board of Trustees  
The Ohio State University

We have reviewed the Independent Auditor's Report of The Ohio State University, Franklin County, prepared by Deloitte & Touche LLP for the audit period July 1, 2000 through June 30, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

January 16, 2002

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**THE OHIO STATE UNIVERSITY**

**2001**

Financial Report

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## Letter from the Senior Vice President for Business and Finance and the University Controller

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We are pleased to present the Annual Financial Report for The Ohio State University for the fiscal year ended June 30, 2001. The University's overall financial health is sound. However, Ohio State faces significant financial challenges in its quest to become the nation's leading land-grant institution. We would like to take this opportunity to share with you highlights of the University's financial results and outline some of the key financial challenges and opportunities facing the institution in the coming year.



In FY2001, the University recorded over \$2.3 billion in Current Funds revenues, a 11.7% increase over FY2000. Current Funds expenditures increased 8.2%, to \$2.1 billion. Total Current Funds equities at June 30, 2001 stood at \$525 million, representing an increase of \$84 million in 2001. This increase is primarily due to the recognition of \$68 million in restricted gift pledges, in accordance with new reporting requirements for nonexchange transactions.

Total expendable fund equities (a broader equity measure that includes current funds, capital improvement funds, debt service funds and quasi-endowments) declined \$12 million, to \$721 million in 2001, primarily due to decreases in capital improvement funds and in the market value of quasi-endowments. Overall, the University recorded a \$221 million net decrease in the market value of its investments in 2001. Total market value of investments at June 30, 2001 was \$1.6 billion. Total long-term debt increased \$22 million, to \$413 million.



The Ohio State University aspires to be among the world's truly great universities – advancing the well being of the people of Ohio and the global community through the creation and dissemination of knowledge. The University's Academic Plan, which was adopted in 2000, is a reflection of these aspirations.

The Academic Plan focuses on six core strategies:

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

The pace of the University's implementation of the Academic Plan is of course dependent on the availability of financial resources. And a major area of financial concern for Ohio State is the level of state support. In Spring Quarter 2001, the governor announced mid-year budget reductions, including a one percent reduction in FY2001 operating funds appropriated for higher education. This equated to a \$4.5 million reduction in appropriations funded to OSU. The University avoided departmental budget reductions through a temporary hiring freeze and through the use of "rainy day" funds maintained by the University.

Unfortunately, state budgets for the new (FY2002-FY2003) biennium show little improvement. In response to a slowing state economy, increased medical costs and a state Supreme Court order to

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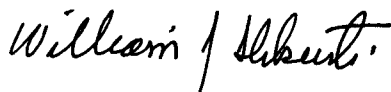
address inadequacies in state funding of primary and secondary education, the State of Ohio increased FY2002 support for higher education by less than one percent. More recently, the governor announced a 6% mandatory reduction in all FY2002 state agency budgets, including colleges and universities. For Ohio State, this translates into a \$28 million decrease in state support for all campuses. As President Kirwan said in his recent State of the University address to the University Senate, "The last 12 months have been exceptionally unpredictable, unearthing one unpleasant economic surprise after another."

Despite these difficulties, the University's leadership is determined to move forward with the key priorities set forth in the Academic Plan. To provide continued improvement in the student experience in this time of stagnant or declining state support, total tuition and fees were increased 9.3% in FY2002 for Columbus Campus undergraduate students. In FY2002, for the first time in OSU history, total tuition and fees charged to Columbus Campus students will exceed total state instructional support.

In addition to tuition increases, the University is aggressively pursuing increased revenues from sources other than state appropriations and tuition. Further, the President has directed colleges and support units to reprogram \$35 to \$45 million in FY2003 to fund competitive compensation increases for faculty and staff. We estimate that, as a result of this reprogramming of budgets, the University will eliminate between 400 and 800 positions over the next 18 months.

When we report the University's results for FY2002, you will see major changes in the format of the financial statements. In coordination with the State of Ohio, the University is implementing several new governmental reporting standards that will replace the current multi-column statements with a single-column "business-type activity" format. The new financial statements include a Statement of Net Assets (Balance Sheet), a Statement of Revenues, Expenses and Changes in Fund Net Assets (Income Statement), and a Statement of Cash Flows. A new Management Discussion and Analysis section will precede the financial reports and is intended to provide an objective, easily readable analysis of the University's financial activities. Also, for the first time, Ohio State's financial statements will include depreciation for its capital assets.

In closing, we would like to express our appreciation to the many faculty and staff members in both colleges and academic support units who are dedicated to the effective financial management of this great institution. We are confident in our ability to move forward, even in difficult times. As President Kirwan said: "Making tough choices is hard work, but it strengthens and renews an organization, as it has done here already, and we will emerge stronger and better as a result. The months ahead will test us, I know. But our task is noble, and our will is strong. We are confident that we are up to the test."



William J. Shkurti

Senior Vice President for Business and Finance



Greta J. Russell

University Controller



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**Deloitte  
& Touche**

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheet of The Ohio State University ("the University"), a component unit of The State of Ohio, as of June 30, 2001, and the related statement of changes in fund equities and of current fund revenues, expenditures and changes for the year then ended. These financial statements are the responsibility of the University. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, such financial statements present fairly, in all material respects, the financial position of The Ohio State University as of June 30, 2001, the changes in fund balances and the current funds' revenues, expenditures and other changes for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, effective July 1, 2000, the University implemented Government Standards Board Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, and retroactively restated the financial statements as of and for the year ended June 30, 2000 for the change.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 5, 2001 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 grants. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Deloitte & Touche LLP*

October 5, 2001

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**Deloitte  
Touche  
Tohmatsu**

# Financial Statements

## THE OHIO STATE UNIVERSITY BALANCE SHEET

June 30, 2001, with Comparative Financial Information for 2000

(in thousands)

ASSETS	CURRENT			
	UNRESTRICTED		RESTRICTED	
	2001	2000	2001	2000
Cash and cash equivalents	\$ 37,235	\$ 4,959	\$ 4,528	\$ 5,592
Accounts receivable, net	171,174	204,659	133,201	44,784
State and federal receivables	-	-	6,817	15,622
Notes receivables, net	-	-	-	-
Accrued interest receivable	1,796	3,284	4,433	4,250
Inventories and prepaid expenses	54,159	47,669	861	728
Investments	417,136	513,794	32,161	26,230
Investment in plant	-	-	-	-
Interfund accounts	(99,797)	(155,098)	172,442	123,374
<b>TOTAL ASSETS</b>	<b>\$ 581,703</b>	<b>\$ 619,267</b>	<b>\$ 354,443</b>	<b>\$ 220,580</b>
<b>LIABILITIES AND FUND EQUITIES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 240,645	\$ 210,616	\$ 47,988	\$ 33,909
Outstanding checks	-	33,660	-	-
Deposits and deferred credits	93,293	99,461	29,131	21,155
Bonds, notes and lease obligations payable	-	-	-	-
<b>Total Liabilities</b>	<b>333,938</b>	<b>343,737</b>	<b>77,119</b>	<b>55,064</b>
<b>Fund Equities:</b>				
Unrestricted	247,765	275,530	-	-
Restricted	-	-	277,324	165,516
US Government grants	-	-	-	-
Net investment in plant	-	-	-	-
<b>Total fund equities</b>	<b>247,765</b>	<b>275,530</b>	<b>277,324</b>	<b>165,516</b>
<b>TOTAL LIABILITIES AND FUND EQUITIES</b>	<b>\$ 581,703</b>	<b>\$ 619,267</b>	<b>\$ 354,443</b>	<b>\$ 220,580</b>

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

LOAN		ENDOWMENT & ANNUITY		PLANT		AGENCY	
2001	2000	2001	2000	2001	2000	2001	2000
\$ 5,858	\$ 3,268	\$ 22,867	\$ 65,811	\$ 4,003	\$ -	\$ 1,881	\$ 1,658
-	-	-	-	260	414	893	1,124
-	-	-	-	2,566	3,706	-	-
56,594	60,982	-	-	7,001	2,722	-	-
6,293	5,988	-	-	369	-	-	-
-	-	-	-	1,779	1,927	-	-
-	-	1,119,889	1,258,070	33,708	22,452	-	-
-	-	-	-	3,100,846	2,831,622	-	-
70	66	(16,627)	(13,306)	(56,088)	44,964	-	-
<u>\$ 68,815</u>	<u>\$ 70,304</u>	<u>\$ 1,126,129</u>	<u>\$ 1,310,575</u>	<u>\$ 3,094,444</u>	<u>\$ 2,907,807</u>	<u>\$ 2,774</u>	<u>\$ 2,782</u>
\$ -	\$ 3,830	\$ 21,507	\$ 24,000	\$ 12,875	\$ 27,253	\$ 104	\$ 225
-	-	-	-	-	-	-	-
-	-	2,376	1,393	-	-	2,670	2,557
-	-	-	-	412,637	390,826	-	-
-	3,830	23,883	25,393	425,512	418,079	2,774	2,782
2,420	2,252	71,808	85,378	(61,535)	(5,981)	-	-
9,614	9,082	1,030,438	1,199,804	2,566	10,183	-	-
56,781	55,140	-	-	-	-	-	-
-	-	-	-	2,727,901	2,485,526	-	-
68,815	66,474	1,102,246	1,285,182	2,668,932	2,489,728	-	-
<u>\$ 68,815</u>	<u>\$ 70,304</u>	<u>\$ 1,126,129</u>	<u>\$ 1,310,575</u>	<u>\$ 3,094,444</u>	<u>\$ 2,907,807</u>	<u>\$ 2,774</u>	<u>\$ 2,782</u>

THE OHIO STATE UNIVERSITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITIES

Year Ended June 30, 2001, with Comparative Financial Information for 2000

(in thousands)

	CURRENT			
	UNRESTRICTED		RESTRICTED	
	2001	2000	2001	2000
<b>REVENUES AND OTHER ADDITIONS</b>				
Educational and general:				
Tuition, fees and other student charges	\$ 369,734	\$ 349,476	\$ -	\$ -
State appropriations	363,214	348,294	94,963	89,685
Federal support	37,352	28,308	207,916	172,116
Other state support	3,120	3,732	43,260	46,107
Local support	31	-	21,354	20,028
Private support	18,442	20,613	245,868	169,236
Investment income	33,748	29,871	20,618	(1,095)
Net appreciation (depreciation) in fair value of investments	(1,955)	3,012	(4,533)	1,855
Sales and services	67,357	52,749	-	-
Other sources	12,884	12,787	-	-
Total educational and general current fund revenues	903,927	848,842	629,446	497,932
Auxiliary enterprises	145,433	147,958	14,841	11,148
Hospitals	611,538	557,029	14,279	13,805
Interest and penalties on loans receivable	-	-	-	-
Plant fund additions	-	-	-	-
Retirement of indebtedness	-	-	-	-
<b>TOTAL REVENUES AND OTHER ADDITIONS</b>	<b>1,660,898</b>	<b>1,553,829</b>	<b>658,566</b>	<b>522,885</b>
<b>EXPENDITURES AND OTHER DEDUCTIONS</b>				
Educational and general expenditures	858,610	800,570	511,746	435,080
Auxiliary enterprises expenditures	139,291	135,578	11,066	8,923
Hospitals expenditures	614,575	597,246	13,395	11,475
Administrative and collection	-	-	-	-
Indirect costs recovered	-	-	49,982	42,878
Refunded to grantors	-	-	-	43
Provision for uncollectible loans	-	-	-	-
Payments to annuitants	-	-	-	-
Expended for plant facilities	-	-	-	-
Retirement of indebtedness (including interest)	-	-	-	-
Disposal of plant facilities	-	-	-	-
<b>TOTAL EXPENDITURES AND OTHER DEDUCTIONS</b>	<b>1,612,476</b>	<b>1,533,394</b>	<b>586,189</b>	<b>498,399</b>
<b>TRANSFERS AMONG FUNDS</b>				
<b>- ADDITIONS / (DEDUCTIONS)</b>				
Mandatory	(37,195)	(22,852)	(1,384)	(8,739)
Non-mandatory	(38,992)	(24,418)	40,815	25,247
<b>TOTAL TRANSFERS</b>	<b>(76,187)</b>	<b>(47,270)</b>	<b>39,431</b>	<b>16,508</b>
<b>NET INCREASE / (DECREASE) FOR THE YEAR</b>	<b>(27,765)</b>	<b>(26,835)</b>	<b>111,808</b>	<b>40,994</b>
<b>FUND EQUITY, BEGINNING OF YEAR</b>	<b>275,530</b>	<b>302,365</b>	<b>165,516</b>	<b>124,522</b>
<b>FUND EQUITY, END OF YEAR</b>	<b>\$ 247,765</b>	<b>\$ 275,530</b>	<b>\$ 277,324</b>	<b>\$ 165,516</b>

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

LOAN		ENDOWMENT AND ANNUITY		PLANT	
2001	2000	2001	2000	2001	2000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	47,331	44,655
199	90	-	-	319	-
-	-	-	-	-	500
-	-	-	-	-	-
210	(15)	60,464	54,184	29,870	12,687
551	397	4	312	(2,824)	1,278
-	-	(212,677)	187,559	(2,029)	224
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,447	2,147	-	-	-	-
-	-	-	-	299,349	310,700
-	-	-	-	29,961	26,367
3,407	2,619	(152,209)	242,055	401,977	396,411
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,111	1,450	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	143
-	1,000	-	-	-	-
-	-	439	489	-	-
-	-	-	-	207,686	215,610
-	-	-	-	48,543	43,027
-	-	-	-	33,543	169,697
1,111	2,450	439	489	289,772	428,477
45	12	-	-	38,534	31,579
-	-	(30,288)	(24,917)	28,465	24,088
45	12	(30,288)	(24,917)	66,999	55,667
2,341	181	(182,936)	216,649	179,204	23,601
66,474	66,293	1,285,182	1,068,533	2,489,728	2,466,127
\$ 68,815	\$ 66,474	\$ 1,102,246	\$ 1,285,182	\$ 2,668,932	\$ 2,489,728

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES****Organization**

The Ohio State University is a land grant institution created in 1870 by the Ohio General Assembly under provisions of the Morrill Act. The University is one of several state-supported universities in Ohio. It is declared by statute to be a body politic and corporate and an instrumentality of the State. The University is governed by a nine member 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. The Trustees are appointed for staggered nine year terms by the Governor with the advice and consent of the State Senate. In addition, two non-voting student members are appointed to the Board of Trustees for staggered two year terms.

**Basis of Presentation**

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

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

Two separate statutory entities for which the University has special responsibility

- Ohio Agricultural Research and Development Center
- Ohio Supercomputer Center

Eight legally independent corporations engaged in activities related to the University

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

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, the University's financial statements are included as a discrete entity in the State of Ohio's Consolidated Annual Financial Report.

**Basis of Accounting**

The financial statements of the University have been prepared on the accrual basis in accordance with generally accepted accounting principles, accepted in the United States, for state-assisted colleges and universities. Depreciation is not recognized for plant and equipment as it is not required for state-supported universities. The State-



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ment of Revenues, Expenditures and Changes in Fund Equities represents the financial activities of funds related to the current reporting period.

### 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.

### Fund Accounting

Resources are classified for accounting and reporting purposes into funds that reflect the specific activities, objectives or restrictions of the resources. Separate accounts are maintained within each fund.

In the accompanying financial statements, funds that have similar characteristics are combined into fund groups, and all financial transactions have been recorded and reported by fund group. Fund equities restricted by outside sources are so indicated and are distinguished from unrestricted funds.

### Description of Funds

Each of the following fund groups is a self-balancing set of accounts:

*Current Funds* include those resources that are available for current operations. These funds can be either unrestricted or restricted and are used for educational and general purposes, auxiliary enterprises, or University Hospitals. Current funds are considered unrestricted unless donors or external agencies restrict their use to specific purposes, programs, colleges, departments, or schools.

Educational and general purposes include instruction, research, public service, academic support, student services, institutional support, scholarships, fellowships, and operation and maintenance of plant facilities.

Auxiliary enterprises are those activities designed to be substantially self-supporting. These activities primarily provide services for students, faculty and staff. Auxiliary enterprises include, but are not limited to, residence halls, food services, bookstores and intercollegiate athletics.



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. The balances resulting from these operations are used by the individual departments to support working capital needs, fund related academic programs

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and internally sponsored research, and provide for unanticipated shortfalls in revenues and deviations in enrollment.

*Loan Funds* include resources available for loans to students. These funds are primarily composed of federal Perkins loans. As these loans are repaid, the principal and accumulated interest are available for further student loans.

*Endowment and Similar Funds* include endowment funds and quasi-endowment funds. Characteristics of these funds are as follows:

***Endowment Funds***

Principal is not expendable per donor's or external agency's instructions. Investment income may be expended or added to principal.

***Quasi-Endowment Funds***

Funds are University designated to be retained and invested. Principal and income may be utilized at discretion of Board of Trustees subject to any donor-imposed restrictions on use.

For all types of endowment funds, the principal includes the original gift value of the endowment, subsequent additions, reinvestments of income, and realized gains/losses resulting from invasions of endowment principal.

*Annuity and Life Income Funds* consist primarily of life income funds which are resources acquired by the University provided that periodic income be paid during the lifetime of the income beneficiary per the donor's instructions.

*Plant Funds* consist of four self-balancing sub-groups whose characteristics are as follows:

***Unexpended Funds***

Resources are derived from various sources to finance the acquisition of long-life assets.

***Renewals and Replacements Funds***

Resources are set aside for future renewal and replacement of current assets. The University maintains a program of regularly estimating future requirements for major maintenance and renovation of buildings and equipment. The cost of meeting those requirements is provided through regular transfers from current operating funds to funds reserved for renewals and replacements of plant.

For the year ended June 30, 2001, non-capitalized expenditures for plant facilities for the Unexpended and Renewals and Replacements funds are \$8,446.

***Retirement of Indebtedness Funds***

Resources are specifically accumulated for payment of principal and interest on debt incurred in connection with the acquisition of properties.



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### ***Investment in Plant Funds***

All long-life assets in the service of the University and construction in progress are accounted for in this fund. Physical properties, which include land, buildings, improvements, equipment and library books, are principally stated at cost. In accordance with generally accepted accounting principles for state-assisted colleges and universities, depreciation is not provided.

To the extent current funds are used to finance plant assets, the amounts are accounted for during the year ended June 30, 2001 as (a) expenditures of current funds and additions to property and equipment in the plant fund of \$99,609, (b) mandatory transfers in the case of required provisions for debt amortization and interest, and (c) transfers of a non-mandatory nature in other cases, principally provisions for renewals and replacements.

***Agency Funds*** include resources held by the University on behalf of others in the capacity of custodian or fiscal agent. Resources owned by academic or scholarly journals but managed by faculty who serve as the publications' editors are one type of agency fund.

### **Cash and Investments**

Cash and cash equivalents consist primarily of petty cash, demand deposit accounts, money market accounts, and savings accounts.

The University invests in various securities including US Government securities, common stocks, and corporate bonds. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Equities.



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

Investment in real estate is carried at cost, if purchased, or appraised value at the date of the gift. The carrying and market values of real estate at June 30, 2001 are \$36,333 and \$54,746 respectively.

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

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## Inventories

The University's inventories, which consist principally of the bookstores, central food stores and general stores, are valued at the lower of moving average cost or market. The inventories of the hospitals, which consist principally of pharmaceuticals and operating supplies, are valued at cost on a first-in, first-out basis.

## Deferred Credits

Deferred credits in the current unrestricted fund primarily consist of receipts relating to tuition, room, board, and athletic events received in advance of the services to be provided. Tuition and fees relating to the summer academic quarter are recorded as revenue in the following fiscal year. The University will recognize unrestricted revenue to the extent these services are provided over the coming fiscal year.

## Nonexchange Transactions

Effective July 1, 2000, the University implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and GASB Statement No. 36, *Recipient Reporting for Certain Non-Exchange Revenues* (an amendment of GASB No. 33). In general, GASB Nos. 33 and 36 establish accounting and financial reporting standards for nonexchange transactions involving financial or capital resources. In a nonexchange transaction, an entity gives (or receives) value without directly receiving or giving equal value in return. Additionally, GASB No. 33 requires the recognition of pledges and gifts when all eligibility requirements are met.

In accordance with GASB No. 33, the University has recorded \$68,101 in non-endowment pledges receivable as of June 30, 2001. For nonexchange transactions other than gifts, these statements required retroactive application. Accordingly, the University's financial statements as of and for the year ended June 30, 2000 have been restated as follows:

Increase (Decrease) in Amounts Previously Reported		
	Current Restricted	Plant
<u>Balance Sheet</u>		
Assets:		
State and federal receivables	\$11,692	\$3,706
Fund Equities:		
Restricted	\$11,692	\$3,706
<u>Statement of Revenues, Expenditures and Changes in Fund Equities</u>		
Revenues:		
State appropriations		\$3,706
Other state support	\$11,692	

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## **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. Grants and contracts determined to be exchange transactions are recognized as revenue when the exchange occurs. Grants and contracts determined to be nonexchange transactions are recognized as revenue when all eligibility requirements have been met. Recovery of related indirect costs is generally recorded at fixed rates negotiated for a period of one to three years.

## **Hospital Revenue**

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

## **Newly Issued Accounting Pronouncements**

Effective July 1, 2001, the University adopted GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as a component of the State of Ohio, 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*. Also effective July 1, 2001, the University adopted two related GASB Statements: GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*.

These statements establish comprehensive new financial reporting requirements for governmental colleges and universities throughout the United States. Much of the reporting that the University has provided in the past will be restructured and will include management discussion and analysis. The provisions of these Statements will be reflected in the University's financial report for the year ended June 30, 2002. University management has determined that the most significant impact of the implementation of these statements on its reported financial position will be the recording of depreciation on its Investment in Plant assets (excluding land). However, the depreciation calculations have not been finalized at this time.

## **Other**

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

The financial information for the year ended June 30, 2000 has been presented for comparative purposes only and is not intended to be a complete presentation in accordance with generally accepted accounting principles. Certain reclassifications have been made to the 2000 comparative information to conform with the 2001 presentation.

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## NOTE 2 — ACCOUNTS AND NOTES RECEIVABLE

Accounts receivable at June 30, 2001 are net of allowances for doubtful accounts in current unrestricted and current restricted funds of \$96,696 and \$6,247, respectively.

Notes receivable at June 30, 2001 consist primarily of Perkins Loans and are net of an allowance for doubtful accounts of \$7,300. The fund equities related to this and other federal loan programs principally represent advances which are ultimately refundable to the federal government.

## NOTE 3 — CASH AND INVESTMENTS

At June 30, 2001, the carrying amount of the University's cash and cash equivalents for all funds is \$76,372 as compared to bank balances of \$136,846. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$1,719 is covered by federal deposit insurance and \$135,127 is uninsured but collateralized by pools of securities pledged by the depository banks and held in the name of the respective banks.

The University's investment policy authorizes the University to invest non-endowment funds in the following investments:

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

The University's investment policy authorizes the University to invest endowment funds in the following investments:

- Obligations of the US Treasury and other federal agencies and instrumentalities
- Municipal and state bonds
- Certificates of deposit (domestic and eurodollar)
- Repurchase agreements
- Mutual funds
- Commercial paper
- Banker's acceptances
- Corporate bonds and notes
- Common and preferred stock
- Real estate
- Guaranteed investment contracts
- Collateralized mortgage obligations
- Asset-backed securities
- Private equity and venture capital

Statement No. 3 of the Governmental Accounting Standards Board requires government entities to categorize investments to give an indication of the level of risk assumed by the entity at year end. These categories of risk are summarized below.

*Category 1* Insured or registered investments held by the University or its agent in the name of the University.

*Category 2* Uninsured and unregistered investments for which securities are held by the broker's or dealer's trust department or agent in the name of the University.

*Category 3* Uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the University's name.

The values of investments at June 30, 2001 are as follows:

<b>Value of Investments</b>	
US Government securities	\$496,394
Common stocks	874,071
Corporate bonds	45,121
Real estate	36,333
Other	150,975
Total Investments	<u>\$1,602,894</u>

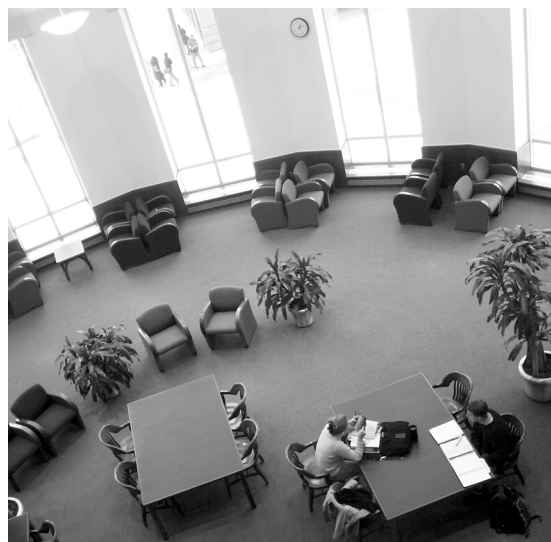
The US Government securities are invested through trust agreements with banks who keep the securities in their safekeeping accounts at the Federal Reserve Bank in "book entry" form. The banks internally designate the securities as owned by or pledged to the University (Category 2). Common stocks, corporate bonds, money market instruments, mutual funds and other investments are invested through trust agreements with banks who keep the investments in their safekeeping accounts at the Depository Trust Company, Bank One or State Street in "book entry" form. The banks internally designate the securities as owned by or pledged to the University (Category 2).

Pooled investments are recorded in the following fund groups:

<b>Pooled Investments by Fund Group</b>	
Unrestricted E&G	\$383,596
Hospital	28,017
Endowment and Annuity	1,082,536
Plant - Capital Additions	496
Plant - Renewals and Replacements	9,666
Plant - Retirement of Indebtedness	23,546
Total Pooled Investments	<u>\$1,527,857</u>

Investments in the unrestricted educational and general fund are accounted for on a pooled basis. A portion of these investments is due to other fund groups and is reflected on the interfund accounts line of the balance sheet.

Investments in the endowment and annuity fund groups are accounted for on a pooled basis using the share method of accounting for pooled investments. This share method distributes income to each fund which participates in the pool and reflects the ownership of such shares through the use of the interfund accounts. Based on this method, undistributed gains of \$43,861 from prior years were transferred from the endowment fund to current restricted funds.



Net appreciation in the fair value of investments includes both realized and unrealized gains and losses on investments. During the year ended June 30, 2001, the University realized a net gain of \$705 from the sale of investments. The calculation of realized gains is independent of the net appreciation in the fair value of investments held at year-end. Realized gains and losses on investments that had been held for more than one fiscal year and sold in the current year were included as a change in the fair value of investments reported in the prior year and the current year. The net depreciation in the fair value of investments during the year ended June 30, 2001, was \$222,074. This amount includes all changes in fair value, both realized and unrealized, that occurred during the year. The unrealized depreciation during the year on investments was \$222,779.

The components of the net depreciation of investments by fund group are as follows:

<b>Net Depreciation of Investments by Fund Group</b>			
	<b>Realized Gains on Sale of Investments</b>	<b>Unrealized Appreciation (Depreciation)</b>	<b>Net Appreciation (Depreciation) in Market Value of Investments</b>
Unrestricted E&G	\$-	\$(1,955)	\$(1,955)
Hospitals	-	(880)	(880)
Restricted	-	(4,533)	(4,533)
Endowment	705	(212,412)	(211,707)
Annuity	-	(970)	(970)
Plant Funds	-	(2,029)	(2,029)
Total 2001	\$705	\$(222,779)	\$(222,074)
Total 2000	\$185,879	\$8,983	\$194,862

#### **NOTE 4 — INVESTMENT IN PLANT**

Investment in plant at June 30, 2001 is composed of the following assets:

<b>Investment in Plant</b>	
Land	\$37,891
Improvements other and buildings	170,020
Buildings and fixed equipment	1,906,065
Movable equipment and furniture	681,674
Library books	151,281
Construction in progress	153,915
<b>Total</b>	<b>\$3,100,846</b>

The University's capitalization threshold for moveable equipment and furniture is three thousand dollars.

#### **NOTE 5 — LONG-TERM OBLIGATIONS**

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.

#### **Bonds and Notes Payable**

Bonds and notes payable at June 30, 2001 consist of the following:

<b>Bonds and Notes Payable</b>		
	<b>Interest Rate</b>	<b>Amount</b>
Ohio Board of Regents Note, due through 2006	0.00%	\$1,063
Capital One Funding Corporation, due through 2014	5.7%	2,882
General Receipts Bonds:		
Series 1992A1, due serially through 2012	4.55% - 5.88%	35,175
Series 1992A2, due serially through 2009	4.55% - 5.75%	30,390
Series 1997, due serially through 2027	Variable	63,240
Series 1999A, due serially through 2029	3.85% - 6.00%	80,900
Series 1999B1, due serially through 2029	Variable	78,700
Series 1999B2, due 2006	Variable	21,800
<b>Total</b>		<b>\$314,150</b>

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 \$37,480 for future debt service which is included in unrestricted fund equities within the plant fund.

In prior years, the University 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 are as follows:

<b>Defeased Bonds</b>		
	<b>Amount Defeased</b>	<b>Amount Outstanding at June 30, 2001</b>
Revenue Bonds:		
Series A, C, E and I	\$5,951	\$2,440
General Receipts Bonds:		
Series 1981	7,600	-
Total	\$13,551	\$2,440

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

Series 1997, 1999B1 and 1999B2 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, 2001 are as follows:

<b>Maximum and Average Interest Rates</b>		
Series:	<b>Interest Rate Not to Exceed</b>	<b>Effective Average Interest Rate</b>
1997	12%	3.446%
1999 B1	12%	3.755%
1999 B2	12%	3.911%

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.

Total interest expense incurred on indebtedness for the year ended June 30, 2001 is \$18,117 and is reflected in the total retirement of indebtedness fund deduction of \$48,543. Interest of \$500 was capitalized in the investment in plant fund.



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## Commercial Paper

Commercial paper outstanding as of June 30, 2001 and the average interest rates are as follows:

Commercial Paper Outstanding		
Series:	Amount Outstanding	Average Interest Rate
C	\$81,000	3.503%

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

## Capital Leases

Computer equipment and the facilities for child care, stores/receiving and ATI residence hall are financed as capital leases. The original cost and lease obligations related to these capital leases as of June 30, 2001 are \$28,807 and \$17,487 respectively.

## Debt and Lease Obligations

Obligations outstanding at June 30, 2001 are as follows (capital leases include principal and interest):

Outstanding Obligations			
Year Ended June 30,	Bonds, Notes	Commercial Paper	Capital Leases
2002	\$13,596	\$81,000	\$6,045
2003	9,246	-	3,647
2004	9,518	-	1,845
2005	10,020	-	1,189
2006	8,623	-	1,034
2007 and thereafter	263,147	-	8,217
Total future debt service	314,150	81,000	21,977
Less: interest	-	-	(4,490)
Principal portion of future payments	\$314,150	\$81,000	\$17,487

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## NOTE 6 — OPERATING LEASES

The University leases various buildings, office space, and equipment under operating lease agreements. These facilities and equipment are not recorded as assets on the balance sheet. The total rental expense under these agreements was \$11,645 for the year ended June 30, 2001.

Future minimum payments for all significant operating leases with initial or remaining terms in excess of one year as of June 30, 2001 are as follows:

<b>Operating Lease Future Minimum Payments</b>	
Year Ending June 30,	
2002	\$7,832
2003	6,192
2004	2,685
2005	2,506
2006	1,382
2007 and thereafter	5,631
Total minimum lease payments	<u>\$26,228</u>

## NOTE 7 — ENDOWMENT AND ANNUITY FUNDS

The fund equities comprising the endowment and annuity funds at June 30, 2001 are as follows:

<b>Endowment and Annuity Fund Equities</b>	
Endowments	\$844,032
Quasi-endowments	255,307
Annuity	2,907
Total	<u>\$1,102,246</u>

## NOTE 8 — STATE SUPPORT

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

The State also provides line-item appropriations which partially support the current operations of various activities which include clinical teaching expenditures incurred at The Ohio State University

Hospitals and other health sciences teaching facilities, The Ohio State University Extension, The Ohio Agricultural Research and Development Center, and the Center for Labor Research.

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

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

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



## NOTE 9 — CURRENT FUNDS REVENUES AND EXPENDITURES

Unrestricted revenues and other additions are considered revenue when earned. Restricted revenues and other additions are considered revenue when an exchange occurs or when eligibility requirements are met.

The current funds restricted revenues earned through expenditure for the year ended June 30, 2001 are as follows:

Current Funds Restricted Revenues	
State appropriations	\$87,551
Federal support	170,383
Other state support	35,451
Local support	17,500
Private support	213,077
Endowment and investment income and realized gains	12,245
Total	\$536,207

Current funds expenditures for the year ended June 30, 2001 are as follows:

<b>Current Funds Expenditures</b>		
	<b>Unrestricted</b>	<b>Restricted</b>
Educational and general:		
Instructional and departmental research	\$447,301	\$84,109
Separately budgeted research	26,247	236,268
Public service	18,889	85,534
Academic support	96,130	9,255
Student services	55,133	1,337
Institutional support	94,021	38,065
Operation and maintenance of plant	70,922	6,062
Scholarships and fellowships	49,967	51,116
Total educational and general	858,610	511,746
Auxiliary enterprises	139,291	11,066
Hospitals	614,575	13,395
Total	\$1,612,476	\$536,207

## NOTE 10 — RETIREMENT PLANS

### Defined Benefit Plans

The University faculty is covered by the State Teachers Retirement System of Ohio (STRS). Substantially all other employees are covered by the Public Employees Retirement System of Ohio (PERS). These retirement programs are statewide cost-sharing multiple-employer defined benefit pension plans. STRS and PERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by state statute. Both STRS and PERS issue separate, publicly available financial reports that include financial statements and required supplemental information. These reports may be obtained by contacting the two organizations.

<b>STRS and PERS</b>	
STRS Ohio	PERS Ohio
275 East Broad Street	277 East Town Street
Columbus, OH 43215-3771	Columbus, OH 43215-4642
(614) 227-4090	(614) 466-2085
(888) 227-7877	(800) 222-PERS (7377)
<a href="http://www.strsoh.org">www.strsoh.org</a>	<a href="http://www.opers.org">www.opers.org</a>

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

PERS currently provides postemployment health care benefits to retirees with ten or more years of qualifying service credit and to primary survivors of those retirees. These benefits are advance-funded on an actuarially determined basis and are financed through employer contributions and investment earnings. PERS determines the amount, if any, of the associated health care costs that will be absorbed by PERS. Under Ohio Revised Code (ORC), funding for medical costs paid from the funds of PERS is included in the employer contribution rate. For the fiscal year ended December 31, 2000, PERS allocated 4.3% of the employer contribution rate to fund the health care program for retirees. The contributions allocated to retiree health benefits, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely.

The actuarial value of assets available for these benefits at December 31, 2000 was \$10.8 billion. There were 401,339 benefit recipients eligible for postemployment benefits at that date.

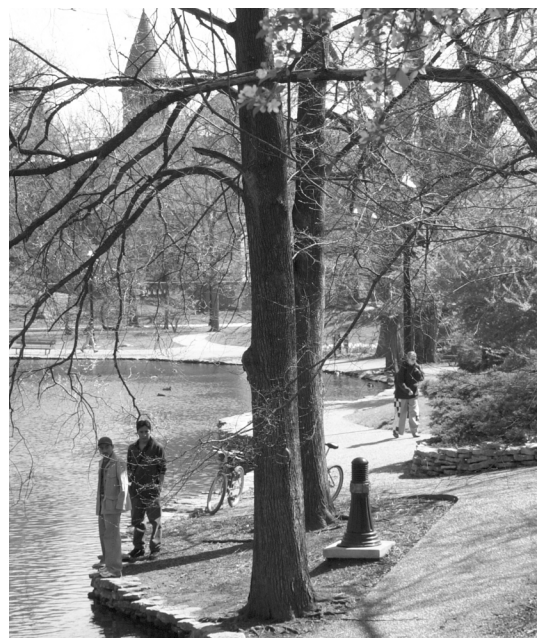
STRS currently provides comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare premiums. Pursuant to ORC, STRS has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of monthly premiums. Under ORC, medical costs paid from the funds of STRS are included in the employer contribution rate. For the fiscal year ended June 30, 2000, STRS allocated employer contributions equal to 8.0% of covered payroll to a Health Care Reserve Fund (HCRF) from which payments for health care benefits are paid. The balance in the HCRF was \$3.419 billion at June 30, 2000.

STRS expenditures for postemployment benefits during the year ended June 30, 2000 were \$283 million. There were 99,011 benefit recipients eligible for postemployment benefits at that date.

### **Defined Contribution Plan**

The Alternative Retirement Plan (ARP) is a defined contribution pension plan. Full-time administrative and professional staff and faculty with less than five years of service (those not vested in the existing defined benefit plans) as of ARP's implementation date were allowed to choose enrollment in ARP in lieu of PERS or STRS. Classified civil service employees are not eligible to participate in ARP. For those employees selecting participation in ARP, prior employee contributions to STRS and PERS were transferred from those plans and invested in individual accounts established with one of eight selected external providers.

ARP does not provide disability benefits, annual cost-of-living adjustments, postretirement health care benefits or death benefits to plan members and beneficiaries. Benefits are entirely dependent on the sum



of contributions and investment returns earned by each participant's choice of investment options.

## Funding Policy

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

<b>Required Contribution Rates for Retirement Plans</b>			
	<b>STRS</b>	<b>PERS</b>	<b>ARP</b>
Faculty:			
Plan Member	9.3%		9.3%
University	14.0%		14.0%*
Staff:			
Plan Member		8.5%	8.5%
University (July 1 - Dec 31)		7.99%	7.99%
University (Jan 1 - June 30)		13.31%	13.31%
Law Enforcement Staff:			
Plan Member		9.0%	9.0%
University (July 1 - Dec 31)		14.7%	14.7%
University (Jan 1 - June 30)		16.7%	16.7%

\* Employer contributions included 5.76% paid to STRS.  
The remaining amount, 8.24%, is credited to employee's ARP account.

During the fiscal year, PERS temporarily reduced the employer contribution for the period July 1, 2000 through December 31, 2000 as a result of an actuarial study indicating actuarial assets in excess of actuarial liabilities. The employer contribution was restored to the prior contribution rate effective January 1, 2001.

The University's contributions, which represent 100% of required employer contributions, for the year ended June 30, 2001 and for each of the two preceding years are as follows:

<b>Required Employer Contributions</b>			
Year Ended June 30,	STRS Annual Required Contribution	PERS Annual Required Contribution	ARP Annual Required Contribution
1999	\$36,364	\$64,204	\$ 1,274
2000	\$34,785	\$65,891	\$13,662
2001	\$35,972	\$54,645	\$14,177

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## 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 compensatory time in lieu of overtime pay. Any unused compensatory time must be paid to the employee at termination or retirement.

In addition, the FY01 compensated absences accrual also includes the employer portion of the 1.45% Medicare tax only. The University is not liable for the employer portion of the 6.2% Old Age, Survivors, and Disability Insurance (OASDI) tax because the University contributes to state retirement systems in lieu of the federal Social Security retirement system. The state retirement systems do not require employer contributions for vacation, compensatory time or sick leave payouts at termination or retirement.

The liability for the cost of vacation, compensatory time and sick leave benefits is approximately \$55,690 as of June 30, 2001.

## NOTE 12 — CAPITAL PROJECT COMMITMENTS

At June 30, 2001, the University is committed to future contractual obligations for capital expenditures of approximately \$46,782.

These projects are funded by the following sources:

<b>Capital Project Commitments</b>	
State appropriations	\$32,059
Internal and other sources	14,723
Total	<u>\$46,782</u>

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### NOTE 13 — SELF-INSURANCE PROGRAMS

The Hospitals have established a trustee self-insurance fund for professional liability claims. The estimated liability and the related contributions to the fund are based upon an independent actuarial determination as of June 30, 2001.

The Hospitals' estimate of professional malpractice liability includes provisions for known claims and actuarially determined estimates of incurred but not reported claims and incidents. This liability at June 30, 2001 of the anticipated future payments on gross claims is estimated at its present value of \$19,902 discounted at an estimated rate of 6.0%.

Although actual experience upon the ultimate disposition of the claims may vary from this estimate, the self-insurance fund assets of \$19,978 are in excess of the recorded liability at June 30, 2001, and the excess of \$76 is included in the Hospitals' fund equity.

The University is also self-insured with a stop-loss ceiling of \$91,201 for employee health insurance. As of June 30, 2001, \$20,822 is recorded as a liability relating to both claims received but not paid and estimates of claims incurred but not yet reported.

Changes in the reported liabilities since June 30, 1999 result from the following activities:

	<b>Changes in Reported Liabilities for Self-Insurance Programs</b>			
	<b>Malpractice</b>		<b>Health</b>	
	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>
Liability at Beginning of Fiscal Year	\$14,193	\$13,604	\$8,573	\$9,000
Current Year Claims, Changes in Estimates	7,992	676	85,603	61,651
Claim Payments	(2,283)	(87)	(73,354)	(62,078)
Balance at End of Fiscal Year	\$19,902	\$14,193	\$20,822	\$8,573

### NOTE 14 — CONTINGENCIES

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.

### NOTE 15 — FUNDS HELD IN TRUST BY OTHERS

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



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& Touche**

## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

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

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information listed in the Table of Contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This additional information is the responsibility of the University's management. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

*Deloitte & Touche LLP*

October 5, 2001

**Deloitte  
Touche  
Tohmatsu**

## Supplemental Information

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### THE OHIO STATE UNIVERSITY BALANCE SHEET

June 30, 2001

#### ASSETS

##### CURRENT FUNDS

###### Unrestricted:

###### Educational and general:

Cash	\$ 34,315,026
Investments	385,455,672
Accrued interest receivable	1,795,636
Accounts receivable, less allowance of \$4,244,270	44,660,881
Due from unrestricted hospital funds	23,934,207
Due from endowment and similar funds	3,704,470
Due from plant unexpended funds	9,108,560
Due from plant renewals and replacement funds	69,947,828
Due from investment in plant funds	645,944
Inventories	7,880,619
Prepaid expenses and deferred charges	<u>33,284,644</u>

Total educational and general \$ 614,733,487

###### Auxiliary enterprises:

Cash and cash equivalents	\$ 174,171
Accounts receivable, less allowance of \$500,844	3,512,353
Due from unrestricted educational and general funds	27,532,316
Inventories	2,530,618
Prepaid expenses and deferred charges	<u>299,272</u>

Total auxiliary enterprises \$ 34,048,730

###### Hospitals:

Cash and cash equivalents	\$ 2,745,521
Investments	31,679,982
Accounts receivable, less allowance of \$91,950,448	123,001,029
Due from restricted funds	46,375
Inventories	8,621,495
Prepaid expenses and deferred charges	<u>1,542,881</u>

Total hospitals \$ 167,637,283

Total unrestricted \$ 816,419,500

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## **LIABILITIES AND FUND EQUITIES**

### **CURRENT FUNDS**

#### **Unrestricted:**

##### **Educational and general:**

Accounts payable	\$ 45,939,937
Accrued liabilities	91,956,640
Due to unrestricted auxiliary funds	27,532,316
Due to restricted funds	167,330,546
Due to loan funds	68,610
Due to annuity and life income funds	65,802
Due to plant retirement of indebtedness funds	10,457,551
Deposits	2,406,280
Deferred credits	63,563,519
Fund equities	<u>205,412,286</u>

Total educational and general \$ 614,733,487

##### **Auxiliary enterprises:**

Accounts payable	\$ 1,657,488
Accrued liabilities	4,153,656
Deposits	1,913,327
Deferred credits	25,410,144
Due to plant retirement of indebtedness funds	5,327,257
Fund equities	<u>(4,413,142)</u>

Total auxiliary enterprises \$ 34,048,730

##### **Hospitals:**

Accounts payable	\$ 32,300,202
Accrued liabilities	64,637,036
Due to unrestricted educational and general funds	23,934,207
Fund equities	<u>46,765,838</u>

Total hospitals \$ 167,637,283

Total unrestricted \$ 816,419,500

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**THE OHIO STATE UNIVERSITY**  
**BALANCE SHEET, Continued**

**June 30, 2001**

**ASSETS**

**CURRENT FUNDS, Continued**

**Restricted:**

Cash and cash equivalents	\$	4,527,971
Real estate		40,000
Investments		32,120,913
Accrued interest receivable		4,432,845
Accounts receivable, less allowance of \$5,166,754		133,200,812
State and federal receivables, less allowance of \$1,080,583		6,817,091
Due from unrestricted educational and general funds		167,330,546
Due from endowment and similar funds		5,159,013
Inventories		13,242
Prepaid expenses and deferred charges		847,494

Total restricted \$ 354,489,927

Total current funds \$ 1,170,909,427

**LOAN FUNDS**

Cash and cash equivalents	\$	5,857,817
Due from unrestricted educational and general funds		68,610
Accrued interest receivable		6,292,946
Notes receivable, less allowance of \$7,300,000		56,595,175

Total loan funds \$ 68,814,548

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## **LIABILITIES AND FUND EQUITIES**

### **CURRENT FUNDS, Continued**

#### **Restricted:**

Accounts payable	\$ 4,021,478
Accrued liabilities	43,967,301
Advances - sponsored programs	29,131,070
Due to unrestricted hospitals funds	46,375
Fund equities	<u>277,323,703</u>

Total restricted \$ 354,489,927

Total current funds \$ 1,170,909,427

### **LOAN FUNDS**

Fund equities:	\$
US Government loan fund grants:	
Perkins loan	35,696,534
Other federal	21,084,443
University funds:	
Unrestricted	2,419,565
Restricted	<u>9,614,006</u>
Total loan funds	<u>\$ 68,814,548</u>

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**THE OHIO STATE UNIVERSITY**  
**BALANCE SHEET, Continued**

**June 30, 2001**

**ASSETS**

**ENDOWMENT AND SIMILAR FUNDS**

Cash and cash equivalents	\$	21,950,070
Real estate - at cost or contributed value		36,293,295
Investments		<u>1,078,926,602</u>

Total endowment and similar funds	\$	<u>1,137,169,967</u>
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**ANNUITY AND LIFE INCOME FUNDS**

Cash	\$	917,097
Investments		4,669,719
Due from unrestricted educational and general funds		<u>65,802</u>

Total annuity and life income funds	\$	<u>5,652,618</u>
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**PLANT FUNDS**

**Unexpended:**

Cash	\$	16,229
Investments		495,840
State appropriations receivable		<u>405,849</u>

Total unexpended	\$	<u>917,918</u>
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## **LIABILITIES AND FUND EQUITIES**

### **ENDOWMENT AND SIMILAR FUNDS**

Accrued liabilities	\$ 18,760,397
Due to unrestricted educational and general funds	3,704,470
Due to restricted funds	5,159,013
Due to plant retirement of indebtedness funds	7,829,682
Deposits held in custody for others	2,376,411
Fund equities:	
Unrestricted quasi-endowment	71,807,996
Restricted quasi-endowment	183,498,593
Restricted endowment	<u>844,033,405</u>
Total endowment and similar funds	<u>\$ 1,137,169,967</u>

### **ANNUITY AND LIFE INCOME FUNDS**

Accrued liabilities	\$ 2,745,691
Fund equities:	
Restricted	<u>2,906,927</u>
Total annuity and life income funds	<u>\$ 5,652,618</u>

### **PLANT FUNDS**

#### **Unexpended:**

Accounts liabilities	\$ 3,097
Bonds payable	41,380,724
Due to unrestricted educational and general funds	9,108,560
Due to plant retirement of indebtedness funds	7,249,255
Due to investment in plant funds	986,060
Fund equities:	
Unrestricted	(58,215,627)
Restricted	<u>405,849</u>
Total unexpended	<u>\$ 917,918</u>

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**THE OHIO STATE UNIVERSITY**  
**BALANCE SHEET, Continued**

**June 30, 2001**

**ASSETS**

**PLANT FUNDS, Continued**

**Renewals and replacements:**

Cash	\$	3,986,825
Investments		9,665,889
State appropriations receivable		2,159,962
Accrued interest receivable		368,532
Notes receivable		7,000,000

Total renewals and replacements \$ 23,181,208

**Retirement of indebtedness:**

Investments	\$	23,547,698
Accounts receivable, gross		258,750
Due from unrestricted educational and general funds		10,457,551
Due from unrestricted auxiliary funds		5,327,257
Due from endowment and similar funds		7,829,682
Due from unexpended plant		7,249,255
Due from renewals and replacements funds		546,205
Prepaid expenses and deferred charges		1,778,751

Total retirement of indebtedness \$ 56,995,149

**Investment in plant:**

Due from plant unexpended funds	\$	986,060
Due from renewals and replacements funds		4,861,293
Land		37,891,189
Improvements other than buildings		170,019,849
Buildings and fixed equipment		1,906,065,135
Movable equipment, furniture, library books		832,954,649
Construction in progress		153,914,915

Total investment in plant \$ 3,106,693,090

Total plant funds \$ 3,187,787,365

**AGENCY FUNDS**

Cash and cash equivalents	\$	1,881,481
Accounts receivable, gross		892,560

Total agency funds \$ 2,774,041



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## **LIABILITIES AND FUND EQUITIES**

### **PLANT FUNDS, Continued**

#### **Renewals and replacements:**

Accounts payable	\$ 4,555,975
Due to unrestricted educational and general funds	69,947,828
Due to plant retirement of indebtedness funds	546,205
Due to investment in plant funds	4,861,293
Fund equities:	
Unrestricted	(58,890,055)
Restricted	2,159,962
Total renewals and replacements	<u>\$ 23,181,208</u>

#### **Retirement of Indebtedness:**

Accrued interest	\$ 1,424,759
Fund equities:	
Unrestricted	<u>55,570,390</u>

Total retirement of indebtedness \$ 56,995,149

#### **Investment in plant:**

Accounts payable	\$ 6,889,918
Notes payable	84,944,776
Lease obligations payable	17,486,942
Bonds payable	268,824,276
Due to endowment and similar funds	645,944
Net investment in plant	<u>2,727,901,234</u>

Total investment in plant \$ 3,106,693,090

Total plant funds \$ 3,187,787,365

### **AGENCY FUNDS**

Accounts payable	\$ 103,984
Deposits held in custody for others	<u>2,670,057</u>
Total agency funds	<u>\$ 2,774,041</u>

**THE OHIO STATE UNIVERSITY**  
**STATEMENT OF CHANGES IN FUND EQUITIES**

Year Ended June 30, 2001

	<b>UNRESTRICTED CURRENT FUNDS</b>			
	<b>Educational and General</b>	<b>Auxiliary Enterprises</b>	<b>Hospitals</b>	<b>Total Unrestricted</b>
<b>REVENUES AND OTHER ADDITIONS</b>				
Unrestricted current funds revenues	\$ 903,927,244	\$ 145,432,961	\$ 611,538,482	\$ 1,660,898,687
State appropriations	-	-	-	-
Federal appropriations	-	-	-	-
Local appropriations	-	-	-	-
Federal grants and contracts	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Private grants and contracts	-	-	-	-
Endowment income	-	-	-	-
Investment income	-	-	-	-
Interest and penalties on loans receivable	-	-	-	-
Expended for plant facilities - including current funds expenditures of \$99,609,040	-	-	-	-
Retirement of indebtedness	-	-	-	-
Net appreciation/(depreciation) of market value of investments	-	-	-	-
<b>TOTAL REVENUES AND OTHER ADDITIONS</b>	<b>903,927,244</b>	<b>145,432,961</b>	<b>611,538,482</b>	<b>1,660,898,687</b>
<b>EXPENDITURES AND OTHER DEDUCTIONS</b>				
Educational and general expenditures	858,611,339	-	-	858,611,339
Auxiliary enterprises expenditures	-	139,291,321	-	139,291,321
Hospitals expenditures	-	-	614,574,981	614,574,981
Indirect costs recovered	-	-	-	-
Refunded to grantors	-	-	-	-
Loan cancellations and write-offs	-	-	-	-
Administrative and collection costs	-	-	-	-
Provision for uncollectible loans	-	-	-	-
Annuities paid	-	-	-	-
Expended for plant facilities - including non-capitalized expenditures of \$8,445,793	-	-	-	-
Bond administrative expenditures	-	-	-	-
Retirement of indebtedness	-	-	-	-
Interest on indebtedness - including capitalized interest of \$499,613	-	-	-	-
Disposal and write-offs of plant facilities	-	-	-	-
<b>TOTAL EXPENDITURES AND OTHER DEDUCTIONS</b>	<b>858,611,339</b>	<b>139,291,321</b>	<b>614,574,981</b>	<b>1,612,477,641</b>
<b>TRANSFERS AMONG FUNDS - ADDITIONS / (DEDUCTIONS)</b>				
Mandatory:				
Principal and interest	(15,266,941)	(15,771,536)	(6,083,109)	(37,121,586)
Matching grants	(72,170)	-	-	(72,170)
Non-mandatory:				
Support to auxiliary enterprises	(1,402,861)	1,402,861	-	-
Debt service	(258,253)	(3,356,547)	-	(3,614,800)
Capital improvements	(17,010,557)	(1,477,918)	(11,076,826)	(29,565,301)
Endowment principal	(5,603,974)	(10,000)	(38,480)	(5,652,454)
Interfund	1,601,184	(1,949,718)	188,693	(159,841)
<b>TOTAL TRANSFERS</b>	<b>(38,013,572)</b>	<b>(21,162,858)</b>	<b>(17,009,722)</b>	<b>(76,186,152)</b>
<b>NET INCREASE / (DECREASE) FOR THE YEAR</b>	<b>7,302,333</b>	<b>(15,021,218)</b>	<b>(20,046,221)</b>	<b>(27,765,106)</b>
<b>FUND EQUITY, BEGINNING OF THE YEAR</b>	<b>198,109,953</b>	<b>10,608,076</b>	<b>66,812,059</b>	<b>275,530,088</b>
<b>FUND EQUITY, END OF THE YEAR</b>	<b>\$ 205,412,286</b>	<b>\$ (4,413,142)</b>	<b>\$ 46,765,838</b>	<b>\$ 247,764,982</b>

**RESTRICTED CURRENT FUNDS**

<u>Educational and General</u>	<u>Auxiliary Enterprises</u>	<u>Hospitals</u>	<u>Total Restricted</u>	<u>Total Current Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,660,898,687
94,963,282	-	9,730,102	104,693,384	104,693,384
20,209,089	-	-	20,209,089	20,209,089
17,885,003	-	-	17,885,003	17,885,003
187,706,778	-	-	187,706,778	187,706,778
43,259,733	-	-	43,259,733	43,259,733
3,469,324	-	-	3,469,324	3,469,324
245,867,013	13,898,027	2,315,026	262,080,066	262,080,066
11,112,813	942,500	2,234,205	14,289,518	14,289,518
9,505,029	-	-	9,505,029	9,505,029
-	-	-	-	-
-	-	-	-	-
(4,532,615)	-	-	(4,532,615)	(4,532,615)
<u>629,445,449</u>	<u>14,840,527</u>	<u>14,279,333</u>	<u>658,565,309</u>	<u>2,319,463,996</u>
511,745,664	-	-	511,745,664	1,370,357,003
-	11,066,026	-	11,066,026	150,357,347
-	-	13,394,909	13,394,909	627,969,890
49,982,112	-	-	49,982,112	49,982,112
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>561,727,776</u>	<u>11,066,026</u>	<u>13,394,909</u>	<u>586,188,711</u>	<u>2,198,666,352</u>
(1,411,198)	-	-	(1,411,198)	(38,532,784)
27,400	-	-	27,400	(44,770)
-	-	-	-	-
(2,513,202)	12,035,570	-	9,522,368	5,907,568
(5,404,988)	(230,000)	(150,000)	(5,784,988)	(35,350,289)
(7,153,816)	(92,107)	(518,504)	(7,764,427)	(13,416,881)
43,876,360	478,632	487,438	44,842,430	44,682,589
27,420,556	12,192,095	(181,066)	39,431,585	(36,754,567)
<u>95,138,229</u>	<u>15,966,596</u>	<u>703,358</u>	<u>111,808,183</u>	<u>84,043,077</u>
166,058,761	(4,193,669)	3,650,428	165,515,520	441,045,608
<u>\$ 261,196,990</u>	<u>\$ 11,772,927</u>	<u>\$ 4,353,786</u>	<u>\$ 277,323,703</u>	<u>\$ 525,088,685</u>

**THE OHIO STATE UNIVERSITY  
STATEMENT OF CHANGES IN FUND EQUITIES**

**Year Ended June 30, 2001**

	Loan Funds	Endowment and Similar Funds	Annuity and Life Income Funds
<b>REVENUES AND OTHER ADDITIONS</b>			
Unrestricted current funds revenues	\$ -	\$ -	\$ -
State appropriations	-	-	-
Federal appropriations	-	-	-
Local appropriations	-	-	-
Federal grants and contracts	198,904	-	-
State grants and contracts	-	-	-
Local grants and contracts	-	-	-
Private grants and contracts	209,713	60,415,531	48,562
Endowment income	550,918	-	-
Investment income	116	3,805	-
Interest and penalties on loans receivable	2,447,662	-	-
Expended for plant facilities - including current funds expenditures of \$99,609,040	-	-	-
Retirement of indebtedness	-	-	-
Net appreciation/(depreciation) of market value of investments	-	(211,706,213)	(970,183)
<b>TOTAL REVENUES AND OTHER ADDITIONS</b>	<b>3,407,313</b>	<b>(151,286,877)</b>	<b>(921,621)</b>
<b>EXPENDITURES AND OTHER DEDUCTIONS</b>			
Educational and general expenditures	-	-	-
Auxiliary enterprises expenditures	-	-	-
Hospitals expenditures	-	-	-
Indirect costs recovered	-	-	-
Refunded to grantors	-	-	-
Loan cancellations and write-offs	452,480	-	-
Administrative and collection costs	658,913	-	-
Provision for uncollectible loans	-	-	-
Annuities paid	-	-	439,279
Expended for plant facilities - including non-capitalized expenditures of \$8,445,793	-	-	-
Bond administrative expenditures	-	-	-
Retirement of indebtedness	-	-	-
Interest on indebtedness - including capitalized interest of \$499,613	-	-	-
Disposal and write-offs of plant facilities	-	-	-
<b>TOTAL EXPENDITURES AND OTHER DEDUCTIONS</b>	<b>1,111,393</b>	<b>-</b>	<b>439,279</b>
<b>TRANSFERS AMONG FUNDS - ADDITIONS / (DEDUCTIONS)</b>			
Mandatory:			
Principal and interest	44,770	-	-
Matching grants	-	-	-
Non-mandatory:			
Support to auxiliary enterprises	-	-	-
Debt service	-	-	-
Capital improvements	-	-	-
Endowment principal	-	13,573,563	-
Interfund	-	(43,861,315)	-
<b>TOTAL TRANSFERS</b>	<b>44,770</b>	<b>(30,287,752)</b>	<b>-</b>
<b>NET INCREASE / (DECREASE) FOR THE YEAR</b>	<b>2,340,690</b>	<b>(181,574,629)</b>	<b>(1,360,900)</b>
<b>FUND EQUITY, BEGINNING OF THE YEAR</b>	<b>66,473,858</b>	<b>1,280,914,623</b>	<b>4,267,827</b>
<b>FUND EQUITY, END OF THE YEAR</b>	<b>\$ 68,814,548</b>	<b>\$ 1,099,339,994</b>	<b>\$ 2,906,927</b>

**PLANT FUNDS**

<u>Unexpended</u>	<u>Renewals and Replacements</u>	<u>Retirement of Indebtedness</u>	<u>Investment in Plant</u>
\$ -	\$ -	\$ -	\$ -
7,538,624	39,792,910	-	-
-	-	-	-
-	318,625	-	-
-	-	-	-
-	-	-	-
1,170,909	27,850,410	849,733	-
-	-	-	-
1,276,930	(7,855,767)	3,754,695	-
-	-	-	-
-	-	-	299,349,042
-	-	-	29,961,095
(4,160)	(699,366)	(1,325,672)	-
<u>9,982,303</u>	<u>59,406,812</u>	<u>3,278,756</u>	<u>329,310,137</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
29,467,830	178,218,352	-	-
-	-	464,863	-
-	-	29,961,095	-
-	-	18,116,592	-
-	-	-	33,543,403
<u>29,467,830</u>	<u>178,218,352</u>	<u>48,542,550</u>	<u>33,543,403</u>
148,374	(6,256,145)	44,640,555	-
-	-	-	-
-	-	-	-
(1,014,965)	(3,625,675)	47,733,072	(49,000,000)
(491,927)	84,349,473	(48,507,257)	-
-	20,000	(176,682)	-
(4,975,267)	316,790	8,228,467	(4,391,264)
(6,333,785)	74,804,443	51,918,155	(53,391,264)
<u>(25,819,312)</u>	<u>(44,007,097)</u>	<u>6,654,361</u>	<u>242,375,470</u>
<u>(31,990,466)</u>	<u>(12,722,996)</u>	<u>48,916,029</u>	<u>2,485,525,764</u>
<u>\$ (57,809,778)</u>	<u>\$ (56,730,093)</u>	<u>\$ 55,570,390</u>	<u>\$ 2,727,901,234</u>

**THE OHIO STATE UNIVERSITY**  
**STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES**

Year Ended June 30, 2001

	UNRESTRICTED			
	Educational and General	Auxiliary Enterprises	Hospitals	Total Unrestricted
<b>REVENUES</b>				
Tuition, fees and other student charges	\$ 369,735,207	\$ -	\$ -	\$ 369,735,207
State appropriations	363,212,958	-	-	363,212,958
Federal appropriations	16,285	-	-	16,285
Local appropriations	-	-	-	-
Federal grants and contracts	37,335,742	-	-	37,335,742
State grants and contracts	3,119,907	-	-	3,119,907
Local grants and contracts	30,894	-	-	30,894
Private grants and contracts	18,442,171	-	-	18,442,171
Endowment income	5,313,577	-	-	5,313,577
Temporary investment income	28,434,301	-	-	28,434,301
Net apprec/(deprec) of market value of investments	(1,955,020)	-	(879,711)	(2,834,731)
Sales and services	67,356,948	135,628,125	583,206,014	786,191,087
Other sources	12,884,274	9,804,836	29,212,179	51,901,289
<b>TOTAL REVENUES</b>	<b>903,927,244</b>	<b>145,432,961</b>	<b>611,538,482</b>	<b>1,660,898,687</b>
<b>EXPENDITURES AND MANDATORY TRANSFERS</b>				
Educational and general:				
Instructional and departmental research	447,301,844	-	-	447,301,844
Separately budgeted research	26,246,726	-	-	26,246,726
Public service	18,888,896	-	-	18,888,896
Academic support	96,129,510	-	-	96,129,510
Student services	55,133,392	-	-	55,133,392
Institutional support	94,021,194	-	-	94,021,194
Operation and maintenance of plant	70,922,342	-	-	70,922,342
Scholarships and fellowships	49,967,435	-	-	49,967,435
Total educational and general	858,611,339	-	-	858,611,339
Auxiliary enterprises	-	139,291,321	-	139,291,321
Hospitals	-	-	614,574,981	614,574,981
Mandatory transfers:				
Principal and interest	15,266,941	15,771,536	6,083,109	37,121,586
Renewals and replacements	-	-	-	-
Matching grants	72,170	-	-	72,170
<b>TOTAL EXPENDITURES AND MANDATORY TRANSFERS</b>	<b>873,950,450</b>	<b>155,062,857</b>	<b>620,658,090</b>	<b>1,649,671,397</b>
<b>NON-MANDATORY TRANSFERS AND OTHER ADDITIONS / (DEDUCTIONS)</b>				
Non-mandatory transfers:				
Support to auxiliary enterprises	(1,402,861)	1,402,861	-	-
Debt service	(258,253)	(3,356,547)	-	(3,614,800)
Capital improvements	(17,010,557)	(1,477,918)	(11,076,826)	(29,565,301)
Endowment principal	(5,603,974)	(10,000)	(38,480)	(5,652,454)
Interfund	1,601,184	(1,949,718)	188,693	(159,841)
Excess of restricted receipts over transfers to revenue	-	-	-	-
Refunded to grantors	-	-	-	-
Indirect costs recovered	-	-	-	-
<b>NET INCREASE / (DECREASE) FOR THE YEAR</b>	<b>\$ 7,302,333</b>	<b>\$ (15,021,218)</b>	<b>\$ (20,046,221)</b>	<b>\$ (27,765,106)</b>

**RESTRICTED**

Educational and General	Auxiliary Enterprises	Hospitals	Total Restricted	Total Current Funds
\$ -	\$ -	\$ -	\$ -	\$ 369,735,207
77,820,890	-	9,730,102	87,550,992	450,763,950
16,561,025	-	-	16,561,025	16,577,310
14,656,474	-	-	14,656,474	14,656,474
153,822,702	-	-	153,822,702	191,158,444
35,450,659	-	-	35,450,659	38,570,566
2,843,056	-	-	2,843,056	2,873,950
201,484,085	10,292,274	1,300,793	213,077,152	231,519,323
9,106,773	773,752	2,364,014	12,244,539	17,558,116
-	-	-	-	28,434,301
-	-	-	-	(2,834,731)
-	-	-	-	786,191,087
-	-	-	-	51,901,289
<u>511,745,664</u>	<u>11,066,026</u>	<u>13,394,909</u>	<u>536,206,599</u>	<u>2,197,105,286</u>
84,108,529	-	-	84,108,529	531,410,373
236,267,605	-	-	236,267,605	262,514,331
85,534,479	-	-	85,534,479	104,423,375
9,255,271	-	-	9,255,271	105,384,781
1,337,249	-	-	1,337,249	56,470,641
38,065,378	-	-	38,065,378	132,086,572
6,062,063	-	-	6,062,063	76,984,405
51,115,090	-	-	51,115,090	101,082,525
511,745,664	-	-	511,745,664	1,370,357,003
-	11,066,026	-	11,066,026	150,357,347
-	-	13,394,909	13,394,909	627,969,890
1,411,198	-	-	1,411,198	38,532,784
-	-	-	-	-
(27,400)	-	-	(27,400)	44,770
<u>513,129,462</u>	<u>11,066,026</u>	<u>13,394,909</u>	<u>537,590,397</u>	<u>2,187,261,794</u>
-	-	-	-	-
(2,513,202)	12,035,570	-	9,522,368	5,907,568
(5,404,988)	(230,000)	(150,000)	(5,784,988)	(35,350,289)
(7,153,816)	(92,107)	(518,504)	(7,764,427)	(13,416,881)
43,876,360	478,632	487,438	44,842,430	44,682,589
117,699,785	3,774,501	884,424	122,358,710	122,358,710
-	-	-	-	-
(49,982,112)	-	-	(49,982,112)	(49,982,112)
<u>\$ 95,138,229</u>	<u>\$ 15,966,596</u>	<u>\$ 703,358</u>	<u>\$ 111,808,183</u>	<u>\$ 84,043,077</u>

## Acknowledgements

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The 2001 Financial Report and the included financial statements are prepared by the staff of the Office of the Controller, Division of Accounting.

Michael A. Baker - Accountant

Suzanne M. Chizmar - Chief Accountant

Thomas F. Ewing - Associate Controller

Allan E. Freeman - Cost Analyst

Robert L. Hupp, II - Financial Systems Analyst

Nancy J. Jacobs - Senior Accountant

Brenda K. Payne - Accountant

Patricia M. Privette - Tax Coordinator

Phil A. Schirtzinger - Senior Cost Analyst

Jan E. Soboslai - Senior Accountant

Anne M. Wilcheck - Senior Accountant

William J. Shkurti - Senior Vice President, Business and Finance and Chief Financial Officer

Janet G. Ashe - Vice President, Business and Finance

Greta J. Russell - University Controller



## **Mission Statement & Vision**

**T**he Ohio State University has as its mission the attainment of international distinction in education, scholarship, and public service. As the state's leading comprehensive teaching and research university, Ohio State combines a responsibility for the advancement and dissemination of knowledge with a land-grant heritage of public service. It offers an extensive range of academic programs in the liberal arts, the sciences, and the professions.

Ohio State provides accessible, high-quality undergraduate and graduate education for qualified students who are able to benefit from a scholarly environment in which research inspires and informs teaching.

At Ohio State, we celebrate and learn from our diversity, and we value individual differences. Academic freedom is defended within an environment of civility, tolerance, and mutual respect.

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***The Ohio State  
University***

*Report on Federal Awards in Accordance  
With OMB Circular A-133 Federal Entity  
Identification Number 1-31-602-5986-A1  
for the Year Ended June 30, 2001*

# THE OHIO STATE UNIVERSITY

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# THE OHIO STATE UNIVERSITY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2001

Federal Agency	Sponsor I.D. Number	2001 Expenditures
Research and Development Cluster:		
Funds received directly from the following federal agencies:		
Environmental Protection Agency	30020000	\$ 457,584
National Aeronautics and Space Administration (NASA)	30030000	177,112
Langley Research Center	30030102	11,436
Ames Research Center	30030103	173,493
Glenn Research Center	30030104	579,076
Lewis Research Center	30030104	32,189
Marshall Space Flight Center	30030201	165,091
Johnson Space Center	30030202	60,193
Kennedy Space Center	30030203	104,119
Stennis Space Center	30030204	56,723
Goddard Space Flight Center	30030301	2,834,640
National Endowment For The Humanities	30040100	303,097
National Science Foundation (NSF)	30050000	2,520,284
NSF Biological Sciences	30050100	265,844
NSF Biological Instr. & Resources	30050101	607,788
NSF Integrative Biology & Neuroscience	30050102	952,673
NSF Molecular & Cellular Biosciences	30050103	1,100,126
NSF Environmental Biology	30050104	189,729
NSF Computer & Information Science Engineering	30050200	908,672
NSF Computer & Computation Research	30050202	436,280
NSF Information Robotics & Intelligence Systems	30050203	194,281
NSF Networking & Communications Res & Infrastructure	30050206	133,189
NSF Engineering	30050300	184,434
NSF Engineering Centers	30050302	591,503
NSF Chemical & Transport Systems	30050303	411,789
NSF Civil & Mechanical Systems	30050304	308,992
NSF Electrical & Communications Systems	30050305	329,800
NSF Design, Manufacturing, Industrial	30050306	672,236
NSF Div Bioengineering & Environmental	30050307	240,728
NSF Geosciences	30050400	2,375
NSF Atmospheric Sciences	30050401	82,965
NSF Earth Sciences	30050402	243,936
NSF Ocean Sciences	30050403	218,994
NSF Polar Programs	30050404	2,213,661
NSF Mathematical & Physical Sciences	30050500	21,851
NSF Mathematical Sciences	30050501	889,789
NSF Physics	30050502	1,364,210
NSF Chemistry	30050503	2,292,579
NSF Materials Research	30050504	1,138,341
NSF Astronomical Sciences	30050505	502,741
NSF Education & Human Resources	30050600	20,091
NSF Undergraduate Education	30050605	416,800
NSF Human Resource Development	30050606	1,526
NSF Graduate Education & Research and Development	30050611	190,250
NSF Social, Behavioral & Economic Sciences	30050800	135,429
NSF Social, Behavioral & Economic Research	30050801	1,015,116
NSF International Programs	30050803	40,145
NSF Office of Science & Technology Infrastructure	30050900	14,737
Smithsonian Institute	30060000	13,016

# THE OHIO STATE UNIVERSITY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2001

Federal Agency	Sponsor I.D. Number	2001 Expenditures
Research and Development Cluster:		
Funds received directly from the following federal agencies:		
Appalachian Reg Com	30070100	\$ 25,369
United States Postal Service	30130000	26,013
United States Information Agency	30260000	22,684
Agency for International Development (AID)	30300100	560,479
Central Intelligence Agency	30350100	41,774
Institute of Museum & Library Services	30510000	5,624
National Academy of Science	31020000	2,521
Corp for National Service	31040001	30,218
Dept. of Agriculture	40000000	294,831
United States Department of Agriculture (USDA)-Forest Service	40020000	134,335
USDA-Science & Education	40040000	19,770
USDA-Coop State Res Education & Extension Service	40040100	2,665,685
USDA-National Research Institute	40040103	167,720
USDA-Agricultural Research Service	40040200	821,109
USDA-Natural Resources Conservation Service	40060000	231,513
USDA-Animal & Plant Health Inspection Service	40070000	7,582
Office of International Cooperation & Development	40100000	20,590
Economic Research Service	40120000	188,158
Food Safety and Inspection Service	40130000	19,484
Rural Business Cooperative Service	40190000	31,582
U.S. Department of Commerce (DC)-National Oceanic and Atmospheric Administration (NOAA)	42020000	1,355,323
DC-National Institute of Standards & Technology	42040000	97,450
United States Department of Defense	50000000	478,390
United States Air Force	50010000	19,017
Air Force Material Command (AFMC)	50010100	688,220
Air Force Office of Scientific Research	50010105	3,903,707
U.S. Department of Defense (DOD)-Wright Laboratory	50010800	138,533
DOD-Army Cold Regions Research & Engineering Lab	50020103	164,750
Humphreys Eng CSA	50020106	455,375
DOD-Army Tank Command	50020204	33,777
DOD-Army Natick Research & Development Labs	50020213	596
DOD-Army Medical Research & Development Command	50020300	1,236,261
DOD-Army Medical Research & Materiel Command	50020301	10,423
DOD-Army Research Office	50020400	1,082,151
DOD-Army Robert Morris	50022400	36,626
DOD-Naval Underwater Systems Center	50040107	53,401
DOD-Space & Naval Warfare Systems Center	50040110	22,603
DOD-Naval Facility Energy Command	50040114	5,707
DOD-Office of Naval Research	50040300	1,324,819
DOD-Naval Research Lab	50040301	15,985
DOD-Naval Medical Research Institute	50041002	99,306
DOD-Naval Air Warfare Center	50041600	41,867
DOD-Advanced Research Project Agency	50060000	488,026
DOD-National Imagery & Mapping Agency	50080000	98,000
Defense Logistics Agency	50130000	86,311
National Security Agency	50140000	103,491
Defense Supply Service	50180000	105,712
National Reconnaissance Office	50200000	528,145

# THE OHIO STATE UNIVERSITY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2001

Federal Agency	Sponsor I.D. Number	2001 Expenditures
Research and Development Cluster:		
Funds received directly from the following federal agencies:		
U.S. Department of Education (DE)	53000000	\$ 415,057
DE-Office of Educational Research & Improvement	53020000	5,377,633
DE-Fund Improvement Postsecondary Education	53020300	2,001
DE-Office of Postsecondary Education	53040000	1,681,428
DE-Office of Higher Education Programs	53040100	278,860
DE-Center for International Education	53040200	1,085,641
DE-Office of Special Education Rehabilitation Services	53050000	91,042
DE-Office of Special Education Rehabilitation Services	53050100	2,465
DE-Rehabilitation Services Administration	53050200	36,393
DE-National Institute of Disability & Rehabilitation Research	53050300	901,552
DE-Office of Vocational & Adult Education Programs	53060000	142,041
Department of Energy (DOE)	55000000	6,749,035
Department of Health and Human Services	60000000	65,391
Public Health Services (PHS)-Food & Drug Administration	60040200	22,754
PHS-National Institute of Health	60040400	206,716
PHS-National Cancer Institute	60040402	20,198,693
PHS-National Heart, Lung, and Blood Institute	60040403	5,845,839
PHS-National Institute of Allergies & Infectious Disorders	60040404	7,537,553
PHS-National Institute of Diabetes & Digestive & Kidney Diseases	60040405	4,043,070
PHS-National Institute of Child Health & Human Development	60040406	1,683,436
PHS-National Institute of General Medical Sciences	60040407	6,170,777
PHS-National Institute of Neurological Disorders & Stroke	60040408	4,222,093
PHS-National Center for Research Resources	60040410	1,025,967
PHS-National Eye Institute	60040411	4,588,321
PHS-National Institute of Dental & Craniofacial Research	60040412	5,037,503
PHS-National Institute on Environmental Health Services	60040414	620,573
PHS-National Institute of Aging	60040415	2,564,588
PHS-National Institute of Health Clinic Center	60040416	1,172
PHS-Fogarty International Center	60040417	27,649
PHS-National Institute of Nursing Research	60040418	962,082
PHS-National Institute of Arthritis and Musculo-skeletal and Skin Diseases	60040419	1,800,304
PHS-National Institute of Deafness and Other Communication Disorders	60040420	1,820,774
PHS-National Institute of Mental Health	60040421	4,151,565
PHS-National Institute of Drug Abuse	60040422	737,210
PHS-National Institute of Alcohol Abuse and Alcoholism	60040423	301,109
PHS-National Institute of Substance Abuse	60040424	363,079
PHS-Health Resources & Services Administration	60040500	83,197
PHS-Bureau of Health Professions	60040501	561,351
PHS-Maternal & Child Health Bureau	60040505	363,236
PHS-Centers for Disease Control & Prevention	60040600	272,757
PHS-National Institute of Occupational Safety & Health	60040601	584,707
PHS-Office of Population Affairs	60041100	151,445
Administration Children & Families	60070000	14,594
U.S. Department of Housing and Urban Development	70000000	20,333
U.S. Department of Interior (DI)-Fish & Wildlife Service	72030000	91,045
DI-Geological Survey	72040000	366,726
Office of Justice Programs	74040000	32,413
U.S. Department of Labor (DOL)	76000000	9,593

See notes to schedule of expenditures of federal awards.

# THE OHIO STATE UNIVERSITY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2001

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Federal Agency	Sponsor I.D. Number	2001 Expenditures
Research and Development Cluster:		
Funds received directly from the following federal agencies:		
DOL-Bureau of Labor Statistics	76050000	\$ 8,598,162
Bureau of Education and Cultural Affairs	80020100	120,306
U.S. Department of Transportation (DOT)	82000000	621,596
DOT-Federal Aviation Administration	82030000	468,573
DOT-National Highway Traffic Safety Administration	82040000	<u>325,727</u>
 Subtotal of funds received from federal agencies		 <u>147,259,793</u>



# THE OHIO STATE UNIVERSITY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2001

Pass-Through Sponsor	Federal Agency Sponsor	Sponsor I.D. Number	Pass-Through I.D. Number	2001 Expenditures
Research and Development Cluster (continued):				
Funds received directly from the following pass-through sponsors:				
North American Assoc. For Environmental				
Education	Environmental Protection Agency	30020000	20021323	\$ 7,027
University of Wisconsin	Environmental Protection Agency	30020000	22000006	8,835
Colorado State University	Environmental Protection Agency	30020000	22000110	19,191
University of Alabama - Tuscaloosa	Environmental Protection Agency	30020000	22000305	43,844
Ohio Environmental Protection Agency	Environmental Protection Agency	30020000	26340000	171,743
Ohio OFC LK Erie Prote	Environmental Protection Agency	30020000	26590000	15,345
Lockheed Martin Corporation	NASA	30030000	10010042	(2,559)
Alliedsignal, Inc	NASA	30030000	10011761	28,457
Raytheon Company	NASA	30030000	10011847	3,727
Positive Light Inc.	NASA	30030000	10012131	14,270
Battelle Memorial Institute	NASA	30030000	20020012	25,874
Space Telescope Science Institute	NASA	30030000	20021006	137,331
California Institute of Technology	NASA	30030000	22000054	76,701
Johns Hopkins University	NASA	30030000	22000133	11,806
Georgia Institute of Technology	NASA	30030000	22000189	24,296
Case Western Reserve University	NASA	30030000	22000238	23,135
University of Texas-Austin	NASA	30030000	22000270	54,904
Embry-Riddle Aerospace University	NASA	30030000	22000291	14,043
Ohio University	NASA-Ames Research Center	30030103	22000130	10,698
University of Kentucky	NASA-Ames Research Center	30030103	22000143	117,683
Battelle Memorial Institute	NASA-John Glenn Research Center-Lewis Field	30030104	20020012	75,684
Ohio Aerospace Institute	NASA-John Glenn Research Center-Lewis Field	30030104	20021048	9,348
University of Dayton	NASA-John Glenn Research Center-Lewis Field	30030104	22000008	60,469
University of Illinois	NASA-John Glenn Research Center-Lewis Field	30030104	22000009	54,436
EG & G, Inc.	Goddard Space Flight Center	30030301	10011343	112,235
Superconductive Company	NSF	30050000	10011486	18,075
Horizon Research, Inc.	NSF	30050000	10012237	8,831
Woods Hole Oceanographic Institute	NSF	30050000	20020744	144,224
University Corporation for Atmospheric Research	NSF	30050000	20020793	14,153
Computing Research Association	NSF	30050000	20021373	(1,236)
Educause	NSF	30050000	20021395	967
Purdue University	NSF	30050000	22000002	24,630
Rutgers University	NSF	30050000	22000003	40,817
University Medical & Dental New Jersey	NSF	30050000	22000004	6,758
University of Illinois	NSF	30050000	22000009	328,292
Pennsylvania State University	NSF	30050000	22000030	30,378
Miami University	NSF	30050000	22000049	56,270
Texas A & M University	NSF	30050000	22000053	12,793
Kansas State University	NSF	30050000	22000062	7,329
University of Minnesota	NSF	30050000	22000067	33,773
University of Missouri	NSF	30050000	22000073	14,881
University of Connecticut	NSF	30050000	22000076	1,062
Mississippi State University	NSF	30050000	22000196	152,686
Drexel University	NSF	30050000	22000246	272,163
Rensselaer Polytechnic Institute	NSF	30050000	22000298	61,896
East Carolina University	NSF	30050000	22000304	9,596
Stroud Water Research Center	NSF-Environmental Biology	30050104	20021389	122,637
University of Illinois	NSF Div Electrical & Communications Systems	30050305	22000009	25,847
Penn State University	Bioengineering Environmental & Ocean Sys	30050307	22000030	72,359
Carnegie-Mellon University	NSF Office Small Business Research & Development	30050701	22000051	56,120
Ohio Business Development Organization, Inc.	Small Business Administration	30140000	20020062	26,367
University of Chicago	Veterans Administration	30170000	22000018	163,820
Development Alternatives Inc.	AID	30300100	10011316	40
PA Consulting Group	AID	30300100	10030065	14,322
Foundation International Communication Asst	AID	30300100	20010510	38,287
United Negro College Fund	AID	30300100	20021410	86,778

See notes to schedule of expenditures of federal awards.

# THE OHIO STATE UNIVERSITY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2001

Pass-Through Sponsor	Federal Agency Sponsor	Sponsor I.D. Number	Pass-Through I.D. Number	2001 Expenditures
Research and Development Cluster (continued):				
Funds received directly from the following pass-through sponsors:				
International Rice Research Institute	AID	30300100	20021413	\$ 12,344
University of Wisconsin	AID	30300100	22000006	93,884
Michigan State University	AID	30300100	22000044	81,790
Southern Illinois University	AID	30300100	22000055	(9)
U.S.-Egypt S&T Joint Board	AID	30300100	28610001	53
Ohio Government Community Service Commission	Corporation for National and Community Service	31040001	26600000	136
Air Products & Chemicals	Department of Agriculture	40000000	10010612	3,061
Dairy Management Inc.	Department of Agriculture	40000000	20020911	131,195
Purdue University	Department of Agriculture	40000000	22000002	21,881
Rutgers University	Department of Agriculture	40000000	22000003	7,000
Virginia Polytechnic Institute	Department of Agriculture	40000000	22000023	1,242
Michigan State University	Department of Agriculture	40000000	22000044	10,569
Southern Illinois University	Department of Agriculture	40000000	22000055	(514)
Cornell University	Department of Agriculture	40000000	22000081	10,279
University of Nebraska	Department of Agriculture	40000000	22000085	80,087
North Carolina St. University	Department of Agriculture	40000000	22000136	34,429
University of Delaware	Department of Agriculture	40000000	22000138	15,104
University of Kentucky	Department of Agriculture	40000000	22000143	13,941
Midwest Adv Food Man	Cooperative State Research, Education & Extension Sv	40040100	20021278	60,866
University of Wisconsin	Cooperative State Research, Education & Extension Sv	40040100	22000006	10,003
University of Illinois	Cooperative State Research, Education & Extension Sv	40040100	22000009	31,267
Michigan State University	Cooperative State Research, Education & Extension Sv	40040100	22000044	15,733
Southern Illinois University	Cooperative State Research, Education & Extension Sv	40040100	22000055	9,323
Cornell University	Cooperative State Research, Education & Extension Sv	40040100	22000081	16,301
University of Nebraska	Cooperative State Research, Education & Extension Sv	40040100	22000085	59,000
Colorado State University	Cooperative State Research, Education & Extension Sv	40040100	22000110	17,877
University of Massachusetts - Amherst	Cooperative State Research, Education & Extension Sv	40040100	22000274	20,784
Colegio University Del Est	Cooperative State Research, Education & Extension Sv	40040100	22010012	20,891
University of Michigan	Department of Commerce	42000000	22000005	37,617
University of Massachusetts - Dartmouth	Department of Commerce	42000000	22000312	30,357
University of New Hampshire	National Oceanic and Atomspheric Administration	42020000	22000131	87,867
Edison Materials Technology Center	National Institute of Standards & Technology	42040000	10011518	52,714
Imation Corporation	National Institute of Standards & Technology	42040000	10012042	6,356
OG Technologies, Inc.	National Institute of Standards & Technology	42040000	10012262	5,106
Environmental Research Institute of Michigan	National Institute of Standards & Technology	42040000	20021285	37,459
E-Systems Corporation	DOD	50000000	10011157	633,213
Mission Research Corporation	DOD	50000000	10011436	82,036
Nichols Research Corporation	DOD	50000000	10011948	1,320,106
R&S Associates	DOD	50000000	10012346	24,174
IIT Research Institute	DOD	50000000	20021129	203,913
University of Dayton	DOD	50000000	22000008	55,086
University of Arizona	DOD	50000000	22000116	161,714
Lockheed Martin Corporation	Air Force	50010000	10010042	36,730
Mission Research Corporation	Air Force	50010000	10011436	15,275
Coretek, Inc.	Air Force	50010000	10012013	8,198
Pratt & Whitney Engineering	Air Force	50010000	10012090	37,360
Amberwave Technologies	Air Force	50010000	10012219	25,126
Dynamic Engineering, Inc.	Air Force	50010000	10020001	3,826
Seiler Pollution Control	Air Force	50010000	10020002	2,845
Technical Management Concepts, Inc.	Air Force	50010000	10020023	21,506
Klein Associates	Air Force	50010000	10020072	21,478
Innovative Scientific Solutions, Inc.	Air Force	50010000	10020096	16,361
Selecttech Services	Air Force	50010000	10020105	62,280
Guide Consortium	Air Force	50010000	20021102	90,281
Dayton Area Graduate Studies Institute	Air Force	50010000	20021372	14,142
University of Dayton	Air Force	50010000	22000008	212,655
Penn State University	Air Force	50010000	22000030	(6,248)

# THE OHIO STATE UNIVERSITY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2001

Pass-Through Sponsor	Federal Agency Sponsor	Sponsor I.D. Number	Pass-Through I.D. Number	2001 Expenditures
Research and Development Cluster (continued):				
Funds received directly from the following pass-through sponsors:				
Carnegie-Mellon University	Air Force	50010000	22000051	\$ 33,040
University of Cincinnati	Air Force	50010000	22000074	79,493
University of Virginia	Air Force	50010000	22000203	35,689
MIT - Lincoln Lab	Air Force	50010000	22000228	44,648
Sytronics, Inc.	Air Force Materiel Command	50010100	10020077	60,051
Vanderbilt University	Air Force Office of Scientific Research	50010105	22000296	77,414
University of California - Santa Barbara	Air Force Office of Scientific Research	50010105	22000315	65,158
Lockheed Martin Corporation	Army	50020000	10010042	115,511
Mission Research Corporation	Army	50020000	10011436	129
E-OIR Measurements	Army	50020000	10012263	57,877
Frontier Tech, Inc.	Army	50020000	10020067	(125)
Cleveland Clinic Foundation	Army	50020000	20010421	46,321
Concurrent Tech Corp	Army	50020000	20021460	69,796
University of Chicago	Army	50020000	22000018	7,814
Lockheed Martin Corporation	Army Research Laboratory	50020210	10010042	447,791
University of Chicago	U.S. Army Medical Research	50020300	22000018	508
Ohio University	U.S. Army Medical Research	50020300	22000130	19,156
Massachusetts Institute of Technology	Army Research Office	50020400	22000001	77,835
West Virginia University	Army Research Office	50020400	22000032	2,214
Duke University	Army Research Office	50020400	22000094	171,652
Edison Welding Institute	Navy	50040000	10011218	41,907
Science Applications International Corporation	Navy	50040000	10011324	74,868
Computer Sciences Corporation	Navy	50040000	10011456	197,121
Princeton University	Office of Naval Research	50040300	22000289	14,871
Plastronic, Inc.	U.S. Department of Education	53000000	10020005	15,265
Research Foundation of City University of New York	DE	53000000	20010482	55,446
Center of Civic Education	DE	53000000	20021131	192,648
Education Development Center, Inc.	DE	53000000	20021328	5,769
National Writing Project Corp	DE	53000000	20021378	21,072
University of Wisconsin	DE	53000000	22000006	18,985
Penn State University	DE	53000000	22000030	10,488
University of Cincinnati	DE	53000000	22000074	8,452
Wright State University	DE	53000000	22000087	37,414
Yale University	DE	53000000	22000088	44,359
Ohio University	DE	53000000	22000130	43,171
Kent State University	DE	53000000	22000235	17,338
Ohio Department of Education	DE	53000000	26080000	416,219
Ohio Division of Career Technology & Adult Education	DE	53000000	26080100	1,448,754
Ohio Division of Professional Development & License	DE	53000000	26080700	33,327
Ohio Division of Early Childhood	DE	53000000	26080800	30,687

**THE OHIO STATE UNIVERSITY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

<b>Pass-Through Sponsor</b>	<b>Federal Agency Sponsor</b>	<b>Sponsor I.D. Number</b>	<b>Pass-Through I.D. Number</b>	<b>2001 Expenditures</b>
Research and Development Cluster (continued):				
Funds received directly from the following pass-through sponsors:				
Lockheed Martin Corporation	DOE	55000000	10010042	\$ 2,954
Air Products & Chemicals, Inc.	DOE	55000000	10010612	113,344
Westinghouse Electric Corporation	DOE	55000000	10010881	290,759
Sandia Corporation	DOE	55000000	10011170	90,592
Universities Research Association, Inc.	DOE	55000000	10011888	1,017,697
Eurus Technologies	DOE	55000000	10012202	29,290
Supercon, Inc.	DOE	55000000	10012205	130,844
Ashman Technologies	DOE	55000000	10012227	65,651
MCT, Inc.	DOE	55000000	10012251	21,576
Environmental Energy	DOE	55000000	10012272	25,296
Bechtel BWXT Idaho, LLC	DOE	55000000	10012331	7,274
Nextech Material Ltd.	DOE	55000000	10020047	12,023
UES, Inc.	DOE	55000000	10020049	218,994
Nat Renewable Energy Laboratory	DOE	55000000	20020800	126,833
Associated Universities Inc.	DOE	55000000	20020801	19,885
Consortium Plant Biotechnology Research Inc.	DOE	55000000	20021036	10,899
Battelle- PAC NW Lab	DOE	55000000	20021070	(30,721)
South Carolina Research Authority	DOE	55000000	20021319	98,257
Knolls Atomic Power Lab	DOE	55000000	20021418	67,549
Purdue University	DOE	55000000	22000002	87,519
University of Michigan	DOE	55000000	22000005	59,559
University of California	DOE	55000000	22000011	188,667
University of Idaho	DOE	55000000	22000016	19,227
West Virginia University	DOE	55000000	22000032	46,348
Stanford University	DOE	55000000	22000142	27,816
Brown University	DOE	55000000	22000284	31,322
University of Alabama - Tuscaloosa	DOE	55000000	22000305	55,247
Area Agency on Aging 7	Department of Health & Human Services	60000000	20020054	113
Boston College	Social Security Administration	60030000	22000310	26,399
University of Rochester	Food & Drug Administration	60040200	22000193	3,464
Linac Systems	National Institutes of Health	60040400	10012130	10,434
Genotrek LLC	National Institute of Health	60040400	10020082	14,748
Cleveland Clinic Foundation	National Institute of Health	60040400	20010421	134,687
Wayne State University	National Institute of Health	60040400	22000034	142,034
University of Pittsburgh	National Institute of Health	60040400	22000036	14
Emory University	National Institute of Health	60040400	22000295	128,384
University of Toronto	National Institute of Health	60040400	22010009	21,359
Science App International Corporation	National Cancer Institute	60040402	10011324	(3,296)
Oklahoma Medical Research Foundation	National Cancer Institute	60040402	20010530	47,494
Research Triangle Institute	National Cancer Institute	60040402	20020058	2,536
Cancer Therapy & Research Foundation of S Texas	National Cancer Institute	60040402	20020745	97,531
American College Radiology	National Cancer Institute	60040402	20020917	1,127

# THE OHIO STATE UNIVERSITY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2001

Pass-Through Sponsor	Federal Agency Sponsor	Sponsor I.D. Number	Pass-Through I.D. Number	2001 Expenditures
Research and Development Cluster (continued):				
Funds received directly from the following pass-through sponsors:				
American College Obstetrics & Gynecologists	National Cancer Institute	60040402	20021034	\$ 13,929
American Health Foundation	National Cancer Institute	60040402	20021179	42,925
University of Kansas Medical Center Research Institute	National Cancer Institute	60040402	20021356	72,627
Strang Cancer Prevention Center	National Cancer Institute	60040402	20021428	243,049
Dana-Farber Cancer Institute	National Cancer Institute	60040402	20021438	8,677
University of Michigan	National Cancer Institute	60040402	22000005	60,442
University of California	National Cancer Institute	60040402	22000011	158,310
University of Chicago	National Cancer Institute	60040402	22000018	1,107,555
University of Minnesota	National Cancer Institute	60040402	22000067	283,640
University of Texas	National Cancer Institute	60040402	22000106	388,717
Harvard University	National Cancer Institute	60040402	22000169	127,038
University of Southern California	National Cancer Institute	60040402	22000206	116,013
Washington University	National Cancer Institute	60040402	22000209	50,674
Medical College of Ohio	National Cancer Institute	60040402	22000210	27,970
University of Montana	National Cancer Institute	60040402	22000302	10,200
Mount Sinai Medical Center	National Heart, Lung & Blood Institute	60040403	10011783	4,099
Axio Research Corp.	National Heart, Lung & Blood Institute	60040403	10012025	7,393
Cleveland Clinic Foundation	National Heart, Lung & Blood Institute	60040403	20010421	(39,317)
National Jewish Medical Center	National Heart, Lung & Blood Institute	60040403	20021369	136,934
University of Pittsburgh	National Heart, Lung & Blood Institute	60040403	22000036	40,839
Duke University	National Heart, Lung & Blood Institute	60040403	22000094	89,568
Johns Hopkins University	National Heart, Lung & Blood Institute	60040403	22000133	197,271
Social & Scientific Systems, Inc.	National Institute Allergies & Infectious Disorders	60040404	10012044	593
Children's Research Institute	National Institute Allergies & Infectious Disorders	60040404	20010182	6,290
Oklahoma Medical Research Foundation	National Institute Allergies & Infectious Disorders	60040404	20010530	23,747
Case Western Research University	National Institute Allergies & Infectious Disorders	60040404	22000238	7,147
University of Massachusetts - Worcester	National Institute Allergies & Infectious Disorders	60040404	22000318	19,422
University of Pittsburgh	National Institute of Diabetes & Digestive & Kidney Disease	60040405	22000036	29,200
University of Michigan	National Institute of Child Health & Human Developm	60040406	22000005	45,736
Case Western Research University	National Institute of Child Health & Human Developm	60040406	22000238	7,820
University of California at Los Angeles	National Institute of Child Health & Human Developm	60040406	22000269	119,749
University of Illinois	National Institutes of General Medical Sciences	60040407	22000009	138,710
University of South Carolina	National Institutes of General Medical Sciences	60040407	22000241	768
University of California - San Francisco	National Institutes of General Medical Sciences	60040407	22000317	98,443
Indiana University	National Institute Neurological Disorders & Stroke	60040408	22000012	76,410
Columbia University	National Institute Neurological Disorders & Stroke	60040408	22000135	8,478
University of Rochester	National Institute Neurological Disorders & Stroke	60040408	22000193	(801)
University of South Carolina	National Institute Neurological Disorders & Stroke	60040408	22000241	1,752
Emory University	National Institute Neurological Disorders & Stroke	60040408	22000295	378
University of Illinois	National Eye Institute	60040411	22000009	161,433
Johns Hopkins University	National Eye Institute	60040411	22000133	81,341
University of Pennsylvania	National Eye Institute	60040411	22000195	(15,316)
MSX International	National Institute of Dental Research	60040412	10011879	633

**THE OHIO STATE UNIVERSITY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

Pass-Through Sponsor	Federal Agency Sponsor	Sponsor I.D. Number	Pass-Through I.D. Number	2001 Expenditures
Research and Development Cluster (continued):				
Funds received directly from the following pass-through sponsors:				
Wake Forest University	National Institute of Aging	60040415	22000286	\$ 58,388
Duquesne University	National Institute of Aging	60040415	22000306	4,184
University of Illinois	National Institute of Nursing Research	60040418	22000009	13,201
Duke University	National Institute of Arthritis & Muscle & Skin Disease	60040419	22000094	34,023
Ohio University	National Institute of Arthritis & Muscle & Skin Disease	60040419	22000130	34,557
Childrens Hospital Philadelphia	National Institute of Mental Health	60040421	20020015	10,173
Duke University	National Institute of Mental Health	60040421	22000094	22,023
Virginia Polytechnic Institute	National Institute of Drug Abuse	60040422	22000023	81,067
Texas A & M University	National Institute of Drug Abuse	60040422	22000053	2,637
Ohio University	National Institute of Drug Abuse	60040422	22000130	21,081
Hemophilia Foundation of Michigan	Maternal & Childrens Health Bureau	60040505	20021026	15,895
Battelle Memorial Institute	Centers for Disease Control & Prevention	60040600	20020012	24,708
Rehabilitation Institute Research Corporation	Centers for Disease Control & Prevention	60040600	20021335	(31)
Penn State University	Centers for Disease Control & Prevention	60040600	22000030	17,573
University of Maine at Orono	Centers for Disease Control & Prevention	60040600	22000048	6,314
Ohio Division of Wildlife	DI	72000000	26110100	1,630
Ohio Division of Wildlife	U.S. Fish and Wildlife Service	72030000	26110100	1,070
Alliance For Cooperative Justice	Department of Justice	74000000	20021321	(3,172)
University of Iowa	Department of Justice	74000000	22000137	97,357
Franklin County Court of Common Pleas	Department of Justice	74000000	24000059	2,055
Boys & Girls Clubs	Office of Justice Programs	74040000	20021420	72,998
National Opinion Research Center	DOL	76000000	20020932	1,710,528
Gallia, Jackson, Vinton Co Joint Vocational School	DOL	76000000	24000264	135,990
Ohio School-To-Work Office	DOL	76000000	26080103	361,801
Battelle Memorial Institute	Department of Transportation	82000000	20020012	24,096
Ohio Department of Transportation	Department of Transportation	82000000	26010000	26,386
Ohio Department of Public Safety	Department of Transportation	82000000	26400000	25,536
Ohio Department of Transportation	Federal Highway Administration	82010000	26010000	17,590
Ohio Department of Natural Resources	Federal Highway Administration	82010000	26110000	74,659
Iowa State University	Federal Aviation Administration	82030000	22000047	516,249
Subtotal pass-through from other sources				<u>22,014,402</u>
Total Research and Development Cluster				<u>169,274,195</u>

# THE OHIO STATE UNIVERSITY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2001

Federal Agency	Sponsor I.D./ CFDA Number	2001 Expenditures
Student Financial Aid Cluster:		
Department of Education:		
Federal Supplemental Educational Opportunity Grant	84.007	\$ 956,768
Federal Work Study Program	84.033	3,025,980
Federal Perkins Loans	84.038	102,016
Federal Pell Grant Program	84.063	18,195,920
Federal Direct Lending Program	84.268	5,154
Department of Health and Human Services:		
Health Profession Student Loans	93.342	96,888
Scholarship Program for Students of Exceptional Financial Need	93.820	1,095
Scholarship Program for Students of Exceptional Financial Need	93.925	<u>431,705</u>
Total Student Financial Aid Cluster		<u>22,815,526</u>
USDA - Hatch Program		
USDA - Cooperative Extension Service	10.203	4,888,275
	10.500	<u>13,979,808</u>
Subtotal		<u>18,868,083</u>
OTHER PROGRAMS:		
Funds received directly from the following Federal agencies:		
National Aeronautics & Space Administration (NASA)	30030000	15,563
Glenn Research Center	30030104	24,845
National Science Foundation (NSF)	30050000	13,976
NSF Chemistry	30050503	100
NSF Education & Human Resources	30050600	61,558
Agency of International Development	30300100	23,206
USDA-Science & Education	40040000	11,463
USDA-Coop State Res Education & Extension Service	40040100	129,930
Office of International Cooperation & Development	40100000	3,196
U.S. Department of Commerce (DC)-National		
Oceanic and Atmospheric Administration (NOAA)	42020000	79,696
DOD-Uniform Services University Health Services	50190000	(61,615)
U.S. Department of Education (DE)	53000000	591,722
DE-Office of Special Education & Rehabilitative Services	53050000	81,088
DE-Office of Special Education	53050100	1,341,567
DE-Rehabilitation Services Administration	53050200	69,042
DE-Office of Vocational & Adult Education Programs	53060000	2,028,495
PHS-National Center for Research Resources	60040410	1,890,696
PHS - Health Research & Services Administration	60040500	12,269
PHS-Bureau of Health Professions	60040501	14,543
Administration for Children Youth Families	60070100	2,574,548
PHS-Administration on Developmental Disabilities	60070500	285,760
Department of Housing & Urban Development	70000000	143,121
Department of Justice	74000000	3,346
Department of State	80000000	<u>269,366</u>
Subtotal funds received directly from other Federal agencies		<u>9,607,481</u>

(Continued)

# THE OHIO STATE UNIVERSITY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2001

Federal Agency	Sponsor I.D./ CFDA Number	2001 Expenditures
OTHER SOURCES:		
USDA - Cooperative Forestry Research	10.202	\$ 267,083
USDA - Animal Health and Disease Research	10.207	47,332
USDA - Integrated Programs	10.303	11,744
USDA - Technical Assistance to Cooperatives	10.350	25,403
USDA - Child and Adult Care Food Program	10.558	76,634
DI - Fish and Wildlife Management Assistance	15.608	1,663
DI - Coop Endangered Species Conservation Fund	15.615	7,423
DI - Wildlife Conservation & Appreciation	15.617	(661)
DI - Water Quality Assessment Program	15.805	477
NEH - Promotion Humanities: Challenge Grants	45.130	209,000
NEH - Promotion Humanities: Preservation	45.149	2,171
DE - Faculty Research Abroad	84.019A	96,996
DE - Javits Fellowships	84.170	12,500
DHHS - Head Start	93.600	25,541
U.S. Department of Health and Human Services - Social Services Block Grant	93.667	<u>306,757</u>
Total funds received from other sources		<u>1,090,063</u>

See notes to schedule of expenditures of federal awards.



**THE OHIO STATE UNIVERSITY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

Pass-Through Sponsor	Federal Agency Sponsor	Sponsor I.D. Number	Pass-Through I.D. Number	2001 Expenditures
OTHER PROGRAMS:				
Pass-through:				
Ohio Department of Agriculture	Department of Agriculture	10.433		\$ 5,000
Ohio Department of Education	Department of Agriculture	10.559		28,614
Ohio Department of Natural Resources	Department of Commerce	11.419		3,238
Ohio Criminal Justice Services	Department of Justice	16.607		713
Ohio Bureau of Employee Services	Department of Labor	17.245		3,080
Ohio Department of Education	Department of Education	84.002		30,200
Ohio Department of Education	Department of Education	84.048		177,439
Ohio Department of Education	Department of Education	84.243		141,017
Ohio Department of Education	Department of Education	84.276		25,000
Ohio Department of Education	Department of Education	84.281		(471)
Ohio Department of Education	Department of Education	84.314		(22,159)
Ohio Department of Education	Department of Education	84.323		(96,503)
Ohio Department of Rehabilitation and Corrections	Department of Education	84.331		5,625
Ohio Department of Mental Health	Department of Health and Human Services	93.230		330,166
Ohio Department of Mental Health	Department of Health and Human Services	93.958		250,000
Ohio Department of Alcohol and Drug Addiction Services	Department of Health and Human Services	93.959		19,693
Ohio Department of Mental Retardation	Department of Health and Human Services	93.960		24,189
Ohio Department of Health	Department of Health and Human Services	93.994		44,448
Ohio Rehabilitation Services Commission	Social Security Administration	96.001		72
Ohio Board of Regents	Department of Education	84.281B		57,563
Ohio Board of Regents	Department of Education	84.336A		9,000
University of Wisconsin	Environmental Protection Agency	30020000	22000006	19,762
Ohio Environmental Protection Agency	Environmental Protection Agency	30020000	26340000	16,860
Citizens Network Foreign	Agency for International Development	30300100	20021429	137,092
Ohio Department of Human Services	Department of Agriculture	40000000	26230000	626,327
Ohio Department of Job & Family Services	Department of Agriculture	40000000	26630000	1,341,313
University of Nebraska	Cooperative State Research, Education & Extension Services	40040100	22000085	6,046
University of Minnesota	U.S. Department of Education	53000000	22000067	81,657
University of Oregon	Office of Special Education & Rehabilitative Services	53050000	22000308	58,504
Cooperative Educational Service Agency	Department of Health & Human Services	60000000	20021342	130,766
Gallia County Department of Human Services	Department of Health & Human Services	60000000	24000442	22,754
Clermont County Department of Human Services	Department of Health & Human Services	60000000	24000443	67,518
National Center for Family Literacy	National Institute of Health	60040400	20021411	80,483
Van Wert Co. BD Com	National Institute of Health	60040400	24000438	23,526
Childrens Research Institute	National Institute of Allergies & Infectious Disorders	60040404	20010182	51,242
Ohio Department of Health	Centers for Disease Control & Prevention	60040600	26090000	29,125
National Center for Family Literacy	Administration for Children, Youth, & Families	60070100	20021411	28,511
City of Columbus	Department of Housing & Urban Development	70000000	24000306	24,648
Ohio University	U.S. Geological Survey	72040000	22000130	95,251
Cuyahoga County Board of Commissioners	Department of Justice	74000000	24000430	111,102
Franklin County Justice Programs Unit	Department of Justice	74000000	24000444	16,731
Ohio Department of Public Safety	National Highway Traffic Safety Administration	82040000	26400000	<u>78,629</u>
Total pass-through programs				<u>4,083,771</u>
TOTAL FEDERAL AWARDS				<u>\$225,739,119</u>

See notes to schedule of expenditures of federal awards.

# THE OHIO STATE UNIVERSITY

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Presentation** - The accompanying financial schedules include the accounts of The Ohio State University (the University); its hospitals and clinics; The Ohio State University Foundation, a not-for-profit organization operating exclusively for the benefit of the University; three separate statutory entities for which the University has special responsibility - The Ohio Agricultural Research and Development Center, The Ohio State University Dormitory Revenue Bond Fund, and the Ohio Supercomputer Center; and four legally independent corporations performing special activities related to the University - The Ohio State University Research Foundation, The Ohio State University Student Loan Foundation, Inc., the Transportation Research Center of Ohio, Inc., and the Hospital Helicopter Consortium of Central Ohio, Inc. Such financial schedules have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America for state-assisted colleges and universities.

**Subrecipient** - Certain funds are passed-through to subgrantee organizations by the University. Expenditures incurred by the subgrantees and reimbursed by the University are presented in the Schedule of Expenditures of Federal Awards.

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

### 2. NONCASH FEDERAL AWARDS

During the year ended June 30, 2001, the University did not receive nonmonetary assistance.

### 3. FEDERAL LOAN PROGRAMS ADMINISTERED

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

	<b>Year Ended June 30, 2001</b>
Perkins Loan Program	\$2,250,528
Nursing Student Loans (NSL)	213,587
Health Professional Student Loans (HPSL)	<u>2,373,283</u>
Total	<u>\$4,837,398</u>

The above expenditures include disbursements and expenditures such as loans to students and administrative expenditures. During the year ended June 30, 2001, the University disbursed \$176,342,571 in new loans under the William D. Ford Direct Loan Program (which includes Stafford Loans and Parents Loans for Undergraduate Students).

**4. REIMBURSEMENT OF FACILITIES AND ADMINISTRATIVE COSTS**

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

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

On November 22, 1999, DHHS approved facilities and administrative cost recovery rates effective from July 1, 2000 through June 30, 2003. The facilities and administrative cost rate structure, including the rates submitted within the Certificate, are as follows:

Rate Type	Effective July 1, 1993 Through June 30, 2001	
	Rate as Submitted Within Certificate	Negotiated Rate
Organized Research:		
On-Campus		
7/1/00-6/30/02	49.4 %	47.0 %
7/1/02-6/30/03	49.4 %	47.5 %
Off-Campus	26.0 %	26.0 %
Instruction:		
On-Campus		
7/1/00-6/30/02	52.5 %	47.0 %
7/1/02-6/30/03	52.5 %	47.5 %
Off-Campus	26.0 %	26.0 %
Other Sponsored Activities:		
On-Campus	22.5 %	31.0 %
Off-Campus	15.0 %	26.0 %
General Clinical Research Center:		
On-Campus	23.4 %	20.0 %

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

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED UPON THE AUDIT PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Trustees  
The Ohio State University  
Columbus, Ohio

We have audited the financial statements of The Ohio State University (the University) as of and for the year ended June 30, 2001, and have issued our report thereon dated October 5, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**COMPLIANCE**

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. We also noted certain immaterial instances of noncompliance, which we have reported to the management of the University in a separate letter dated October 5, 2001.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit, we considered the University's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the University's internal control over financial reporting and its operation that we consider to be material weaknesses.

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

DELOITTE & TOUCHE LLP

October 5, 2001



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO EACH MAJOR FEDERAL AWARD PROGRAM AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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

**COMPLIANCE**

We have audited the compliance of The Ohio State University (the University) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2001. The University's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

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

In our opinion, the University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 99-1, 01-1, 01-2, and 01-3.

## INTERNAL CONTROL OVER COMPLIANCE

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

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

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

We have audited the financial statements of the University as of and for the year ended June 30, 2001, and have issued our report thereon dated October 5, 2001. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. This schedule is the responsibility of the management of the University. Such information has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly stated, in all material respects, when considered in relation to the financial statements taken as a whole.

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

DELOITTE & TOUCHE LLP

October 5, 2001

# THE OHIO STATE UNIVERSITY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2001

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### PART I - SUMMARY OF AUDITORS' RESULTS

1. The independent auditors' report on the financial statements expressed an unqualified opinion.
2. Our audit of the financial statements did not disclose a reportable condition in internal controls.
3. No instances of noncompliance considered material to the financial statements were disclosed by the audit.
4. Our audit of compliance with the types of compliance requirements applicable to the financial statements did not disclose a reportable condition in internal control over compliance with requirements applicable to major federal award programs.
5. The independent auditors' report on compliance with requirements applicable to major federal award programs expressed an unqualified opinion.
6. The audit disclosed findings required to be reported by OMB Circular A-133.
7. The major programs were the Research and Development Cluster and the Student Financial Aid Cluster, which are included in the Schedule of Expenditures of Federal Awards.
8. A threshold of \$3,000,000 was used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133.
9. The Ohio State University did not qualify as a low risk auditee as that term is defined in OMB Circular A-133.

### PART II - FINANCIAL STATEMENT FINDINGS SECTION

No matters are reportable.

### PART III - FEDERAL AWARD FINDINGS AND QUESTIONED COST SECTION

#### 99-1: STUDENT FINANCIAL AID REFUNDS

**Grantor:** U.S. Department of Education

**Sponsor Identification Number:** Various

**Project Number:** Various



**Criteria:**

Section 34 CFR Part 668.22(j)(B) if the student drops out of the institution without notifying the institution (does not withdraw officially), the student's withdrawal date is the last recorded date of class attendance by the student as documented by the institution.

**Finding:**

In the current year no students were identified during our testing that had unofficially withdrawn from the University without being detected as a withdrawn student by the University. However, the University does not have a system in place to track the unofficial withdrawal by students.

**Effect:**

The University may not be refunding all federal funds relative to those funds received after the students withdrawal date.

**Recommendation:**

We recommend that the University implement additional policies and procedures to ensure that attendance is being taken by instructional staff and/or alternative policies and procedures to track the unofficial withdrawal of a student, as any funds received from the Federal government subsequent to the withdrawal date of a student would be considered a potential liability to the University.

**01-1: RECLASSIFICATION OF PASS-THROUGH EXPENSES**

**Grantor:** Various

**Sponsor Identification Number:** Various

**Project Number:** Various

**Criteria:**

Circular A-133, Subpart C - Auditees, §)\_\_\_\_.310 Financial statements, (b) Schedule of expenditures of federal awards, (2).

**Finding:**

The Ohio State University Research Foundation (Research Foundation) reclassified approximately \$1,500,000 of research and development expenses incurred from July 2000 through April 2001 from non-federal pass-through expenditures to federal major pass-through expenditures. The Research Foundation recorded this reclassification to correct several project miscoding errors. Accounting department personnel discovered these miscoded projects during intermittent recordkeeping activities, based on their prior experience with identifying subrecipient payees. However, there are limited controls relating to this type of error.

**Effect:**

The Research Foundation may be excluding expenditures passed through from other sources to the Research and Development Cluster from its Schedule of Expenditures of Federal Awards.

**Recommendation:**

The Research Foundation management should perform a formal review of project classifications on a periodic basis to ensure that any miscoded projects are identified and properly categorized for reporting purposes.

**01-2: VENDOR SUBCONTRACT TERMINATION PROVISIONS**

**Grantor:** National Science Foundation - Polar Programs

**Sponsor Identification Number:** 30050404

**Project Number:** 737847

**Criteria:**

Circular A-110, Appendix A, Subpart A – General, §\_\_.48 Contract Provisions, (b).

**Finding:**

In the vendor subcontract review, the Ohio State University Research Foundation (Research Foundation) did not describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

**Effect:**

The Research Foundation may be vulnerable to losses of funds in the event of subcontractor defaults or lack of performance due to circumstances beyond the control of subcontractors.

**Recommendation:**

The Research Foundation’s outstanding vendor subcontracts should be amended for this provision.

**01-3: COST-SHARING REQUIREMENTS**

**Grantor:** National Science Foundation - Math Sciences

**Sponsor Identification Number:** 30050501

**Project Number:** 738578

**Criteria:**

**Finding:**

The project reviewed was finalized on April 30, 2001, and currently does not meet the minimum cost-share requirement of \$8,000.

**Effect:**

The Ohio State University Research Foundation (Research Foundation) may impede their chances of approval for future projects if they are adding cost-share provisions to project proposals submitted to a federal sponsor for approval and then not meeting those cost-share commitments once the project is complete.

**Recommendation:**

The Research Foundation should be sure to follow cost-share procedures in place. Additionally, the Research Foundation should correct the shortage due to the National Science Foundation.

**PART IV - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

<b>Number</b>	<b>Finding</b>	<b>Status</b>	<b>Contact</b>
99-1	<p>Section 34 CFR Part 668.22(j)(B) states that if the student drops out of the institution without notifying the institution (does not officially withdraw), the student's withdrawal date is the last date of class attendance by the student as documented by the institution. One student was identified during the 1999 testing that had unofficially withdrawn from the University without being detected as a withdrawn student. The University did not refund federal funds relative to those funds received after the students withdraw date.</p>	<p>The Council on Enrollment and Student Progress unanimously approved during the October 2, 2001 meeting a motion that allows the Student Financial Aid Department and the Office of the Registrar to collaborate on a mechanism so that students who have left before a course is over to be identified and the means to audit such students be incorporated accordingly, with the understanding that this will be done in a timely manner and it includes a means of educating the University community about the change. To this end Student Financial Aid and the Office of the Registrar will propose a faculty rule change at the November faculty meeting that includes a new grade mark for failure for nonattendance and instructions on when to use it. Furthermore, the Registrar is working on the modification of the grade cards to include this new grade. The new procedures are expected to be in place by Spring Quarter 2002.</p>	Tally Hart, Director of Student Financial Aid
99-2	<p>The University is not preparing Federal Financial Reports related to the Hatch program on a timely basis.</p>	Completed	Robert Oyer, Manager, Oardc Fiscal Office

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

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**REPORT ON AGREED-UPON PROCEDURES  
AS REQUESTED BY  
THE FRANKLIN COUNTY ALCOHOL, DRUG ADDICTION  
AND MENTAL HEALTH SERVICES BOARD**

**For The Year Ended June 30, 2001**

**PARMS & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have performed the procedures enumerated below, which were agreed to by The Ohio State University and the Alcohol Drug and Mental Health Board of Franklin County (ADAMH) solely to assist you with respect to the compliance requirements required of the Traumatic Brain Injury Network of The Ohio State University (Service Provider) during the year ended June 30, 2001. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of ADAMH. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and our findings are as follows:

1. Agency Revenue Report
  - a. We documented the procedures used to process revenue and evaluated their adequacy. Service Provider revenue processing procedures performed appear adequate and no recommendations were noted.
  - b. We performed substantive audit procedures to test the accuracy and completeness of the FIS-052 report.
  - c. We noted no exceptions to the FIS-052 report as a result of the procedures performed.
2. Medicaid Contract and Quality Assurance Program
  - a. We obtained from the Service Provider's management the following:
    - Ohio Department of Human Services (ODHS) and the Ohio Department of Alcohol and Drug Addiction Services Medicaid Contracts
    - ODADAS/ADAMH Community Medicaid Contract
    - ADAMH/Facility Community Medicaid Contract and Exhibits
  - b. We read the certifications by ODADAS which included accreditation of the Service Provider's quality assurance program, noting that the certifications were current for the time services were rendered during State Fiscal Year ended June 30, 2001.
  - c. We reviewed the Service Provider's ongoing quality assurances program noting that it appears they were following program requirements. No recommendations were noted.
3. Block Grant Budget procedures were not applicable.

4. Medicaid and/or Non-Medicaid Billings:

- a. We documented procedures used for Medicaid and Non-Medicaid billings to ADAMH, evaluated the adequacy of procedures. No recommendations were noted.
- b. We tested 40 billings to verify that the Service Provider is following ADAMH's procedures for member financial eligibility, sliding fee scale, outpatient co-insurance, and residential co-pay as outlined in the Provider Services Contract.
- c. We tested 40 billings to verify that revenues from sources other than ADAMH are being billed prior to billing ADAMH for Non-Medicaid eligible services.
- d. We obtained the Service Provider's billing reports for the months from July 1, 2000 through June 30, 2001.
- e. We obtained a list from the Service Provider which shows all employees and credentials they hold.
- f. We obtained the MACSIS reports (i.e., Remittance Advice) that represent the services billed for the months from July 1 through June 30.
- g. We selected 40 Medicaid billings (roster lines) from the Remittance Advice reports for the State fiscal year ended June 30, 2001.
- h. We traced the 40 roster lines noted in step 4g. to the Service Provider's billing reports.
- i. For those 40 Medicaid billings, we agreed the date of service, duration, service type, provider's name and provider's discipline from the billing records to corresponding information recorded in the progress notes in the client's individual record and noted that they were in agreement.
- j. We agreed the service delivered to the service intervention plan described as the individual service plan (ISP) and noted that they were in agreement for the 40 selections we made. We determined that each validated ISP was:
  - . Signed by a person with proper credentials to supervise treatment.
  - . Prepared and updated in a timely manner.
  - . Prepared within the prescribed dates of the certification standards.
- k. For 40 selections, we examined documentation verifying that third-party payers were billed prior to billing Medicaid, when applicable.
- l. We obtained and reviewed Service Provider's personnel files for selected service episodes.
- m. For the 40 selections, we verified that providers were eligible to provide alcohol and other drug services according to ODADAS standards.

- n. For the 40 selections, we compared the service descriptions used by the Service Provider with the service descriptions as defined in the Ohio Department of Mental Health's Administrative Code Section 5122-29 for Community Mental Health Agencies and/or Ohio Administrative Code Rule 3793:2-1-08 through 3793:2-1-17 for Alcohol and Drug Addiction Treatment Programs, and determined that services were allowable.
- o. We noted the following exceptions as a result of performing the procedures described above:
  - . We noted two instances where patients appeared to have insurance coverage, however TBI did not bill the third party.

5. Service Provider Report on Units Delivered and Costs

- a. We reviewed the Service Provider's report on Units Delivered and Costs Incurred-Service Provider Overview for the State Fiscal Year ended June 30, 2001 by performing the procedures in 5b.
- b. We performed the following procedures:
  - . We agreed total expenses on the Units Delivered and Costs Incurred-Service Provider Overview to expenditure summaries.
  - . We noted from reviewing the contract and from inquiry of Service Provider personnel, that service descriptions and definitions of units specified in Ohio Department of Mental Health's Administrative Code Section 5122-29 for Community Health Agencies and/or Ohio Administrative Code Rule 3793:2-1-08 through 3793:2-1-17 for Alcohol and Drug Addiction Treatment Programs were consistently used in the billing process for 10 selections.
  - . We made inquiries regarding the Service Provider's calculations of allocations of non-personnel and overhead costs to the total service costs.
  - . We determined that such allocations were calculated consistent with the calculation method used for budgeting and reflect what actually incurred.
  - . We noted no exceptions as to the completeness and accuracy of the report as a result of those procedures.

6. Agency Expense Report (FIS-047)

- a. We obtained the Service Provider's Agency Expense Report - Actual (ODADAS FIS-047). We determined the report was filed with ADAMH within 60 days of the Service Provider's fiscal year end.
- b. We compared the Actual Expense Budget Overview Report (FIS-047) for State fiscal year ended June 30, 2001 to actual allowable costs per unit of services covered in the contract held between the Service Provider and ADAMH for the same time period.
- c. We noted that the actual costs contained no unallowable costs.
- d. We verified that the allocation of the administrative overhead and non-personnel expenses to the various services was consistently applied.



- e. We included FIS-047 Actual Expense Budget Overview Report as Appendix D to our report. We agreed that total costs on the FIS-047 report to the total expenses per the reports from The Ohio State University, which are subject to a separate audit.
  - f. We noted no exceptions to the FIS-047 report as a result of these procedures.
7. Inventory-Purchased procedures were not applicable.

Per the Memorandum of Understanding, we have provided the following information as of June 30, 2001, as appendices to this report:

- A) Key Performance Indicators as of June 30, 2001 - Appendix A
- B) Schedule of Functional Expenses for the year ended June 30, 2001 - Appendix B
- C) Desk Audit from ADAMH as of June 30, 2001 (Final Allocation Summary - Appendix C-1 and Summary of Payables/Receivables - Appendix C-2)
- D) FIS-047 Report of Expenses - Appendix D

We have also included FIS-052 Agency Revenue Report as Appendix E. The appendices follow this report.

We were not engaged to, and did not, perform an audit, the objectives of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

***Parms & Company, I nc.***

Columbus, Ohio  
November 14, 2001

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

APPENDIX A  
KEY PERFORMANCE INDICATORS  
As of June 30, 2001

<u>Key Performance Indicator</u>	<u>Method of Calculation</u>	<u>CCS Calculation</u>	<u>CCS Ratio</u>
1. Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	$\frac{185,524}{0}$	N/A
2. Debt to Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Total Fund Balance}}$	$\frac{0}{185,524}$	N/A
3. Administrative Costs to Total Expenses	$\frac{\text{AdministrativeExpense}}{\text{Total Expenses}}$	$\frac{56,385}{537,171}$	10.5%
4. Revenue to Expenses	$\frac{\text{Total Revenues}}{\text{Total Expenses}}$	$\frac{564,253}{537,171}$	1.05
5. Net Asset Reserve	$\frac{\text{Total Net Assets}}{\text{Total Expenses}/12}$	$\frac{185,524}{44,764}$	4.14
6. Percentage of Funding From ADAMH Board	$\frac{\text{Total RevenueFrom ADAMH}}{\text{Total Revenue}}$	$\frac{237,630}{564,253}$	42%

**OHIO STATE UNIVERSITY  
TRAUMATIC BRAIN INJURY NETWORK**

Appendix B  
Schedule of Functional Expenses

	<u>Assessment</u>	<u>Individual Counseling</u>	<u>Group Counseling</u>	<u>Case Management</u>	<u>Subtotal</u>	<u>Admin</u>	<u>Total</u>
Salary	\$ 25,293	12,129	31,740	208,141	277,303	31,161	\$308,464
Benefits	7,405	4,039	5,385	43,082	59,911	7,405	67,316
Facility	15,194	8,512	10,676	87,241	121,623	15,107	136,730
General Operating							
Supplies	122	67	89	712	990	122	1,113
Non-capitalized Equipment	697	380	507	4,057	5,642	697	6,339
Computer Software	353	192	256	2,051	2,852	353	3,205
Physical Plant	15,040	8,204	10,938	87,507	121,690	15,040	136,730
Travel & Auto	809	441	588	4,705	6,543	809	7,352
Conference/Training	36	20	26	211	293	36	329
Printing/Copy	51	28	37	297	413	51	464
Business Meals	-	-	-	22	22	-	22
Indirect Costs	<u>377</u>	<u>551</u>	<u>50</u>	<u>3,698</u>	<u>4,676</u>	<u>-</u>	<u>4,676</u>
Subtotal	<u>1,707</u>	<u>3,143</u>	<u>2,308</u>	<u>12,024</u>	<u>17,387</u>	<u>663</u>	<u>18,050</u>
Administration	<u>6,785</u>	<u>3,143</u>	<u>4,513</u>	<u>38,410</u>	<u>52,851</u>	<u>\$ 52,851</u>	
Total	<u>\$ 69,274</u>	<u>32,091</u>	<u>46,075</u>	<u>392,155</u>	<u>\$539,595</u>		<u>\$539,595</u>

APPENDIX C - 1

ADAMH Board of Franklin County  
R1 - Final Allocation Summary, FY2001  
TBI Network - OSU

			(a)	(b)	(c)	(c-b=d)	(e)	(f)	(a-f=g)
Payment Group	Fund	CFDA #	Provider Claims/Expense	Board Payable	Allocation As of June 30	Difference	Allocation Adjustments	Final Allocation	Over/(Under) Allocation
Medicaid Claims	101-Levy		\$44,884	\$44,884	\$37,710	-\$7,174	\$7,174	\$44,884	\$0
	305-ODADAS GRF		\$9,996	\$9,996	\$10,000	\$4	-\$4	\$9,996	\$0
	701-Title XIX FFP	93.107	\$79,068	\$79,068	\$67,727	-\$11,341	\$11,341	\$79,068	\$0
	<b>Medicaid Claims Subtotal</b>		<b>\$133,948</b>	<b>\$133,948</b>	<b>\$115,437</b>	<b>-\$18,511</b>	<b>\$18,511</b>	<b>\$133,948</b>	<b>\$0</b>
Non-Medicaid Claims	101-Levy		\$84,768	\$84,722	\$84,722	\$0		\$84,722	\$46
	101-Levy (900)		\$69,877	\$0	\$0	\$0		\$0	\$69,877
	305-ODADAS GRF		\$10,004	\$10,000	\$10,000	\$0	\$4	\$10,004	\$0
	<b>Non-Medicaid Claims Subtotal</b>		<b>\$164,649</b>	<b>\$94,722</b>	<b>\$94,722</b>	<b>\$0</b>	<b>\$4</b>	<b>\$94,726</b>	<b>\$69,923</b>
Computer Block Grant	101-Levy		\$2,550	\$2,550	\$2,550	\$0		\$2,550	\$0
<b>TOTAL</b>			<b>\$301,147</b>	<b>\$231,220</b>	<b>\$212,709</b>	<b>-\$18,511</b>	<b>\$18,515</b>	<b>\$231,224</b>	<b>\$69,923</b>

APPENDIX C - 2

ADAMH Board of Franklin County  
R4 - Summary of Payables (Receivables), FY2001  
TBI Network - OSU

Payment Group	Fund	CFDA #	Final Allocation	FYTD Paid			Payable (Receivable)
				Cash	Other	Total	
	Medicaid Match		\$54,880	\$44,091		\$44,091	\$10,789
	Medicaid FFP		\$79,068	\$79,069		\$79,069	-\$1
<b>Medicaid Claims Subtotal</b>			<b>\$133,948</b>	<b>\$123,160</b>	<b>\$0</b>	<b>\$123,160</b>	<b>\$10,788</b>
Non-Medicaid Claims	101-Levy		\$84,722	\$95,516		\$95,516	-\$10,794
	101-Levy (900)		\$0	\$0		\$0	\$0
	305-ODADAS GRF		\$10,004	\$9,998		\$9,998	\$6
<b>Non-Medicaid Claims Subtotal</b>			<b>\$94,726</b>	<b>\$105,514</b>	<b>\$0</b>	<b>\$105,514</b>	<b>-\$10,788</b>
Computer Block Grant	101-Levy		\$2,550	\$2,550		\$2,550	\$0
<b>TOTAL</b>			<b>\$231,224</b>	<b>\$231,224</b>	<b>\$0</b>	<b>\$231,224</b>	<b>\$0</b>



Outreach										
<b>PREVENTION SERVICES</b>										
Information Dissemination										
Education										
Alternatives										
Problem Identification & Ref										
Community-Based Process										
Environmental										
<b>ADJUNCTIVE ALC AND DRUG SERVICES</b>										
Child Care										
Family Therapy										
Meals										
Room/Rent Subsidy										
transportation										
Other										
<b>TOTAL ADMINISTRATIVE OVERHEAD</b>			0.7354		31,161	25,224	56,385			
<b>TOTALS FOR AGENCY</b>	6403	6.7690	2.5071	206,479	101,986	228,706	537,171	56,385	537,171	

I certify that the measurement and recording of costs have been made in a manner consistent with generally accepted accounting principles, and cost allocations for unit costing purposes are based on reasonable expectations of benefits derived.

\_\_\_\_\_  
Name/Title

\_\_\_\_\_  
Date

Revised 10/2/00

APPENDIX E

<b>AGENCY REVENUE REPORT</b> ODADAS FIS-052 AGENCY NAME: TBI Network AGENCY ADDRESS: 106 McCampbell Hall, 1581 Dodd Drive, Columbus, OH 43210 EXECUTIVE DIRECTOR: John D. Corrigan, PhD, ABPP							
						ODADAS AGENCY NUMBER: 0006707 REPORTING PERIOD: 7/1/2001-6/30/2002 AGENCY TELEPHONE #: 292-4559	
_____Budget__XX__Actual							
1. REVENUE SOURCE	2. SERVICES				3. TOTAL EXPENDITURES	4. TOTAL REVENUES	UNEXPENDED FUNDS
	A. ASSESSMENT	B. INDIVIDUAL COUNSELING	C. GROUP COUNSELING	D. CASE MANAGEMENT			
ODADAS Federal SAPT Total							
ODADAS Federal Medicaid	5,151	3,002	8,400	62,515	<b>79,068</b>	79,068	
<b>ODADAS Safe Drug Free Schools and Communities (SDFSC)</b>							
ODADAS Other Federal							
ODADAS State funds Total							
Board Levy: ADAMH Medicaid Match	3,575	2,084	5,830	43,391	<b>54,880</b>	54,880	
ADAMH Non-Medicaid Claims	10,150	5,680	5,485	73,411	<b>94,726</b>	94,726	
<b>Board Temporary Assistance for Needy Families (TANF)</b>							
Other Board funds							
Agency First/third Party Fees	1,849	4,004	16,653	85,851	<b>108,358</b>	108,358	
Direct TANF							
<b>Other Provider Funds</b>							
Out of County Federal Medicaid FFP	553	100	128	2,846	<b>3,627</b>	3,627	
Out of County Medicaid Match	384	69	89	1,975	<b>2,517</b>	2,517	
Out of County Medicaid		61		201	<b>262</b>	262	
CJ Grant	20,004	13,047	1,232	44,934	<b>78,317</b>	78,317	
Other Agency Funding	24,606	6,131	19,850	91,911	<b>115,416</b>	142,498	<b>27,082</b>
<b>Total</b>	<b>66,272</b>	<b>34,178</b>	<b>57,667</b>	<b>407,035</b>	<b>537,171</b>	<b>564,253</b>	<b>27,082</b>



**CAMPUS PARTNERS FOR COMMUNITY  
URBAN REDEVELOPMENT, INC.**

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**FINANCIAL STATEMENTS  
For the Year Ended June 30, 2001 and 2000  
With  
Independent Auditors' Report Thereon**

**PARMS & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

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REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees  
Campus Partners for Community Urban  
Redevelopment, Inc.

We have audited the balance sheets of Campus Partners for Community Urban Redevelopment, Inc. (Campus Partners, a component unit of The Ohio State University) as of June 30, 2001 and 2000, and the related statements of revenues and expenditures, changes in fund balances and cash flows for the years then ended. These financial statements are the responsibility of the management of Campus Partners. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Campus Partners as of June 30, 2001 and 2000, and the results of its operations and changes in its fund balances and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

***Parms & Company, Inc.***

December 10, 2001

**CAMPUS PARTNERS FOR COMMUNITY  
URBAN REDEVELOPMENT, INC.  
BALANCE SHEETS  
As of June 30, 2001 and 2000**

<u>ASSETS</u>	<u>As of June 30, 2001</u>		<u>As of June 30, 2000</u>	
	<u>Current Funds</u> <u>Unrestricted</u>	<u>Plant</u> <u>Fund</u>	<u>Current Funds</u> <u>Unrestricted</u>	<u>Plant</u> <u>Fund</u>
Current Assets:				
Cash	\$290,210	-	165,096	\$ -
Accounts receivable		280	-	-
Prepaid Insurance	6,912	-	6,093	-
Accrued Income	50,424	-	-	-
Other assets		219,937	-	-
Deposits	<u>186,210</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Current Assets	753,973	-	171,189	-
Investment in Plant (Note 2)	<u>-</u>	<u>19,260,237</u>	<u>-</u>	<u>10,021,346</u>
Total Assets	<u>\$753,973</u>	<u>19,260,237</u>	<u>171,189</u>	<u>\$10,021,346</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Current Liabilities				
Accounts payable	\$ 12,462	-	25,500	\$ -
Accrued expense	231,125	-	118,834	-
Rent deposits	<u>13,680</u>	<u>-</u>	<u>8,958</u>	<u>-</u>
Total Liabilities	257,267	-	152,792	-
Fund Balances:				
Unrestricted	496,706	-	18,397	-
Net Investment in Plant	<u>-</u>	<u>19,260,237</u>	<u>-</u>	<u>10,021,346</u>
Total Fund Balances	<u>496,706</u>	<u>19,260,237</u>	<u>18,397</u>	<u>10,021,346</u>
Total Liabilities & Fund Balances	<u>\$753,973</u>	<u>19,260,237</u>	<u>171,189</u>	<u>\$10,021,346</u>

The accompanying notes are an integral part of the financial statements

**CAMPUS PARTNERS FOR COMMUNITY  
URBAN REDEVELOPMENT, INC.  
STATEMENTS OF REVENUES AND EXPENDITURES**

**For the Years Ended June 30, 2001 and 2000**

	<u>As of June 30, 2001</u>		<u>As of June 30, 2000</u>	
	<u>Current Funds Unrestricted</u>	<u>Plant Fund</u>	<u>Current Funds Unrestricted</u>	<u>Plant Fund</u>
Support and Revenue:				
The Ohio State University	\$10,193,894	-	1,703,727	\$ -
City of Columbus	-	-	20,133	-
Barnes & Noble	576,494	-	-	-
Acquisition of Plant Assets	-	9,238,891	-	1,023,361
Rental Income	173,532	-	116,100	-
Miscellaneous	1,272	-	859	-
Interest Income	<u>21,905</u>	<u>-</u>	<u>5,069</u>	<u>-</u>
Total Support and Revenue	<u>10,967,097</u>	<u>9,238,891</u>	<u>1,845,888</u>	<u>1,023,361</u>
Expenses:				
Wages	310,789	-	324,073	-
Payroll taxes and Benefits	81,426	-	81,697	-
Professional services	86,783	-	46,617	-
Travel and conferences	15,297	-	10,204	-
Postage and delivery	2,985	-	2,988	-
Printing	15,844	-	5,812	-
Office expenses	7,860	-	8,577	-
Occupancy	31,790	-	27,720	-
Utilities	76,503	-	12,647	-
Public relations	8,658	-	2,674	-
Consulting	107,084	-	91,945	-
Real estate taxes	381,113	-	189,883	-
UCBA Grant	25,000	-	20,000	-
Property Mgmt & Payroll reimbursement	46,658	-	-	-
Miscellaneous expenses	52,107	-	8,985	-
Property & equipment purchases	<u>9,238,891</u>	<u>-</u>	<u>1,023,361</u>	<u>-</u>
Total Expenses	<u>10,488,788</u>	<u>-</u>	<u>1,857,153</u>	<u>-</u>
Change in Fund Balance	<u>\$ 478,309</u>	<u>9,238,891</u>	<u>(11,265)</u>	<u>\$1,023,361</u>

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

**CAMPUS PARTNERS FOR COMMUNITY  
URBAN REDEVELOPMENT, INC.  
STATEMENTS OF CHANGES IN FUND BALANCES**

**For the Years Ended June 30, 2001 and 2000**

	<u>As of June 30, 2001</u>		<u>As of June 30, 2000</u>	
	<u>Current Funds Unrestricted</u>	<u>Plant Fund</u>	<u>Current Funds Unrestricted</u>	<u>Plant Fund</u>
Fund Balance, Beginning of Year	\$ 18,397	10,021,346	29,662	\$ 8,997,985
Change in Fund Balance	<u>478,309</u>	<u>9,238,891</u>	<u>(11,265)</u>	<u>1,023,361</u>
Fund Balance, End of Year	<u>\$496,706</u>	<u>19,260,237</u>	<u>18,397</u>	<u>\$10,021,346</u>

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

**CAMPUS PARTNERS FOR COMMUNITY  
URBAN REDEVELOPMENT, INC.  
STATEMENTS OF CASH FLOWS**

**For the Years Ended June 30, 2001 and 2000**

	June 30, 2001 Current Funds <u>Unrestricted</u>	June 30, 2000 Current Funds <u>Unrestricted</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Fund Balances	\$478,309	\$(11,265)
Adjustments to reconcile increase in fund balances to net cash provided by operations:		
Increase in accounts receivable	( 280)	-
Increase in accrued income	(50,424)	-
(Decrease)/Increase in deposits	(186,210)	10,000
Increase in other assets	(219,937)	
Increase in prepaid expenses	( 819)	(6,093)
(Decrease)/Increase in accounts payable	(13,038)	12,700
Increase in accrued expenses	112,791	50,433
Increase/(Decrease) in rent deposits	4,722	(10,488)
Decrease in due to others	<u>-</u>	<u>(17,500)</u>
Net Adjustments	(353,195)	<u>39,052</u>
<b>NET INCREASE IN CASH FROM OPERATING ACTIVITIES</b>	125,114	27,787
<b>CASH AT BEGINNING OF YEAR</b>	<u>165,096</u>	<u>137,309</u>
<b>CASH AT END OF YEAR</b>	<u>\$290,210</u>	<u>\$165,096</u>

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

**CAMPUS PARTNERS FOR COMMUNITY  
URBAN REDEVELOPMENT, INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended June 30, 2001 and 2000**

1. Summary of Significant Accounting Policies:

Organization:

Campus Partners for Community Urban Redevelopment, Inc. (Campus Partners) is a component unit of The Ohio State University (OSU). The financial activity of Campus Partners is blended within the financial statements of OSU. Campus Partners operates under funding primarily from OSU, whereby Campus Partners directs the revitalization of the area immediately adjacent to OSU's Main Campus in Columbus, Ohio. Campus Partners was incorporated on January 12, 1995.

Basis of Presentation:

Accrual Basis

The financial statements of Campus Partners have been prepared on the accrual basis in accordance with generally accepted accounting principles for state-assisted colleges and universities which is the basis used by OSU. Under the accrual basis of accounting, resources are classified for accounting and reporting purposes into funds that reflect the specific activities, objectives, or restrictions of the resources.

Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of the resources available to Campus Partners, the accounts of Campus Partners are maintained in accordance with the principles of "fund accounting". This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into fund groups that are in accordance with the activities or objectives specified.

Within each fund group, fund balances restricted by outside sources are so indicated or distinguished from unrestricted funds allocated to specific purposes by actions of the Board of Trustees. Externally restricted funds may only be utilized in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which the Board of Trustees retains full control to use on achieving any of its institutional purposes.



**CAMPUS PARTNERS FOR COMMUNITY  
URBAN REDEVELOPMENT, INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended June 30, 2001 and 2000**

1. Summary of Significant Accounting Policies: (Continued)

Fund Accounting (continued)

All accounts are classified into the following groups:

Current Funds	Plant Funds
---------------	-------------

Current Funds are available for current operations and are subdivided as follows:

Unrestricted funds are available for general operating purposes.

Restricted funds are available for current operating purposes but only in compliance with restrictions specified by donors or grantors. There were no restricted funds as of June 30, 2001, or 2000.

Plant Funds include all long-life assets in the service of Campus Partners. Physical properties, which include furniture and equipment are principally stated at cost. In accordance with generally accepted accounting principles for colleges and universities, depreciation is not provided.

To the extent current funds are used to finance plant assets, the amounts so provided are accounted for (a) as expenditures of current funds and additions to property and equipment in plant funds, in the case of moveable equipment and capital projects; and (b) as transfers of a non-mandatory nature in other cases.

Public Support and Revenues:

Campus Partners receives funding primarily through grants from OSU. During the years ended June 30, 2001 and 2000, Campus Partners derived 93% and 98%, of its total support from these sources, respectively. Revenue from these sources is recognized when received.

**CAMPUS PARTNERS FOR COMMUNITY  
URBAN REDEVELOPMENT, INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended June 30, 2001 and 2000**

1. Summary of Significant Accounting Policies: (Continued)

Concentration of Risk:

Cash consists of demand deposits held at financial institutions. At June 30, 2001 and 2000, \$100,000 of Campus Partners' cash balance of \$290,210 and \$165,096 was covered by Federal Deposit Insurance Corporation.

At June 30, 2001 and 2000, Campus Partners had \$190,210 and \$65,096, respectively, of cash in a financial institution that exceeded the \$100,000 of FDIC coverage. Consequently, these amounts were unsecured and uninsured. However, to mitigate risk of any loss, Campus Partners maintains its cash in large financial institutions. Consequently, management believes it is not exposed to any significant concentration of credit risk in relation to cash.

Use of Management's Estimates:

Preparation of Campus Partners' financial statements in conformity with accounting principles generally accepted in the United States of America require the use of management's estimates. The nature of those estimates, however, is such that variances in actual results are generally immaterial.

Income Taxes:

b

Campus Partners is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

2. Investment in Plant:

Investment in plant is composed of the following:

	<u>June 30, 2001</u>	<u>June 30, 2000</u>
Land and Buildings	\$19,205,512	\$ 9,972,006
Office Furniture and Equipment	<u>54,725</u>	<u>49,340</u>
Total Plant Fund	<u>\$19,260,237</u>	<u>\$10,021,346</u>

**CAMPUS PARTNERS FOR COMMUNITY  
URBAN REDEVELOPMENT, INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended June 30, 2001 and 2000**

3. Operating Lease

As lessor, Campus Partner leases various property under operating leases expiring in various years and with various options for renewal, through October 2034. The minimum future rental payments to be received on non-cancelable leases as of June 30, 2001 for each of the next 5 years and in the aggregate are included below:

2002	\$104,530
2003	63,800
2004	55,100
2005	49,020
2006	50,255
Thereafter	<u>1,612,341</u>
Total minimum future rentals	<u>\$1,935,046</u>

In addition to the above minimum rental payments, Campus Partners also leases properties to approximately 8 tenants whose leases terminates 1-5 months after June 30, 2001.

4. Retirement Plan

Plan Description

All staff of Campus Partners are employees of the Ohio State University and are therefore covered by the Public Employees Retirement System of Ohio (PERS). This retirement program is a statewide cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute. PERS issues a separate, publicly available financial reports that include financial statements and required supplementary information. The PERS financial report may be obtained by writing to Public Employees Retirement System of Ohio, 277 East Town Street, Columbus, Ohio 43215 or by calling (614) 466-2085 or 1-800-222-7377.

Funding Policy

The Revised Code of Ohio (ORC) provides PERS statutory authority for employee and employer contributions. The PERS Retirement Board instituted a temporary rate rollback for calendar year 2000. The required contribution rates for PERS plan members and employers for calendar year 2000 were 6.00% and 10.65% of covered payroll, respectively. Campus Partners' contributions, which represent 100% of the required contributions, for the year ended June 30, 2001 and each of the preceding two years, are as follows:

**CAMPUS PARTNERS FOR COMMUNITY  
URBAN REDEVELOPMENT, INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended June 30, 2001 and 2000**

4. Retirement Plan - Continued

2001	\$41,554
2000	42,129
1999	39,957

In addition to the retirement benefits described above, PERS provides post-retirement health care benefits.

Other Post-Retirement Benefits

PERS provides post-retirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Post-Employment Benefits (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for funding of post retirement health care. The ORC provides statutory authority for employer contributions. The 2000 employer contribution rate for state employers was rolled back for year 2000 to 10.65% of covered payroll; 4.30% was the portion that was used to fund health care for the year. The Ohio Revised Code provides statutory authority requiring public employers to fund postretirement health care through their contributions to PERS. In calendar year 2000, the Retirement Board reallocated employer contributions from 4.20% to 4.30% at the beginning of the year to improve health care financing.

OPEB are advanced-funded on an actuarially determined basis. The portion of the employer contributions that was made to fund postemployment benefits can be determined by multiplying actual employer contributions times .4038.

As of December 31, 1999, \$10,805.5 million was the actuarial value of the Retirement System's net assets available for OPEB. The actuarially liability and the unfunded actuarial liability, based on the actuarial cost method used, were \$12,473.6 million and \$1,668.1 million, respectively. The number of active participants was 401,339.

***The Ohio State  
University Managed  
Health Care Systems, Inc.***

*Financial Statements for the Years  
Ended June 30, 2001 and 2000  
and Independent Auditors' Report*

**Deloitte & Touche LLP**  
155 East Broad Street  
Columbus, OH 43215-3611

Tel: (614) 221-1000  
Fax: (614) 229-4647  
www.dttus.com



## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
The Ohio State University  
Managed Health Care Systems, Inc.:

We have audited the accompanying statements of financial position of The Ohio State University Managed Health Care Systems, Inc. (the Corporation) as of June 30, 2001 and 2000 and the related statements of activities and of cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Corporation at June 30, 2001 and 2000 and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

September 21, 2001

**THE OHIO STATE UNIVERSITY  
MANAGED HEALTH CARE SYSTEMS, INC.**

**STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2001 AND 2000**

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**ASSETS**

	<b>2001</b>	<b>2000</b>
<b>CURRENT ASSETS:</b>		
Cash	\$ 496,338	\$ 358,814
Accounts receivable	28,874	29,516
Prepaid expenses	<u>3,822</u>	<u>3,205</u>
Total current assets	529,034	391,535
<b>PROPERTY AND EQUIPMENT:</b>		
Furniture and equipment	199,266	314,166
Less accumulated depreciation	<u>(174,596)</u>	<u>(269,288)</u>
Total property and equipment, net	24,670	44,878
<b>DEFERRED INCOME TAXES</b>	<u>16,508</u>	<u>3,226</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 570,212</u></u>	<u><u>\$ 439,639</u></u>

**LIABILITIES AND NET ASSETS (DEFICIT)**

<b>CURRENT LIABILITIES:</b>		
Accounts payable to affiliate	\$ 151,112	\$ 260,675
Accounts payable		40,775
Income taxes payable	22,646	
Accrued salaries, wages and related liabilities	100,572	124,606
Deferred revenue	<u>174,299</u>	<u>          </u>
Total current liabilities	448,629	426,056
<b>ADVANCE PAYABLE TO AFFILIATE</b>	71,917	71,917
<b>NET ASSETS (DEFICIT) - Unrestricted</b>	<u>49,666</u>	<u>(58,334)</u>
<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT)</b>	<u><u>\$ 570,212</u></u>	<u><u>\$ 439,639</u></u>

See notes to financial statements.

**THE OHIO STATE UNIVERSITY  
MANAGED HEALTH CARE SYSTEMS, INC.**

**STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2001 AND 2000**

	<b>2001</b>	<b>2000</b>
REVENUES:		
Capitation fees from affiliate	\$ 1,995,265	\$ 1,902,848
Other capitation fees	166,405	160,984
Other revenue	<u>                    </u>	<u>17,514</u>
Total revenues	<u>2,161,670</u>	<u>2,081,346</u>
EXPENSES:		
Salaries	1,331,099	1,273,903
Employee benefits	301,903	316,126
General and administrative	186,077	178,612
Purchased services	55,130	86,876
Office rental	82,415	81,184
Supplies	17,905	24,500
Reproduction services	45,567	18,234
Communications	3,035	7,859
Depreciation	20,208	42,927
Interest	<u>                    </u>	<u>36,442</u>
Total expenses	<u>2,043,339</u>	<u>2,066,663</u>
INCREASE IN UNRESTRICTED NET ASSETS BEFORE INCOME TAX (EXPENSE) BENEFIT	118,331	14,683
INCOME TAX (EXPENSE) BENEFIT	<u>(10,331)</u>	<u>307</u>
INCREASE IN UNRESTRICTED NET ASSETS	108,000	14,990
NET ASSETS (DEFICIT):		
Beginning of year	<u>(58,334)</u>	<u>(73,324)</u>
End of year	<u>\$ 49,666</u>	<u>\$ (58,334)</u>

See notes to financial statements.



**THE OHIO STATE UNIVERSITY  
MANAGED HEALTH CARE SYSTEMS, INC.**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2001 AND 2000**

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	<b>2001</b>	<b>2000</b>
OPERATING ACTIVITIES:		
Change in net assets	\$ 108,000	\$ 14,990
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	20,208	42,927
Deferred income taxes	(13,282)	(307)
Changes in assets and liabilities:		
Accounts receivable	642	30,949
Prepaid expenses	(617)	11,926
Accounts payable and payable to affiliate	(150,338)	48,951
Deferred revenue	174,299	
Accrued salaries, wages and related liabilities	(24,034)	31,156
Income taxes receivable		1,010
Income taxes payable	<u>22,646</u>	<u>          </u>
Net cash provided by operating activities	<u>137,524</u>	<u>181,602</u>
NET INCREASE IN CASH	137,524	181,602
CASH AT BEGINNING OF YEAR	<u>358,814</u>	<u>177,212</u>
CASH AT END OF YEAR	<u><u>\$ 496,338</u></u>	<u><u>\$ 358,814</u></u>

See notes to financial statements.

# THE OHIO STATE UNIVERSITY MANAGED HEALTH CARE SYSTEMS, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2001 AND 2000

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Organization** - The Ohio State University Managed Health Care Systems, Inc. (the Corporation) was organized in December 1991 and began full operations on July 1, 1992 to promote and carry out educational, charitable and scientific purposes by conducting and supporting activities that are for the benefit, perform the functions, or carry out the purpose of The Ohio State University (OSU), principally its health plans, health care facilities and its College of Medicine without regard for profit or financial gain. The Corporation's primary activities are the performance of managed care services which include utilization review, case management and precertification to its contract holders and their participants on a capitation basis. Should the Corporation cease to exist, any net assets remaining after payment of all liabilities would revert to OSU.

**Use of 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash** - In 2001 the Corporation began transferring funds to an OSU bank account weekly. The Corporation's cash in the OSU account is commingled with other OSU related entities and invested daily in overnight investment vehicles, which are considered cash equivalents. Investment income is allocated to the Corporation based on their ownership of the funds included in the OSU's account.

The bank balance which was uninsured by federal deposit insurance as of June 30, 2001 and 2000 was approximately \$493,967 and \$322,995, respectively. The uninsured balances are collateralized by pools of securities pledged by the depository bank and are held in the name of the respective bank. The bank balance which was insured by federal deposit insurance as of June 30, 2001 and 2000 was approximately \$2,371 and \$35,819, respectively.

**Property and Equipment** - Property and equipment is stated on the basis of cost. Depreciation of such assets is computed using the straight-line method over their estimated useful lives ranging from 5 to 7 years.

**Revenue Recognition** - The Corporation earns revenue for services on a predetermined contractual basis. The Corporation recognizes this revenue based upon a fixed fee per covered participant as specified in the participant contracts. Deferred revenue represents monies received in advance of the contract period.

**Income Taxes** - The Corporation is a taxable entity for federal tax purposes. The Corporation provides deferred federal income taxes for all temporary differences between the carrying amounts

of assets and liabilities for financial reporting purposes and the amounts used for federal income tax purposes. The Corporation is a non-charitable non-profit organization for state tax purposes.

## 2. RELATED PARTY TRANSACTIONS

The Corporation's sole beneficiary is OSU. The Corporation's Board of Directors, consisting of six members, are appointed based on their affiliation with OSU. In addition, the Corporation is associated through both a participant contract for services and an administrative service agreement. Under the terms of the participant contract, the Corporation receives capitation fees for services provided to OSU faculty and administrative staff.

Under the terms of the administrative agreement, the Corporation receives administrative services from OSU, principally personnel, fringe benefits and other operating items, and reimburses OSU for these services. Substantially all expenses in 2001 and 2000 were incurred under the terms of this agreement. Accounts payable to affiliate of \$151,112 and \$260,675 at June 30, 2001 and 2000, respectively, represents amounts owed to OSU under these arrangements. Effective July 1, 2000, these amounts no longer bear interest. For the year ending June 30, 2000, these amounts bore interest at a variable rate based on the OSU's risk free investment rate, generally available government securities (6.12%). Additionally, in 1992 OSU advanced funds to the Corporation for the purchase of furniture totaling \$71,917, which is included in the accompanying financial statements as an advance payable to affiliate.

## 3. INCOME TAXES

The provision (benefit) for Federal income taxes is as follows:

	<u>Year Ended June 30</u>	
	<u>2001</u>	<u>2000</u>
Current	\$ 23,613	
Deferred	<u>(13,282)</u>	\$ (307)
Total	<u>\$ 10,331</u>	<u>\$ (307)</u>

Components of the Corporation's net deferred tax assets are as follows:

	<u>June 30</u>	
	<u>2001</u>	<u>2000</u>
Deferred tax assets:		
Excess book depreciation	\$ 16,508	\$ 3,226
Net operating loss carryforward	<u>          </u>	<u>5,705</u>
Total deferred tax assets	16,508	8,931
Valuation allowance	<u>          </u>	<u>(5,705)</u>
Net deferred tax assets	<u>\$ 16,508</u>	<u>\$ 3,226</u>

In 2000 the full amount of the net operating loss (NOL) carryforward was offset by a valuation allowance because of the Corporation's inconsistent earnings history and the expiration date of the NOL carryforward, which gave rise to uncertainty as to whether the deferred tax asset is realizable.

During 2001, the NOL was fully utilized to reduce the Company's current taxable income and, accordingly, the valuation allowance was eliminated.

\* \* \* \* \*

***The Ohio State University***  
***Research Foundation***

*Financial Statements for the Years*  
*Ended June 30, 2001 and 2000*  
*and Independent Auditors' Report*

**Deloitte & Touche LLP**  
155 East Broad Street  
Columbus, OH 43215-3611

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www.dttus.com

**Deloitte  
& Touche**

## **INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying balance sheets of The Ohio State University Research Foundation (the Research Foundation) as of June 30, 2001 and 2000, and the related statements of support and revenue, expenditures and transfers and changes in fund balance, and cash flows for the years then ended. These financial statements are the responsibility of the Research Foundation's management. Our responsibility is to express an opinion on these financial statements based on our 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Research Foundation as of June 30, 2001 and 2000, and its support and revenue, expenditures and changes in fund balance and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 5, 2001 on our consideration of the Research Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

DELOITTE & TOUCHE LLP

October 5, 2001

**Deloitte  
Touche  
Tohmatsu**

**THE OHIO STATE UNIVERSITY  
RESEARCH FOUNDATION**

**BALANCE SHEETS, JUNE 30, 2001 AND 2000**

<b>ASSETS</b>	<b>2001</b>	<b>2000</b>
CASH AND CASH EQUIVALENTS	\$ 26,759,253	\$ 23,564,331
ACCOUNTS RECEIVABLE AND UNBILLED PROJECT COSTS	42,374,023	39,295,286
OTHER RECEIVABLES	4,136,891	1,630,288
PREPAID INSURANCE		3,909
FURNITURE AND EQUIPMENT - Net of accumulated depreciation of \$77,000 and \$53,000 in 2001 and 2000, respectively	79,124	69,932
PATENTS	<u>1</u>	<u>1</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 73,349,292</u></b>	<b><u>\$ 64,563,747</u></b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES:</b>		
Accounts payable:		
Trade	\$ 9,619,454	\$ 8,272,874
The Ohio State University	9,101,704	7,945,898
Accrued payroll	2,278,643	829,586
Accrued vacation and sick leave	575,198	623,179
Deferred revenue - sponsors	29,172,718	27,242,785
Facilities and administrative costs payable to University departments	10,291,011	8,143,202
Designated funds for University departments (Note 3)	<u>5,945,726</u>	<u>5,718,778</u>
<b>Total liabilities</b>	<b><u>66,984,454</u></b>	<b><u>58,776,302</u></b>
<b>FUND BALANCE:</b>		
Operating fund balance	6,264,838	5,687,445
Contingency fund balance	<u>100,000</u>	<u>100,000</u>
<b>Total fund balance</b>	<b><u>6,364,838</u></b>	<b><u>5,787,445</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 73,349,292</u></b>	<b><u>\$ 64,563,747</u></b>

See notes to financial statements.

**THE OHIO STATE UNIVERSITY  
RESEARCH FOUNDATION**

**STATEMENTS OF SUPPORT AND REVENUE, EXPENDITURES  
AND TRANSFERS AND CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED JUNE 30, 2001 AND 2000**

	<u>2001</u>		<u>2000</u>	
	Operating Fund	Contingency Fund	Operating Fund	Contingency Fund
SUPPORT AND REVENUE:				
Sponsor project revenue	\$236,870,872		\$198,736,472	
University appropriation	6,604,096		7,159,965	
Interest	946,194		536,308	
Transfers from (to) the University for specified expenditures	<u>1,221,582</u>	<u>\$(165,850)</u>	<u>573,360</u>	<u>\$ 47,483</u>
Total support and revenue	<u>245,642,744</u>	<u>(165,850)</u>	<u>207,006,105</u>	<u>47,483</u>
EXPENDITURES AND TRANSFERS:				
Sponsor project:				
Personnel	107,954,363		95,487,011	
Materials and services	61,265,994		45,776,067	
Equipment	11,881,554		8,817,693	
Travel	5,839,869		5,833,342	
Facilities and administrative cost charged by the University	49,929,090		42,822,359	
Expenditures specified by the University	1,221,582		573,360	
Contingency expenditures		(165,850)		47,483
Research administration	6,589,924		7,251,790	
Transfers to the University	<u>382,975</u>		<u>948,910</u>	
Total expenditures and transfers	<u>245,065,351</u>	<u>(165,850)</u>	<u>207,510,532</u>	<u>47,483</u>
EXCESS (DEFICIENCY) OF SUPPORT AND REVENUE OVER (UNDER) EXPENDITURES AND TRANSFERS				
	577,393		(504,427)	
FUND BALANCE - Beginning of year	<u>5,687,445</u>	<u>100,000</u>	<u>6,191,872</u>	<u>100,000</u>
FUND BALANCE - End of year	<u>\$ 6,264,838</u>	<u>\$ 100,000</u>	<u>\$ 5,687,445</u>	<u>\$100,000</u>

See notes to financial statements.



# THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2001 AND 2000

	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess (deficiency) of support and revenue over (under) expenditures and transfers	\$ 577,393	\$ (504,427)
Adjustments to reconcile excess (deficiency) of support and revenue over (under) expenditures and transfers to net cash provided by (used in) operating activities:		
Depreciation	24,225	21,492
Changes in operating assets and liabilities:		
Accounts receivable and unbilled project costs	(3,078,737)	2,466,792
Other receivables	(2,506,603)	(850,633)
Prepaid insurance	3,909	
Accounts payable:		
Trade	1,346,580	286,479
The Ohio State University	1,155,806	734,660
Accrued payroll	1,449,057	(422,257)
Accrued vacation and sick leave	(47,981)	69,051
Deferred revenue - sponsors	1,929,933	6,395,870
Recovered facilities and administrative indirect costs payable to University departments	2,147,809	1,089,351
Designated funds for University departments	<u>226,948</u>	<u>1,009,595</u>
Net cash provided by operating activities	<u>3,228,339</u>	<u>10,295,973</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	<u>(33,417)</u>	<u>(16,916)</u>
Net cash used in investing activities	<u>(33,417)</u>	<u>(16,916)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,194,922	10,279,057
CASH AND CASH EQUIVALENTS - Beginning of year	<u>23,564,331</u>	<u>13,285,274</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$26,759,253</u>	<u>\$23,564,331</u>

See notes to financial statements.

# THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2001 AND 2000

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### 1. ORGANIZATION

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

### 2. ACCOUNTING POLICIES

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

***Basis of Presentation*** - The financial statements of the Research Foundation have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America.

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

***Cash and Cash Equivalents*** - Cash and cash equivalents consist of demand deposit accounts and certificates of deposit with original maturities of less than 90 days. The Research Foundation's cash, except for the Huntington National Bank balance, is in the University account and is commingled with other University related entities and invested daily in overnight investment vehicles, which are considered cash equivalents. Investment income is allocated to the Research Foundation based on their ownership of the funds included in the University's account.

The portion of the Huntington National Bank balance of \$226,239 and \$191,386 for June 30, 2001 and 2000, respectively, which was uninsured by federal deposit insurance as of June 30, 2001 and 2000 was approximately \$126,239 and \$91,386, respectively. The uninsured balance is collateralized by pools of securities pledged by the depository bank are held in the name of the respective bank.

***Furniture and Equipment*** - Furniture and equipment are recorded at cost. Provision is made for depreciation of physical properties at rates calculated to absorb costs generally over the asset's estimated useful life. Depreciation is calculated using the straight-line method. Depreciation expense was \$24,225 and \$21,492 for the years ended June 30, 2001 and 2000, respectively.

Expenditures for maintenance and repairs are charged to operating expenses as incurred; major renewals and betterments are capitalized. When furniture and equipment become fully depreciated, the assets and related accumulated depreciation are removed from the accounts.

***In-Kind Income*** - The Research Foundation is a related entity of The Ohio State University. As part of the relationship, transfers of funds occur between the University and the Research Foundation for certain sponsor project expenditures and research administration. Additionally, the University furnishes the facilities occupied by the Research Foundation. The value of such facilities, \$229,944, was recorded as rent expense in fiscal 2001 and \$689,832 in 2000.

***Contingency Fund Equity*** - The Contingency Fund represents funds available to meet the unforeseen costs incurred in the conduct and administration of projects. The Fund is authorized by the Board of Directors at a maximum amount of \$100,000 at June 30, 2000 and 1999, renewable quarterly from facilities and administrative costs collected from sponsors and due to the University.

***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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Recently Issued Financial Standards*** - Effective July 1, 2000, the Research Foundation adopted GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. In general, GASB No. 33 establishes accounting and financial reporting standards for nonexchange transactions involving financial or capital resources. The effect of implementation of GASB No. 33 has been immaterial to the financial statements.

Effective July 1, 2001, the Research Foundation adopted GASB Statements No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* and No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities - an amendment of GASB Statement No. 34*. Also effective July 1, 2001, the Research Foundation adopted two related GASB Statements: GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. These statements establish comprehensive new financial reporting requirements for governmental colleges and universities throughout the United States. Much of the reporting that the Research Foundation has provided in the past will be restructured and will include management discussion and analysis. The provisions of these statements will be reflected in the Research Foundation's financial report for the year ended June 30, 2002. Research Foundation management has determined that implementation of these statements will not have a significant impact on its reported financial position.

### **3. DESIGNATED FUNDS FOR UNIVERSITY DEPARTMENTS**

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

**4. TAX-EXEMPT STATUS**

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

**5. RETIREMENT PLAN**

All eligible University personnel assigned to the Research Foundation are participating members of the Public Employees Retirement System (PERS). Contributions to this multi-employer defined benefit plan are based on percentages of employees' salaries, which are set by the retirement boards based upon recommendations by the plan's actuaries. Contributions during 2001, 2000 and 1999 were made in the following percentages:

	<b>Employee Share</b>	<b>Employer Share</b>
PERS July 1, 2000 - December 31, 2000	8.5 %	7.99 %
PERS January 1, 2001 - June 30, 2001	8.5 %	13.31 %

During the fiscal year, PERS temporarily reduced the employer contribution for the period July 1, 2000 through December 31, 2000 as a result of an actuarial study indicating actuarial assets in excess of actuarial liabilities. The employer contribution was restored to the prior contribution rate effective January 1, 2001.

For the years ended June 30, 2001, 2000 and 1999 the Research Foundation reimbursed the University \$551,876, \$557,721, and \$568,897, respectively, for the PERS retirement costs of University employees assigned during the year to the Research Foundation.

The Research Foundation's liability to the University for PERS is limited to making the above payments. Data concerning the actuarial present value of the accumulated plan benefits, vested plan benefits and net assets available for benefits of this plan, specific to the Research Foundation, are not available since such determinations are made on a statewide basis and not for individual participating employers.

PERS currently provides postemployment health care benefits to retirees with ten or more years of qualifying service credit and to primary survivors of those retirees. These benefits are advance – funded on an actuarially determined basis and are financed through employer contributions and investment earnings. PERS determines the amount, if any, of the associated health care costs that will be absorbed by PERS. Under Ohio Revised Code (ORC), funding for medical costs paid from the funds of PERS is included in the employer contribution rate. For the fiscal year ended December 31, 2000, PERS allocated 4.3% of the employer contribution rate to fund the health care program for retirees. The contributions allocated to retiree health benefits, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely.

The actuarial value of assets available for these benefits at December 31, 2000 was \$10.8 billion. There were 401,339 benefit recipients eligible for postemployment benefits at that date.

**6. CONTINGENCIES**

The Research Foundation is a party in various 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 Research Foundation's financial position.

\* \* \* \* \*



***The Ohio State  
University  
Research Foundation***

*Office of Management and Budget  
Circular A-133 Reports for the  
Year Ended June 30, 2001*

# THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION

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**THE OHIO STATE UNIVERSITY  
RESEARCH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

Federal Agency	Sponsor I.D. Number	2001 Expenditures
Research and Development Cluster:		
Pass-through from The Ohio State University:		
Environmental Protection Agency	30020000	\$ 457,584
National Aeronautics and Space Administration (NASA)	30030000	177,112
Langley Research Center	30030102	11,436
Ames Research Center	30030103	173,493
Glenn Research Center	30030104	579,076
Lewis Research Center	30030104	32,189
Marshall Space Flight Center	30030201	165,091
Johnson Space Center	30030202	60,193
Kennedy Space Center	30030203	104,119
Stennis Space Center	30030204	56,723
Goddard Space Flight Center	30030301	2,834,640
National Endowment For The Humanities	30040100	303,097
National Science Foundation (NSF)	30050000	2,520,284
NSF Biological Sciences	30050100	265,844
NSF Biological Instr. & Resources	30050101	607,788
NSF Integrative Biology & Neuroscience	30050102	952,673
NSF Molecular & Cellular Biosciences	30050103	1,100,126
NSF Environmental Biology	30050104	189,729
NSF Computer & Information Science Engineering	30050200	908,672
NSF Computer & Computation Research	30050202	436,280
NSF Information Robotics & Intelligence Systems	30050203	194,281
NSF Networking & Communications Res & Infrastructure	30050206	133,189
NSF Engineering	30050300	184,434
NSF Engineering Centers	30050302	591,503
NSF Chemical & Transport Systems	30050303	411,789
NSF Civil & Mechanical Systems	30050304	308,992
NSF Electrical & Communications Systems	30050305	329,800
NSF Design, Manufacturing, Industrial	30050306	672,236
NSF Div Bioengineering & Environmental	30050307	240,728
NSF Geosciences	30050400	2,375
NSF Atmospheric Sciences	30050401	82,965
NSF Earth Sciences	30050402	243,936
NSF Ocean Sciences	30050403	218,994
NSF Polar Programs	30050404	2,213,661
NSF Mathematical & Physical Sciences	30050500	21,851
NSF Mathematical Sciences	30050501	889,789
NSF Physics	30050502	1,364,210
NSF Chemistry	30050503	2,292,579
NSF Materials Research	30050504	1,138,341
NSF Astronomical Sciences	30050505	502,741
NSF Education & Human Resources	30050600	20,091
NSF Undergraduate Education	30050605	416,800
NSF Human Resource Development	30050606	1,526
NSF Graduate Education & Research and Development	30050611	190,250
NSF Social, Behavioral & Economic Sciences	30050800	\$ 135,429

**THE OHIO STATE UNIVERSITY  
RESEARCH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

Federal Agency	Sponsor I.D. Number	2001 Expenditures
Research and Development Cluster:		
Pass-through from The Ohio State University:		
NSF Social, Behavioral & Economic Research	30050801	1,015,116
NSF International Programs	30050803	40,145
NSF Office of Science & Technology Infrastructure	30050900	14,737
Smithsonian Institute	30060000	13,016
Appalachian Reg Com	30070100	25,369
United States Postal Service	30130000	26,013
United States Information Agency	30260000	22,684
Agency for International Development (AID)	30300100	560,479
Central Intelligence Agency	30350100	41,774
Institute of Museum & Library Services	30510000	5,624
National Academy of Science	31020000	2,521
Corp for National Service	31040001	30,218
Dept. of Agriculture	40000000	294,831
United States Department of Agriculture (USDA)-Forest Service	40020000	134,335
USDA-Science & Education	40040000	19,770
USDA-Coop State Res Education & Extension Service	40040100	2,665,685
USDA-National Research Institute	40040103	167,720
USDA-Agricultural Research Service	40040200	821,109
USDA-Natural Resources Conservation Service	40060000	231,513
USDA-Animal & Plant Health Inspection Service	40070000	7,582
Office of International Cooperation & Development	40100000	20,590
Economic Research Service	40120000	188,158
Food Safety and Inspection Service	40130000	19,484
Rural Business Cooperative Service	40190000	31,582
U.S. Department of Commerce (DC)-National Oceanic and Atmospheric Administration (NOAA)	42020000	1,355,323
DC-National Institute of Standards & Technology	42040000	97,450
United States Department of Defense	50000000	478,390
United States Air Force	50010000	19,017
Air Force Material Command (AFMC)	50010100	688,220
Air Force Office of Scientific Research	50010105	3,903,707
U.S. Department of Defense (DOD)-Wright Laboratory	50010800	138,533
DOD-Army Cold Regions Research & Engineering Lab	50020103	164,750
Humphreys Eng CSA	50020106	455,375
DOD-Army Tank Command	50020204	33,777
DOD-Army Natick Research & Development Labs	50020213	596
DOD-Army Medical Research & Development Command	50020300	1,236,261
DOD-Army Medical Research & Materiel Command	50020301	10,423
DOD-Army Research Office	50020400	1,082,151
DOD-Army Robert Morris	50022400	36,626
DOD-Naval Underwater Systems Center	50040107	53,401
DOD-Space & Naval Warfare Systems Center	50040110	22,603
DOD-Naval Facility Energy Command	50040114	5,707
DOD-Office of Naval Research	50040300	\$ 1,324,819
DOD-Naval Research Lab	50040301	15,985

See notes to schedule of expenditures of federal awards.

**THE OHIO STATE UNIVERSITY  
RESEARCH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

Federal Agency	Sponsor I.D. Number	2001 Expenditures
Research and Development Cluster:		
Pass-through from The Ohio State University:		
DOD-Naval Medical Research Institute	50041002	99,306
DOD-Naval Air Warfare Center	50041600	41,867
DOD-Advanced Research Project Agency	50060000	488,026
DOD-National Imagery & Mapping Agency	50080000	98,000
Defense Logistics Agency	50130000	86,311
National Security Agency	50140000	103,491
Defense Supply Service	50180000	105,712
National Reconnaissance Office	50200000	528,145
U.S. Department of Education (DE)	53000000	415,057
DE-Office of Educational Research & Improvement	53020000	5,377,633
DE-Fund Improvement Postsecondary Education	53020300	2,001
DE-Office of Postsecondary Education	53040000	1,681,428
DE-Office of Higher Education Programs	53040100	278,860
DE-Center for International Education	53040200	1,085,641
DE-Office of Special Education Rehabilitation Services	53050000	91,042
DE-Office of Special Education Rehabilitation Services	53050100	2,465
DE-Rehabilitation Services Administration	53050200	36,393
DE-National Institute of Disability & Rehabilitation Research	53050300	901,552
DE-Office of Vocational & Adult Education Programs	53060000	142,041
Department of Energy (DOE)	55000000	6,749,035
Department of Health and Human Services	60000000	65,391
Public Health Services (PHS)-Food & Drug Administration	60040200	22,754
PHS-National Institute of Health	60040400	206,716
PHS-National Cancer Institute	60040402	20,198,693
PHS-National Heart, Lung, and Blood Institute	60040403	5,845,839
PHS-National Institute of Allergies & Infectious Disorders	60040404	7,537,553
PHS-National Institute of Diabetes & Digestive & Kidney Diseases	60040405	4,043,070
PHS-National Institute of Child Health & Human Development	60040406	1,683,436
PHS-National Institute of General Medical Sciences	60040407	6,170,777
PHS-National Institute of Neurological Disorders & Stroke	60040408	4,222,093
PHS-National Center for Research Resources	60040410	1,025,967
PHS-National Eye Institute	60040411	4,588,321
PHS-National Institute of Dental & Craniofacial Research	60040412	5,037,503
PHS-National Institute on Environmental Health Services	60040414	620,573
PHS-National Institute of Aging	60040415	2,564,588
PHS-National Institute of Health Clinic Center	60040416	1,172
PHS-Fogarty International Center	60040417	27,649
PHS-National Institute of Nursing Research	60040418	962,082
PHS-National Institute of Arthritis and Musculo-skeletal and Skin Diseases	60040419	1,800,304
PHS-National Institute of Deafness and Other Communication Disorders	60040420	1,820,774
PHS-National Institute of Mental Health	60040421	4,151,565

**THE OHIO STATE UNIVERSITY  
RESEARCH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

Federal Agency	Sponsor I.D. Number	2001 Expenditures
Research and Development Cluster:		
Pass-through from The Ohio State University:		
PHS-National Institute of Drug Abuse	60040422	\$ 737,210
PHS-National Institute of Alcohol Abuse and Alcoholism	60040423	301,109
PHS-National Institute of Substance Abuse	60040424	363,079
PHS-Health Resources & Services Administration	60040500	83,197
PHS-Bureau of Health Professions	60040501	561,351
PHS-Maternal & Child Health Bureau	60040505	363,236
PHS-Centers for Disease Control & Prevention	60040600	272,757
PHS-National Institute of Occupational Safety & Health	60040601	584,707
PHS-Office of Population Affairs	60041100	151,445
Administration Children & Families	60070000	14,594
U.S. Department of Housing and Urban Development	70000000	20,333
U.S. Department of Interior (DI)-Fish & Wildlife Service	72030000	91,045
DI-Geological Survey	72040000	366,726
Office of Justice Programs	74040000	32,413
U.S. Department of Labor (DOL)	76000000	9,593
DOL-Bureau of Labor Statistics	76050000	8,598,162
Bureau of Education and Cultural Affairs	80020100	120,306
U.S. Department of Transportation (DOT)	82000000	621,596
DOT-Federal Aviation Administration	82030000	468,573
DOT-National Highway Traffic Safety Administration	82040000	<u>325,727</u>
Subtotal pass-through from The Ohio State University		<u>\$ 147,259,793</u>

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Pass-Through Sponsor	Federal Agency Sponsor	Sponsor I.D. Number	Pass-Through I.D. Number	2001 Expenditures
Research and Development Cluster (continued):				
Pass-through from other sources:				
North American Assoc. For Environmental Education	Environmental Protection Agency	30020000	20021323	\$ 7,027
University of Wisconsin	Environmental Protection Agency	30020000	22000006	8,835
Colorado State University	Environmental Protection Agency	30020000	22000110	19,191
University of Alabama - Tuscaloosa	Environmental Protection Agency	30020000	22000305	43,844
Ohio Environmental Protection Agency	Environmental Protection Agency	30020000	26340000	171,743
Ohio OFC LK Erie Prote	Environmental Protection Agency	30020000	26590000	15,345
Lockheed Martin Corporation	NASA	30030000	10010042	(2,559)
Alliedsignal, Inc	NASA	30030000	10011761	28,457
Raytheon Company	NASA	30030000	10011847	3,727
Positive Light Inc.	NASA	30030000	10012131	14,270
Battelle Memorial Institute	NASA	30030000	20020012	25,874
Space Telescope Science Institute	NASA	30030000	20021006	137,331
California Institute of Technology	NASA	30030000	22000054	76,701
Johns Hopkins University	NASA	30030000	22000133	11,806
Georgia Institute of Technology	NASA	30030000	22000189	24,296
Case Western Reserve University	NASA	30030000	22000238	23,135
University of Texas-Austin	NASA	30030000	22000270	54,904
Embry-Riddle Aerospace University	NASA	30030000	22000291	14,043
Ohio University	NASA-Ames Research Center	30030103	22000130	10,698
University of Kentucky	NASA-Ames Research Center	30030103	22000143	117,683
Battelle Memorial Institute	NASA-John Glenn Research Center-Lewis Field	30030104	20020012	75,684
Ohio Aerospace Institute	NASA-John Glenn Research Center-Lewis Field	30030104	20021048	9,348
University of Dayton	NASA-John Glenn Research Center-Lewis Field	30030104	22000008	60,469
University of Illinois	NASA-John Glenn Research Center-Lewis Field	30030104	22000009	54,436
EG & G, Inc.	Goddard Space Flight Center	30030301	10011343	112,235
Superconductive Company	NSF	30050000	10011486	18,075
Horizon Research, Inc.	NSF	30050000	10012237	8,831
Woods Hole Oceanographic Institute	NSF	30050000	20020744	144,224
University Corporation for Atmospheric Research	NSF	30050000	20020793	14,153
Computing Research Association	NSF	30050000	20021373	(1,236)
Educause	NSF	30050000	20021395	967
Purdue University	NSF	30050000	22000002	24,630
Rutgers University	NSF	30050000	22000003	40,817
University Medical & Dental New Jersey	NSF	30050000	22000004	6,758
University of Illinois	NSF	30050000	22000009	328,292
Pennsylvania State University	NSF	30050000	22000030	30,378
Miami University	NSF	30050000	22000049	56,270
Texas A & M University	NSF	30050000	22000053	12,793
Kansas State University	NSF	30050000	22000062	7,329
University of Minnesota	NSF	30050000	22000067	33,773
University of Missouri	NSF	30050000	22000073	14,881
University of Connecticut	NSF	30050000	22000076	1,062
Mississippi State University	NSF	30050000	22000196	152,686
Drexel University	NSF	30050000	22000246	272,163
Rensselaer Polytechnic Institute	NSF	30050000	22000298	61,896
East Carolina University	NSF	30050000	22000304	9,596
Stroud Water Research Center	NSF-Environmental Biology	30050104	20021389	122,637
University of Illinois	NSF Div Electrical & Communications Systems	30050305	22000009	25,847
Penn State University	Bioengineering Environmental & Ocean Sys	30050307	22000030	\$ 72,359
Carnegie-Mellon University	NSF Office Small Business Research & Development	30050701	22000051	56,120

See notes to schedule of expenditures of federal awards.

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Pass-Through Sponsor	Federal Agency Sponsor	Sponsor I.D. Number	Pass-Through I.D. Number	2001 Expenditures
Research and Development Cluster (continued):				
Pass-through from other sources:				
Ohio Business Development Organization, Inc.	Small Business Administration	30140000	20020062	26,367
University of Chicago	Veterans Administration	30170000	22000018	163,820
Development Alternatives Inc.	AID	30300100	10011316	40
PA Consulting Group	AID	30300100	10030065	14,322
Foundation International Communication Asst	AID	30300100	20010510	38,287
United Negro College Fund	AID	30300100	20021410	86,778
International Rice Research Institute	AID	30300100	20021413	12,344
University of Wisconsin	AID	30300100	22000006	93,884
Michigan State University	AID	30300100	22000044	81,790
Southern Illinois University	AID	30300100	22000055	(9)
U.S.-Egypt S&T Joint Board	AID	30300100	28610001	53
Ohio Government Community Service Commission	Corporation for National and Community Service	31040001	26600000	136
Air Products & Chemicals	Department of Agriculture	40000000	10010612	3,061
Dairy Management Inc.	Department of Agriculture	40000000	20020911	131,195
Purdue University	Department of Agriculture	40000000	22000002	21,881
Rutgers University	Department of Agriculture	40000000	22000003	7,000
Virginia Polytechnic Institute	Department of Agriculture	40000000	22000023	1,242
Michigan State University	Department of Agriculture	40000000	22000044	10,569
Southern Illinois University	Department of Agriculture	40000000	22000055	(514)
Cornell University	Department of Agriculture	40000000	22000081	10,279
University of Nebraska	Department of Agriculture	40000000	22000085	80,087
North Carolina St. University	Department of Agriculture	40000000	22000136	34,429
University of Delaware	Department of Agriculture	40000000	22000138	15,104
University of Kentucky	Department of Agriculture	40000000	22000143	13,941
Midwest Adv Food Man	Cooperative State Research, Education & Extension Svc	40040100	20021278	60,866
University of Wisconsin	Cooperative State Research, Education & Extension Svc	40040100	22000006	10,003
University of Illinois	Cooperative State Research, Education & Extension Svc	40040100	22000009	31,267
Michigan State University	Cooperative State Research, Education & Extension Svc	40040100	22000044	15,733
Southern Illinois University	Cooperative State Research, Education & Extension Svc	40040100	22000055	9,323
Cornell University	Cooperative State Research, Education & Extension Svc	40040100	22000081	16,301
University of Nebraska	Cooperative State Research, Education & Extension Svc	40040100	22000085	59,000
Colorado State University	Cooperative State Research, Education & Extension Svc	40040100	22000110	17,877
University of Massachusetts - Amherst	Cooperative State Research, Education & Extension Svc	40040100	22000274	20,784
Colegio University Del Est	Cooperative State Research, Education & Extension Svc	40040100	22010012	20,891
University of Michigan	Department of Commerce	42000000	22000005	37,617
University of Massachusetts - Dartmouth	Department of Commerce	42000000	22000312	30,357
University of New Hampshire	National Oceanic and Atmospheric Administration	42020000	22000131	87,867
Edison Materials Technology Center	National Institute of Standards & Technology	42040000	10011518	52,714
Imation Corporation	National Institute of Standards & Technology	42040000	10012042	6,356
OG Technologies, Inc.	National Institute of Standards & Technology	42040000	10012262	5,106
Environmental Research Institute of Michigan	National Institute of Standards & Technology	42040000	20021285	37,459
E-Systems Corporation	DOD	50000000	10011157	633,213
Mission Research Corporation	DOD	50000000	10011436	82,036
Nichols Research Corporation	DOD	50000000	10011948	1,320,106
R&S Associates	DOD	50000000	10012346	24,174
IIT Research Institute	DOD	50000000	20021129	203,913
University of Dayton	DOD	50000000	22000008	55,086
University of Arizona	DOD	50000000	22000116	\$ 161,714
Lockheed Martin Corporation	Air Force	50010000	10010042	36,730
Mission Research Corporation	Air Force	50010000	10011436	15,275
Coretek, Inc.	Air Force	50010000	10012013	8,198

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Pass-Through Sponsor	Federal Agency Sponsor	Sponsor I.D. Number	Pass-Through I.D. Number	2001 Expenditures
Research and Development Cluster (continued):				
Pass-through from other sources:				
Pratt & Whitney Engineering	Air Force	50010000	10012090	37,360
Amberwave Technologies	Air Force	50010000	10012219	25,126
Dynamic Engineering, Inc.	Air Force	50010000	10020001	3,826
Seiler Pollution Control	Air Force	50010000	10020002	2,845
Technical Management Concepts, Inc.	Air Force	50010000	10020023	21,506
Klein Associates	Air Force	50010000	10020072	21,478
Innovative Scientific Solutions, Inc.	Air Force	50010000	10020096	16,361
Selecttech Services	Air Force	50010000	10020105	62,280
Guide Consortium	Air Force	50010000	20021102	90,281
Dayton Area Graduate Studies Institute	Air Force	50010000	20021372	14,142
University of Dayton	Air Force	50010000	22000008	212,655
Penn State University	Air Force	50010000	22000030	(6,248)
Carnegie-Mellon University	Air Force	50010000	22000051	33,040
University of Cincinnati	Air Force	50010000	22000074	79,493
University of Virginia	Air Force	50010000	22000203	35,689
MIT - Lincoln Lab	Air Force	50010000	22000228	44,648
Sytronics, Inc.	Air Force Materiel Command	50010100	10020077	60,051
Vanderbilt University	Air Force Office of Scientific Research	50010105	22000296	77,414
University of California - Santa Barbara	Air Force Office of Scientific Research	50010105	22000315	65,158
Lockheed Martin Corporation	Army	50020000	10010042	115,511
Mission Research Corporation	Army	50020000	10011436	129
E-OIR Measurements	Army	50020000	10012263	57,877
Frontier Tech, Inc.	Army	50020000	10020067	(125)
Cleveland Clinic Foundation	Army	50020000	20010421	46,321
Concurrent Tech Corp	Army	50020000	20021460	69,796
University of Chicago	Army	50020000	22000018	7,814
Lockheed Martin Corporation	Army Research Laboratory	50020210	10010042	447,791
University of Chicago	U.S. Army Medical Research	50020300	22000018	508
Ohio University	U.S. Army Medical Research	50020300	22000130	19,156
Massachusetts Institute of Technology	Army Research Office	50020400	22000001	77,835
West Virginia University	Army Research Office	50020400	22000032	2,214
Duke University	Army Research Office	50020400	22000094	171,652
Edison Welding Institute	Navy	50040000	10011218	41,907
Science Applications International Corporation	Navy	50040000	10011324	74,868
Computer Sciences Corporation	Navy	50040000	10011456	197,121
Princeton University	Office of Naval Research	50040300	22000289	14,871
Plastronic, Inc.	U.S. Department of Education	53000000	10020005	15,265
Research Foundation of City University of New York	DE	53000000	20010482	55,446
Center of Civic Education	DE	53000000	20021131	192,648
Education Development Center, Inc.	DE	53000000	20021328	5,769
National Writing Project Corp	DE	53000000	20021378	21,072
University of Wisconsin	DE	53000000	22000006	18,985
Penn State University	DE	53000000	22000030	10,488
University of Cincinnati	DE	53000000	22000074	8,452
Wright State University	DE	53000000	22000087	37,414

See notes to schedule of expenditures of federal awards.

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Pass-Through Sponsor	Federal Agency Sponsor	Sponsor I.D. Number	Pass-Through I.D. Number	2001 Expenditures
Research and Development Cluster (continued):				
Pass-through from other sources:				
Yale University	DE	53000000	22000088	\$ 44,359
Ohio University	DE	53000000	22000130	43,171
Kent State University	DE	53000000	22000235	17,338
Ohio Department of Education	DE	53000000	26080000	416,219
Ohio Division of Career Technology & Adult Education	DE	53000000	26080100	1,448,754
Ohio Division of Professional Development & License	DE	53000000	26080700	33,327
Ohio Division of Early Childhood	DE	53000000	26080800	30,687
Lockheed Martin Corporation	DOE	55000000	10010042	2,954
Air Products & Chemicals, Inc.	DOE	55000000	10010612	113,344
Westinghouse Electric Corporation	DOE	55000000	10010881	290,759
Sandia Corporation	DOE	55000000	10011170	90,592
Universities Research Association, Inc.	DOE	55000000	10011888	1,017,697
Eurus Technologies	DOE	55000000	10012202	29,290
Supercon, Inc.	DOE	55000000	10012205	130,844
Ashman Technologies	DOE	55000000	10012227	65,651
MCT, Inc.	DOE	55000000	10012251	21,576
Environmental Energy	DOE	55000000	10012272	25,296
Bechtel BWXT Idaho, LLC	DOE	55000000	10012331	7,274
Nextech Material Ltd.	DOE	55000000	10020047	12,023
UES, Inc.	DOE	55000000	10020049	218,994
Nat Renewable Energy Laboratory	DOE	55000000	20020800	126,833
Associated Universities Inc.	DOE	55000000	20020801	19,885
Consortium Plant Biotechnology Research Inc.	DOE	55000000	20021036	10,899
Battelle- PAC NW Lab	DOE	55000000	20021070	(30,721)
South Carolina Research Authority	DOE	55000000	20021319	98,257
Knolls Atomic Power Lab	DOE	55000000	20021418	67,549
Purdue University	DOE	55000000	22000002	87,519
University of Michigan	DOE	55000000	22000005	59,559
University of California	DOE	55000000	22000011	188,667
University of Idaho	DOE	55000000	22000016	19,227
West Virginia University	DOE	55000000	22000032	46,348
Stanford University	DOE	55000000	22000142	27,816
Brown University	DOE	55000000	22000284	31,322
University of Alabama - Tuscaloosa	DOE	55000000	22000305	55,247
Area Agency on Aging 7	Department of Health & Human Services	60000000	20020054	113
Boston College	Social Security Administration	60030000	22000310	26,399
University of Rochester	Food & Drug Administration	60040200	22000193	3,464
Linac Systems	National Institutes of Health	60040400	10012130	10,434
Genotrek LLC	National Institute of Health	60040400	10020082	14,748
Cleveland Clinic Foundation	National Institute of Health	60040400	20010421	134,687
Wayne State University	National Institute of Health	60040400	22000034	142,034
University of Pittsburgh	National Institute of Health	60040400	22000036	14
Emory University	National Institute of Health	60040400	22000295	128,384
University of Toronto	National Institute of Health	60040400	22010009	21,359
Science App International Corporation	National Cancer Institute	60040402	10011324	(3,296)
Oklahoma Medical Research Foundation	National Cancer Institute	60040402	20010530	47,494
Research Triangle Institute	National Cancer Institute	60040402	20020058	2,536
Cancer Therapy & Research Foundation of S Texas	National Cancer Institute	60040402	20020745	97,531
American College Radiology	National Cancer Institute	60040402	20020917	1,127



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Pass-Through Sponsor	Federal Agency Sponsor	Sponsor I.D. Number	Pass-Through I.D. Number	2001 Expenditures
Research and Development Cluster (continued):				
Pass-through from other sources:				
American College Obstetrics & Gynecologists	National Cancer Institute	60040402	20021034	\$ 13,929
American Health Foundation	National Cancer Institute	60040402	20021179	42,925
University of Kansas Medical Center Research Institute	National Cancer Institute	60040402	20021356	72,627
Strang Cancer Prevention Center	National Cancer Institute	60040402	20021428	243,049
Dana-Farber Cancer Institute	National Cancer Institute	60040402	20021438	8,677
University of Michigan	National Cancer Institute	60040402	22000005	60,442
University of California	National Cancer Institute	60040402	22000011	158,310
University of Chicago	National Cancer Institute	60040402	22000018	1,107,555
University of Minnesota	National Cancer Institute	60040402	22000067	283,640
University of Texas	National Cancer Institute	60040402	22000106	388,717
Harvard University	National Cancer Institute	60040402	22000169	127,038
University of Southern California	National Cancer Institute	60040402	22000206	116,013
Washington University	National Cancer Institute	60040402	22000209	50,674
Medical College of Ohio	National Cancer Institute	60040402	22000210	27,970
University of Montana	National Cancer Institute	60040402	22000302	10,200
Mount Sinai Medical Center	National Heart, Lung & Blood Institute	60040403	10011783	4,099
Axio Research Corp.	National Heart, Lung & Blood Institute	60040403	10012025	7,393
Cleveland Clinic Foundation	National Heart, Lung & Blood Institute	60040403	20010421	(39,317)
National Jewish Medical Center	National Heart, Lung & Blood Institute	60040403	20021369	136,934
University of Pittsburgh	National Heart, Lung & Blood Institute	60040403	22000036	40,839
Duke University	National Heart, Lung & Blood Institute	60040403	22000094	89,568
Johns Hopkins University	National Heart, Lung & Blood Institute	60040403	22000133	197,271
Social & Scientific Systems, Inc.	National Institute Allergies & Infectious Disorders	60040404	10012044	593
Children's Research Institute	National Institute Allergies & Infectious Disorders	60040404	20010182	6,290
Oklahoma Medical Research Foundation	National Institute Allergies & Infectious Disorders	60040404	20010530	23,747
Case Western Research University	National Institute Allergies & Infectious Disorders	60040404	22000238	7,147
University of Massachusetts - Worcester	National Institute Allergies & Infectious Disorders	60040404	22000318	19,422
University of Pittsburgh	National Institute of Diabetes & Digestive & Kidney Disease	60040405	22000036	29,200
University of Michigan	National Institute of Child Health & Human Development	60040406	22000005	45,736
Case Western Research University	National Institute of Child Health & Human Development	60040406	22000238	7,820
University of California at Los Angeles	National Institute of Child Health & Human Development	60040406	22000269	119,749
University of Illinois	National Institutes of General Medical Sciences	60040407	22000009	138,710
University of South Carolina	National Institutes of General Medical Sciences	60040407	22000241	768
University of California - San Francisco	National Institutes of General Medical Sciences	60040407	22000317	98,443
Indiana University	National Institute Neurological Disorders & Stroke	60040408	22000012	76,410
Columbia University	National Institute Neurological Disorders & Stroke	60040408	22000135	8,478
University of Rochester	National Institute Neurological Disorders & Stroke	60040408	22000193	(801)
University of South Carolina	National Institute Neurological Disorders & Stroke	60040408	22000241	1,752
Emory University	National Institute Neurological Disorders & Stroke	60040408	22000295	378
University of Illinois	National Eye Institute	60040411	22000009	161,433
Johns Hopkins University	National Eye Institute	60040411	22000133	81,341
University of Pennsylvania	National Eye Institute	60040411	22000195	(15,316)
MSX International	National Institute of Dental Research	60040412	10011879	633

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Pass-Through Sponsor	Federal Agency Sponsor	Sponsor I.D. Number	Pass-Through I.D. Number	2001 Expenditures
Research and Development Cluster (continued):				
Pass-through from other sources:				
Wake Forest University	National Institute of Aging	60040415	22000286	\$ 58,388
Duquesne University	National Institute of Aging	60040415	22000306	4,184
University of Illinois	National Institute of Nursing Research	60040418	22000009	13,201
Duke University	National Institute of Arthritis & Muscle & Skin Disease	60040419	22000094	34,023
Ohio University	National Institute of Arthritis & Muscle & Skin Disease	60040419	22000130	34,557
Childrens Hospital Philadelphia	National Institute of Mental Health	60040421	20020015	10,173
Duke University	National Institute of Mental Health	60040421	22000094	22,023
Virginia Polytechnic Institute	National Institute of Drug Abuse	60040422	22000023	81,067
Texas A & M University	National Institute of Drug Abuse	60040422	22000053	2,637
Ohio University	National Institute of Drug Abuse	60040422	22000130	21,081
Hemophilia Foundation of Michigan	Maternal & Childrens Health Bureau	60040505	20021026	15,895
Battelle Memorial Institute	Centers for Disease Control & Prevention	60040600	20020012	24,708
Rehabilitation Institute Research Corporation	Centers for Disease Control & Prevention	60040600	20021335	(31)
Penn State University	Centers for Disease Control & Prevention	60040600	22000030	17,573
University of Maine at Orono	Centers for Disease Control & Prevention	60040600	22000048	6,314
Ohio Division of Wildlife	DI	72000000	26110100	1,630
Ohio Division of Wildlife	U.S. Fish and Wildlife Service	72030000	26110100	1,070
Alliance For Cooperative Justice	Department of Justice	74000000	20021321	(3,172)
University of Iowa	Department of Justice	74000000	22000137	97,357
Franklin County Court of Common Pleas	Department of Justice	74000000	24000059	2,055
Boys & Girls Clubs	Office of Justice Programs	74040000	20021420	72,998
National Opinion Research Center	DOL	76000000	20020932	1,710,528
Gallia, Jackson, Vinton Co Joint Vocational School	DOL	76000000	24000264	135,990
Ohio School-To-Work Office	DOL	76000000	26080103	361,801
Battelle Memorial Institute	Department of Transportation	82000000	20020012	24,096
Ohio Department of Transportation	Department of Transportation	82000000	26010000	26,386
Ohio Department of Public Safety	Department of Transportation	82000000	26400000	25,536
Ohio Department of Transportation	Federal Highway Administration	82010000	26010000	17,590
Ohio Department of Natural Resources	Federal Highway Administration	82010000	26110000	74,659
Iowa State University	Federal Aviation Administration	82030000	22000047	516,249
				<u>22,014,402</u>
Subtotal pass-through from other sources				<u>22,014,402</u>
				<u>169,274,195</u>
Total Research and Development Cluster				<u>169,274,195</u>

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Pass-Through Sponsor	Federal Agency Sponsor	Sponsor I.D. Number	Pass-Through I.D. Number	2001 Expenditures
OTHER PROGRAMS:				
Pass-through from The Ohio State University:				
National Aeronautics & Space Administration (NASA)		30030000		\$ 15,563
Glenn Research Center		30030104		24,845
National Science Foundation (NSF)		30050000		13,976
NSF Chemistry		30050503		100
NSF Education & Human Resources		30050600		61,558
Agency of International Development		30300100		23,206
USDA-Science & Education		40040000		11,463
USDA-Coop State Res Education & Extension Service		40040100		129,930
Office of International Cooperation & Development		40100000		3,196
U.S. Department of Commerce (DC)-National Oceanic and Atmospheric Administration (NOAA)		42020000		79,696
DOD-Uniform Services University Health Services		50190000		(61,615)
U.S. Department of Education (DE)		53000000		591,722
DE-Office of Special Education & Rehabilitative Services		53050000		81,088
DE-Office of Special Education		53050100		1,341,567
DE-Rehabilitation Services Administration		53050200		69,042
DE-Office of Vocational & Adult Education Programs		53060000		2,028,495
PHS-National Center for Research Resources		60040410		1,890,696
PHS - Health Research & Services Administration		60040500		12,269
PHS-Bureau of Health Professions		60040501		14,543
Administration for Children Youth Families		60070100		2,574,548
PHS-Administration on Developmental Disabilities		60070500		285,760
Department of Housing & Urban Development		70000000		143,121
Department of Justice		74000000		3,346
Department of State		80000000		<u>269,366</u>
Subtotal pass-through from The Ohio State University, other programs				<u>9,607,481</u>
OTHER PROGRAMS:				
Pass-through from other sources:				
University of Wisconsin	Environmental Protection Agency	30020000	22000006	19,762
Ohio Environmental Protection Agency	Environmental Protection Agency	30020000	26340000	16,860
Citizens Network Foreign	Agency for International Development	30300100	20021429	137,092
Ohio Department of Human Services	Department of Agriculture	40000000	26230000	626,327
Ohio Department of Job & Family Services	Department of Agriculture	40000000	26630000	1,341,313
University of Nebraska	Cooperative State Research, Education & Extension Svc	40040100	22000085	6,046
University of Minnesota	U.S. Department of Education	53000000	22000067	81,657
University of Oregon	Office of Special Education & Rehabilitative Services	53050000	22000308	58,504
Cooperative Educational Service Agency	Department of Health & Human Services	60000000	20021342	130,766
Gallia County Department of Human Services	Department of Health & Human Services	60000000	24000442	22,754
Clermont County Department of Human Services	Department of Health & Human Services	60000000	24000443	67,518

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Pass-Through Sponsor	Federal Agency Sponsor	Sponsor I.D. Number	Pass-Through I.D. Number	2001 Expenditures
OTHER PROGRAMS:				
Pass-through from The Ohio State University:				
National Center for Family Literacy	National Institute of Health	60040400	20021411	\$ 80,483
Van Wert Co. BD Com	National Institute of Health	60040400	24000438	23,526
Childrens Research Institute	National Institute of Allergies & Infectious Disorders	60040404	20010182	51,242
Ohio Department of Health	Centers for Disease Control & Prevention	60040600	26090000	29,125
National Center for Family Literacy	Administration for Children, Youth, & Families	60070100	20021411	28,511
City of Columbus	Department of Housing & Urban Development	70000000	24000306	24,648
Ohio University	U.S. Geological Survey	72040000	22000130	95,251
Cuyahoga County Board of Commissioners	Department of Justice	74000000	24000430	111,102
Franklin County Justice Programs Unit	Department of Justice	74000000	24000444	16,731
Ohio Department of Public Safety	National Highway Traffic Safety Administration	82040000	26400000	<u>78,629</u>
Subtotal pass-through from other sources, other programs				<u>3,047,847</u>
TOTAL FEDERAL PROGRAMS				<u>\$ 181,929,523</u>

# THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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### 1. ORGANIZATION

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Basis of Presentation*** - The accompanying Schedule of Expenditures of Federal Awards includes all the federal grant transactions of the Research Foundation recorded on the accrual basis of accounting.

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

### 3. REIMBURSEMENT OF FACILITIES AND ADMINISTRATIVE COSTS

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

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

On November 22, 1999, DHHS approved facilities and administrative cost recovery rates effective from July 1, 2000 through June 30, 2003. The facilities and administrative cost rate structure, including the rates submitted within the Certificate, are as follows:

Rate Type	Effective July 1, 1993 Through June 30, 2001	
	Rate as Submitted Within Certificate	Negotiated Rate
Organized Research:		
On-Campus:		
07/01/00 - 06/30/02	49.4 %	47.0 %
07/01/02 - 06/30/03	49.4 %	47.5 %
Off-Campus	26.0 %	26.0 %
Instruction:		
On-Campus:		
07/01/00 - 06/30/02	52.5 %	47.0 %
07/01/02 - 06/30/03	52.5 %	47.5 %
Off-Campus	26.0 %	26.0 %
Other Sponsored Activities:		
On-Campus	22.5 %	31.0 %
Off-Campus	15.0 %	26.0 %
General Clinical Research Center:		
On-Campus	23.4 %	20.0 %

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

\* \* \* \* \*



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED UPON THE AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited the financial statements of The Ohio State University Research Foundation (the Research Foundation) as of and for the year ended June 30, 2001, and have issued our report thereon dated October 5, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**COMPLIANCE**

As a part of obtaining reasonable assurance about whether the Research Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings and Questioned Costs as items 01-1, 01-2, and 01-3.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit, we considered the Research Foundation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial

reporting that we have reported to the management of the Research Foundation, in a separate letter dated October 5, 2001.

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

DELOITTE & TOUCHE LLP

October 5, 2001





**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL  
OVER COMPLIANCE APPLICABLE TO EACH MAJOR FEDERAL AWARD PROGRAM  
AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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

**COMPLIANCE**

We have audited the compliance of The Ohio State University Research Foundation (the Research Foundation) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2001. The Research Foundation's major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Research Foundation's management. Our responsibility is to express an opinion on the Research Foundation's compliance based on our audit.

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

In our opinion, the Research Foundation complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2001. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 01-1, 01-2, and 01-3.

## INTERNAL CONTROL OVER COMPLIANCE

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

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

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

We have audited the financial statements of The Ohio State University Research Foundation as of and for the year ended June 30, 2001, and have issued our report thereon dated October 5, 2001. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. This schedule is the responsibility of the Research Foundation's management. Such information has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly stated, in all material respects, when considered in relation to the financial statements taken as a whole.

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

DELOITTE & TOUCHE LLP

October 5, 2001

**THE OHIO STATE UNIVERSITY  
RESEARCH FOUNDATION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2001**

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**PART I - SUMMARY OF AUDITORS' RESULTS**

1. The independent auditors' report on the financial statements expressed an unqualified opinion.
2. Our audit of the financial statements did not disclose a reportable condition in internal controls.
3. No instance of noncompliance considered material to the financial statements was disclosed by the audit.
4. Our audit of compliance with the types of compliance requirements applicable to the financial statements did not disclose a reportable condition in internal control over compliance with requirements applicable to major federal award programs.
5. The independent auditors' report on compliance with requirements applicable to major federal award programs expressed an unqualified opinion.
6. The audit disclosed findings required to be reported by OMB Circular A-133.
7. The Research Foundation's major programs were:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Research and Development Cluster	Various

8. A threshold of \$3,000,000 was used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133.
9. The Research Foundation does qualify as a low-risk auditee as that term is defined in OMB Circular A-133.

## **PART II - FINANCIAL STATEMENT FINDINGS SECTION**

No matters are reportable.

## **PART III - FEDERAL AWARD FINDINGS AND QUESTIONED COST SECTION**

### **01-1: RECLASSIFICATION OF PASS-THROUGH EXPENSES**

**Grantor:** Various

**Sponsor Identification Number:** Various

**Project Number:** Various

**Criteria:**

Circular A-133, Subpart C – Auditees, §)\_\_\_\_.310 Financial statements, (b) Schedule of expenditures of federal awards, (2).

**Finding:**

The Ohio State University Research Foundation (Research Foundation) reclassified approximately \$1,500,000 of research and development expenses incurred from July 2000 through April 2001 from non-federal pass-through expenditures to federal major pass-through expenditures. The Research Foundation recorded this reclassification to correct several project miscoding errors. Accounting department personnel discovered these miscoded projects during intermittent recordkeeping activities, based on their prior experience with identifying subrecipient payees. However, there are limited controls relating to this type of error.

**Effect:**

The Research Foundation may be excluding expenditures passed through from other sources to the Research and Development Cluster from its Schedule of Expenditures of Federal Awards.

**Recommendation:**

The Research Foundation management should perform a formal review of project classifications on a periodic basis to ensure that any miscoded projects are identified and properly categorized for reporting purposes.

## **01-2: VENDOR SUBCONTRACT TERMINATION PROVISIONS**

**Grantor:** National Science Foundation – Polar Programs

**Sponsor Identification Number:** 30050404

**Project Number:** 737847

### **Criteria:**

Circular A-110, Appendix A, Subpart A – General, §\_\_.48 Contract Provisions, (b).

### **Finding:**

In the vendor subcontract reviewed, the Ohio State University Research Foundation (Research Foundation) did not describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

### **Effect:**

The Research Foundation may be vulnerable to losses of funds in the event of subcontractor defaults or lack of performance due to circumstances beyond the control of subcontractors.

### **Recommendation:**

The Research Foundation's outstanding vendor subcontracts should be amended for this provision.

## **01-3: COST-SHARING REQUIREMENTS**

**Grantor:** National Science Foundation – Math Sciences

**Sponsor Identification Number:** 30050501

**Project Number:** 738578

### **Criteria:**

Circular A-133, Part 3, Subpart G – Compliance Requirements – Matching, Level of Effort, Earmarking

### **Finding:**

The project reviewed was finalized on April 30, 2001, and currently does not meet the minimum cost-share requirement of \$8,000.

**Effect:**

The Ohio State University Research Foundation (Research Foundation) may impede their chances of approval for future projects if they are adding cost-share provisions to project proposals submitted to a federal sponsor for approval and then not meeting those cost-share commitments once the project is complete.

**Recommendation:**

The Research Foundation should be sure to follow cost-share procedures in place. Additionally, the Research Foundation should correct the shortage due to the National Science Foundation.



**WOSU STATIONS**

*A Public Telecommunications Entity  
Operated By The Ohio State University*

**FINANCIAL STATEMENTS**  
*For The Year Ended June 30, 2001*  
*And*  
*Independent Auditors' Report*

**PARMS & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS



**INDEPENDENT AUDITORS' REPORT**

To The Board of Trustees -  
The Ohio State University  
2400 Olentangy River Road  
Columbus, Ohio 43210-1027

We have audited the accompanying balance sheet of WOSU Stations, which is a part of The Ohio State University, as of June 30, 2001, and the related statements of revenues, expenditures, and changes in fund balance and cash flows for the year then ended. These financial statements are the responsibility of WOSU's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note A, the financial statements of WOSU Stations are intended to present the financial position and results of operations of only that portion of the financial reporting entity of The Ohio State University, that is attributable to the transactions of WOSU Stations.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WOSU Stations at June 30, 2001, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We have previously audited the financial statements of WOSU Stations for the year ended June 30, 2000, comparative financial information from which is contained herein. In our opinion, such comparative financial information has been properly extracted from the prior year's statements.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of WOSU Stations taken as a whole. The supplemental schedule of Revenues and Expenditures By Telecommunication Operation for the year ended June 30, 2001 is presented for purposes of additional analysis and is not a required part of the basic financial statements of WOSU Stations. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements of WOSU Stations taken as a whole.

***Parms & Company***

September 25, 2001  
Columbus, Ohio

**WOSU STATIONS**

## BALANCE SHEET

As of June 30, 2001

(With Comparative Totals As of June 30, 2000)

	2001				Totals	
	Operating Funds		Endowment	Plant	(Memorandum Only)	
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Fund</u>	<u>Fund</u>	<u>2,001</u>	<u>2,000</u>
<b>ASSETS</b>						
Current Assets:						
Cash	\$3,566,803	4,935,590	-	1,641,553	\$10,143,946	\$7,801,2
Receivables:						
Trade	69,414	-	-	-	69,414	14,4
Underwriting	-	56,868	-	-	56,868	34,4
Pledges	46,658	-	-	-	46,658	39,1
Total accounts receivable	<u>116,072</u>	<u>56,868</u>	<u>-</u>	<u>-</u>	<u>172,940</u>	<u>88,6</u>
Total current assets	3,682,875	4,992,458	-	1,641,553	10,316,886	7,889,2
Investments (Note 2)	-	-	5,482,614	-	5,482,614	6,593,2
Broadcast rights	723,884	83,811	-	-	807,695	717,9
Property and equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,698,667</u>	<u>12,698,667</u>	<u>12,617,6</u>
Total assets	<u>\$4,406,759</u>	<u>5,076,269</u>	<u>5,482,614</u>	<u>14,340,220</u>	<u>\$29,305,862</u>	<u>\$27,817,4</u>
<b>LIABILITIES AND FUND BALANCES</b>						
LIABILITIES						
Current Liabilities:						
Accounts payable - trade	\$189,239	40,371	-	-	\$229,610	\$126,2
Deferred support and revenue		85,546	-	-	85,546	89,9
Accrued compensated absence (Note 4)	132,414	80,092	-	-	212,506	208,9
Other accrued liabilities	<u>3,837</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,837</u>	<u>4,9</u>
Total current liabilities	325,490	206,009	-	-	531,499	430,1
FUND BALANCES						
Unrestricted	4,081,269	-	-	-	4,081,269	3,290,7
Restricted	-	4,870,260	-	-	4,870,260	3,357,1
Endowment	-	-	5,482,614	-	5,482,614	6,593,2
Plant						
Unexpended	-	-	-	1,641,553	1,641,553	1,538,8
Net investment in plant	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,698,667</u>	<u>12,698,667</u>	<u>12,607,4</u>
Total fund balances	<u>4,081,269</u>	<u>4,870,260</u>	<u>5,482,614</u>	<u>14,340,220</u>	<u>28,774,363</u>	<u>27,387,2</u>
Total liabilities and fund balances	<u>\$4,406,759</u>	<u>5,076,269</u>	<u>5,482,614</u>	<u>14,340,220</u>	<u>\$29,305,862</u>	<u>\$27,817,4</u>

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

**WOSU STATIONS**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For The Year Ended June 30, 2001

(With Comparative Totals For The Year Ended June 30, 2000)

	2001				Totals	
	Operating Funds		Endowment	Plant	(Memorandum Only)	
	Unrestricted	Restricted	Fund	Fund	2001	2000
<b><u>SUPPORT, REVENUE AND OTHER ADDITIONS</u></b>						
Ohio State University direct support (Note 6)	\$1,238,755	-	-	-	\$1,238,755	1,289,97
In-Kind Revenues						
Contributed services	1,997,334	-	-	-	1,997,334	2,436,79
Donated facilities and support - OSU (Note 6)	1,299,336	-	-	-	1,299,336	1,306,86
Grants from the CPB	1,229,427	90,868	-	-	1,320,295	1,216,66
Member contributions	2,529,469	-	-	-	2,529,469	2,400,92
Fees and Services:						
PBS	17,419	-	-	-	17,419	
B&I	505,408	420,864	-	-	926,272	891,38
Foundations/NPO's	82,531	399,055	-	-	481,586	386,42
Federal Govt.	23,530	-	-	-	23,530	57,41
Proceeds from auction	301,809	-	-	-	301,809	283,02
State and local grants	220,598	2,175,545	-	36,400	2,432,543	3,140,52
Investment Income						
Interest and dividend income	231,337	56,971	302,455	-	590,763	507,78
Unrealized Gains(Loss) on Investments	-	-	(1,318,362)	-	(1,318,362)	800,61
Endowment Contributions	-	-	142,847	-	142,847	209,07
Capital Campaign	-	122,300	-	-	122,300	-
Royalties	21,266	-	-	-	21,266	40,42
Equipment acquisition	-	-	-	175,927	175,927	418,06
Other	<u>212,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>212,171</u>	<u>188,06</u>
Total support, revenue, and other additions	9,910,390	3,265,603	(873,060)	212,327	12,515,260	15,574,05
<b><u>EXPENDITURES AND OTHER DEDUCTIONS</u></b>						
Program Services						
Programming and Production	3,211,427	453,991	-	-	3,665,418	4,103,92
Broadcasting	2,169,841	759,814	-	-	2,929,655	3,100,51
Program Information	680,475	-	-	-	680,475	689,77
Total program services	6,061,743	1,213,805	-	-	7,275,548	7,894,22
Supporting services						
Management & General	2,137,866	122,437	-	-	2,260,303	2,126,37
Fundraising	1,228,317	34	-	-	1,228,351	1,097,21
Underwriting	26,028	82,737	-	-	108,765	246,01
Total supporting services	3,392,211	205,208	-	-	3,597,419	3,469,59
Expended for plant facilities	19,702	141,319	-	-	161,021	429,66
Disposal of plant facilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,304</u>	<u>94,304</u>	<u>190,31</u>
Total expenditures and other deductions	<u>9,473,656</u>	<u>1,560,332</u>	<u>-</u>	<u>94,304</u>	<u>11,128,292</u>	<u>11,983,72</u>
Excess (deficit) of additions over deductions	436,734	1,705,271	(873,060)	118,023	1,386,968	3,590,32
Transfers	<u>353,754</u>	<u>(192,139)</u>	<u>(237,537)</u>	<u>75,922</u>	<u>-</u>	<u>-</u>
Net increase (decrease)	790,488	1,513,132	(1,110,597)	193,945	1,386,968	3,590,32
Fund Balance, Beginning of year	<u>3,290,781</u>	<u>3,357,128</u>	<u>6,593,211</u>	<u>14,146,275</u>	<u>27,387,395</u>	<u>23,797,02</u>
Fund Balance, End of year	\$4,081,269	4,870,260	5,482,614	14,340,220	\$28,774,363	\$27,387,32

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

## WOSU STATIONS

### STATEMENT OF CASH FLOWS

As of June 30, 2001

(With Comparative Totals As of June 30, 2000)

	2001	2000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of additions over deductions	\$1,386,968	\$3,590,340
Adjustments to reconcile excess additions over deductions to net cash provided by operating activities:		
Disposal of property and equipment	94,304	190,310
Amortization of broadcast rights	750,478	685,778
Acquisition of broadcast rights	(840,177)	(752,721)
(Increase) in trade receivables	(54,886)	(13,976)
Decrease grants receivable	-	35,237
(Increase) Decrease in underwriting receivables	(22,467)	29,986
(Increase) in pledge receivables	(7,490)	(2,512)
Increase (Decrease) in accounts payable	103,309	(45,938)
(Decrease) in deferred support and revenue	(4,427)	(30,926)
Increase in other accrued liabilities	<u>2,446</u>	<u>22,251</u>
Net adjustments	<u>21,090</u>	<u>117,489</u>
Net cash provided by operating activities	1,408,058	3,707,829
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition and construction of capital assets	(175,927)	(418,067)
Decrease (increase) in fair value of investments	1,318,362	(800,617)
Investment purchases	<u>(207,765)</u>	<u>(218,561)</u>
Net cash provided (used) by investing activities	<u>934,670</u>	<u>(1,437,245)</u>
Net increase in cash	2,342,728	2,270,584
Cash at beginning of year	<u>7,801,218</u>	<u>5,530,634</u>
Cash at end of year	<u>\$10,143,946</u>	<u>\$7,801,218</u>

The accompanying notes are an integral part of these financial statements

## WOSU STATIONS

*A Public Telecommunications Entity Operated By The Ohio State University*

### NOTES TO THE FINANCIAL STATEMENTS

For the years ended June 30, 2001 and 2000

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Basis of Financial Statements

The accompanying financial statements of WOSU Stations include the accounts and results of operations of the following non-commercial public television and radio stations:

- WOSU-TV, Columbus, Ohio (rebroadcast in Newark and Mansfield)
- WPBO-TV, Portsmouth, Ohio
- WOSU-AM Radio, Columbus, Ohio
- WOSU-FM Radio, Columbus, Ohio
- WOSV-FM Radio, Mansfield, Ohio
- WOSE-FM Radio, Coshocton, Ohio
- WOSB-FM Radio, Marion, Ohio
- WOSP-FM Radio, Portsmouth, Ohio

WOSU Stations is a part of The Ohio State University financial reporting entity. The financial statements of the University contain more extensive disclosure of the significant accounting policies of the University as a whole.

##### Basis of Accounting

The financial statements are prepared in accordance with generally accepted accounting principles for state-assisted colleges and universities. Resources are classified for accounting and reporting purposes into funds that reflect the specific activities, objectives, or restrictions of the resources. Separate accounts are maintained within each fund. In the accompanying financial statements, funds that have similar characteristics are combined into fund groups, and all financial transactions have been recorded by fund group. Fund equities restricted by outside sources are so indicated and are distinguished from unrestricted funds.

##### Fund Accounting

The assets, liabilities and fund equities of WOSU are reported in three self-balancing fund groups as follows:

- *Operating funds* - include unrestricted and restricted resources that are available for support of WOSU's operations.
- *Endowment fund* - includes funds that are subject to restrictions of gift instruments requiring that the principal be invested in perpetuity and only the income be used for current operations.
- *Plant fund* - includes resources restricted or expended for property and equipment.

## WOSU STATIONS

*A Public Telecommunications Entity Operated By The Ohio State University*

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the years ended June 30, 2001 and 2000

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Revenue Recognition

Unrestricted Member Contributions are recorded as support when pledged. Restricted Grants are recorded as support when the grant's contractual requirements have been met.

The principal restricted resources of WOSU are contributions and grants to finance specific programming produced by WOSU. These revenues are deferred until WOSU broadcasts the specific program. At such time, the amounts are included as revenues in the statement of financial activity.

#### Cash

WOSU's cash is maintained by The Ohio State University which commingles the funds with other Ohio State University related organizations.

#### Property and Equipment

Property and equipment is recorded at cost or, in the case of donated property, at its estimated fair value at date of receipt. In accordance with the practice of broadcasting stations affiliated with educational institutions, depreciation of equipment is not recorded.

Property acquired with Federal grant funds has a lien attached for 10 years after the date of the grant. Expenditures for repairs and maintenance are charged to operating expense as incurred.

#### Broadcast Rights

Broadcast rights purchased by WOSU are amortized using the straight-line method over three years and are net of accumulated amortization of \$785,203 at June 30, 2001.

#### Endowment Fund Investments

Endowment funds are handled by the Treasurer of The Ohio State University who commingles the funds with other Ohio State University related organizations. Earned investment income is allocated to each organization based on its share of the total funds invested at the beginning of each year. Additions to Endowment funds are recorded as fund additions in the statement of financial activity. Investments are recorded at their fair market value.

Investment income from Endowment funds is unrestricted by the donors, and is recorded as such in the statement of financial activity.

## WOSU STATIONS

*A Public Telecommunications Entity Operated By The Ohio State University*

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the years ended June 30, 2001 and 2000

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Donated Facilities and Administrative Support from The Ohio State University

Donated facilities from The Ohio State University consist of office and studio space together with related occupancy costs and are recorded in revenue and expense based upon the University's "modified other sponsored activities indirect cost rate" as defined by the Corporation for Public Broadcasting (CPB). Administrative support from The Ohio State University consist of allocated financial, student and development department costs and certain other expenses incurred by the University on behalf of WOSU.

#### In-Kind Contributions

Donated professional services provided by individuals and donated materials are recorded as revenue and expense at the fair value of the service or material at the date of donation as valued by the donor.

#### Total Columns

Total columns are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, changes in fund balances, and cash flows in conformity with generally accepted accounting principles. In addition, such data is not comparable to a consolidation because they do not reflect the elimination of interfund activities.

### NOTE 2: CASH AND INVESTMENTS

The cash balance at June 30, 2001 are pooled funds which are held and managed by the Treasurer's Office of The Ohio State University. Such funds were covered by collateral held by third party trustees in collateral pools securing all public funds on deposit with the financial institution.

Endowment investments represents WOSU's share of pooled investment funds. The following summarizes pooled shares and related values as of June 30, 2001:

<u>Fund account</u>	<u>No. of Shares</u>	<u>Cost</u>	<u>Market Value</u>
Friends of WOSU	399.0093	\$1,379,196	\$2,973,673
Prine Classical Music	1.3276	5,300	9,894
WOSU Stations	335.3238	<u>2,124,290</u>	<u>2,499,047</u>
Total endowments investments		<u>\$3,508,786</u>	<u>\$5,482,614</u>



## WOSU STATIONS

*A Public Telecommunications Entity Operated By The Ohio State University*

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the years ended June 30, 2001 and 2000

### NOTE 2: CASH AND INVESTMENTS (continued)

Statement No. 3 of the Governmental Accounting Standards Board requires entities to categorize investments to give an indication of the level of risk assumed by the University at year end:

Category 1 - Investments that are insured or registered or for which securities are held by the University or its agent in the name of the University.

Category 2 - Uninsured and unregistered investments for which securities are held by the broker's or dealer's trust department or agent in the name of the University.

Category 3 - Uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the University's name.

Endowment investments, handled by the University Treasurer's office, are held by an agent in the name of the University and meet the criteria of Category 1.

### NOTE 3: RETIREMENT PLAN

#### Plan Description

Substantially all employees are covered by the Public Employees Retirement System of Ohio (PERS). WOSU also has staff that are covered under the State Teachers Retirement System (STRS). These retirement programs are statewide cost-sharing multiple-employer defined benefit pension plans. PERS and STRS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute. PERS and STRS issue separate, publicly available financial reports that include financial statements and required supplementary information. The PERS financial report may be obtained by writing to Public Employees Retirement System of Ohio, 277 East Town Street, Columbus, Ohio 43215 or by calling (614) 466-2085 or 1-800-222-7377. The STRS financial statements may be obtained by writing to State Teachers Retirement System of Ohio, 275 East Broad Street, Columbus, Ohio 43215 or by calling (614) 227-4090.

#### Funding Policy

The Revised Code of Ohio (ORC) provides PERS and STRS statutory authority for employee and employer contributions. The PERS Retirement Board instituted a temporary rate rollback for calendar year 2000. The required contribution rates for PERS plan members and employers for calendar year 2000 were 6.00% and 10.65% of covered payroll, respectively. For STRS, the required, actuarially determined, rates for plan members are 9.30% and 14.00% of covered payroll, respectively.

## WOSU STATIONS

*A Public Telecommunications Entity Operated By The Ohio State University*

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the years ended June 30, 2001 and 2000

#### NOTE 3: RETIREMENT PLAN (continued)

##### Trend Information

WOSU's contributions, which represent 100% of the required employer contributions, for the year ended June 30, 2001, and for each of the preceding two years are:

Year Ended <u>June 30</u>	PERS Annual <u>Contribution</u>	STRS Annual <u>Contribution</u>
2001	\$429,940	\$16,127
2000	422,798	14,910
1999	403,720	14,337

##### Other Postemployment Benefits

Public Employees Retirement System of Ohio:

PERS provides post-retirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Post-Employment Benefits (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for funding of post retirement health care. The ORC provides statutory authority for employer contributions. The 2000 employer contribution rate for state employers was rolled back for year 2000 to 10.65% of covered payroll; 4.30% was the portion that was used to fund health care for the year. The Ohio Revised Code provides statutory authority requiring public employers to fund postretirement health care through their contributions to PERS. In calendar year 2000, the Retirement Board reallocated employer contributions from 4.20% to 4.30% at the beginning of the year to improve health care financing.

OPEB are advanced-funded on an actuarially determined basis. The portion of the employer contributions that was made to fund postemployment benefits can be determined by multiplying actual employer contributions times .4038.

As of December 31, 1999, \$10,805.5 million was the actuarial value of the Retirement System's net assets available for OPEB. The actuarially liability and the unfunded actuarial liability, based on the actuarial cost method used, were \$12,473.6 million and \$1,668.1 million, respectively. The number of active participants was 401,339.

## WOSU STATIONS

*A Public Telecommunications Entity Operated By The Ohio State University*

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the years ended June 30, 2001 and 2000

#### NOTE 3: RETIREMENT PLAN (continued)

##### Other Postemployment Benefits (continued)

##### State Teachers Retirement System:

STRS provides comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare premiums.

Pursuant to the Ohio Revised Code, STRS has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS. Under Ohio law, medical costs paid from the funds of STRS are included in the employer contribution rate. The Retirement Board allocates employer contributions to the Health Care Reserve Fund from which payments for health care benefits are paid. For the fiscal year ended June 30, 2000, the board allocated employer contributions equal to 8% of covered payroll to the Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$3.419 billion on June 30, 2000. The Health Care Reserve Fund allocation for the year ended June 30, 2001, and after, will be 4.5% of covered payroll.

For the year ended June 30, 2000, net health care costs paid by STRS were \$283,137,000. There were 99,011 eligible benefit recipients.

#### NOTE 4: COMPENSATED ABSENCES

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

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

## WOSU STATIONS

*A Public Telecommunications Entity Operated By The Ohio State University*

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the years ended June 30, 2001 and 2000

#### NOTE 4: COMPENSATED ABSENCES (continued)

WOSU stations follows the University's policy for accruing sick leave liability. WOSU accrues a sick leave liability for those employees who are currently eligible to receive termination payments along with other employees who are expected to become eligible to receive such payments. This liability is calculated using the "termination payment method" which is set forth in Appendix C, Example 4 of the GASB Statement No. 16, *Accounting for Compensated Absences*. Under the termination method, WOSU Stations utilizes the University's calculated rate, 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 by WOSU Stations to the total year-of-service for WOSU current employees.

As of June 30, 2001, the accrued vacation and sick leave liability was \$198,436.

#### NOTE 5: CORPORATION FOR PUBLIC BROADCASTING GRANT AWARDS

WOSU Stations received grant funds from the Corporation for Public Broadcasting (CPB) to assist in the operations of the stations. During 2001, the following summarizes grant funds earned during the fiscal year:

<u>CPB Grant</u>	<u>WOSU-AM</u>	<u>WOSU-FM</u>	<u>WOSU-TV</u>	<u>TOTAL</u>
Community Service	165,214	165,215	976,939	\$1,307,368
Interconnection Grant	-	-	12,927	12,927
Total	<u>\$165,214</u>	<u>165,215</u>	<u>989,866</u>	<u>\$1,320,295</u>

#### NOTE 6: UNIVERSITY SUPPORT

The operations of WOSU Stations are supported in part by the general revenues of Ohio State University. The University provides for the general operating costs of the stations operations. During fiscal year 2001, The Ohio State University's direct support amounted to \$1,238,755. In addition, the University provided \$1,299,336 in indirect administrative support.

**WOSU STATIONS**

*A Public Telecommunications Entity Operated By The Ohio State University*

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the years ended June 30, 2001 and 2000

NOTE 7: INCOME BENEFICIARY

WOSU Stations is an income beneficiary of a fund administered and maintained by The Ohio State University. WOSU Stations receives income generated from the Donald R. Glancy endowed fund in excess of \$7,000 per year to support television and radio programming needs. WOSU Stations received \$36,027 in fiscal year 2001 from this fund which is included in the statement of revenues, expenditures and changes in fund balances for the year ended June 30, 2001.

The following summarizes the value of the fund as of June 30, 2001:

<u>Fund Name</u>	<u>Market Value</u>
Donald R. Glancy Endowed Fund	\$737,453

**WOSU STATIONS**

Supplemental Schedule of Revenues and Expenditures By Telecommunication Operations

For The Year Ended June 30, 2001

	<u>Radio</u>			<u>Television</u>	<u>Plant Fund</u>	Total (Memorandum Only)
	<u>AM</u>	<u>FM</u>	<u>Total</u>			
<b><u>SUPPORT, REVENUE AND OTHER ADDITIONS</u></b>						
Ohio State University direct support (Note 6)	\$208,192	285,550	493,742	745,013	-	\$1,238,755
In-Kind Revenues						
Contributed services	110,134	173,331	283,465	1,713,869	-	1,997,334
Donated facilities and support - OSU (Note 6)	277,983	217,469	495,452	803,884	-	1,299,336
Grants from the CPB	165,214	165,215	330,429	989,866	-	1,320,299
Member contributions	524,637	527,009	1,051,646	1,477,823	-	2,529,469
Fees and Services:						
PBS	1,990	-	1,990	15,429	-	17,419
B&I	151,986	229,793	381,779	544,493	-	926,272
Foundations/NPO's	138,118	77,759	215,877	265,709	-	481,586
Federal Govt.	-	9,720	9,720	13,810	-	23,530
Proceeds from auction	-	-	-	301,809	-	301,809
State and local grants	90,995	138,599	229,594	2,202,949	-	2,432,542
Investment Income						
Interest and dividend income	106,872	107,364	214,236	376,527	-	590,769
Unrealized Gains(Loss) on Investments	(263,672)	(263,672)	(527,344)	(791,018)	-	(1,318,362)
Endowment Contributions	28,569	28,569	57,138	85,709	-	142,847
Capital Campaign	-	-	-	122,300	-	122,300
Royalties	1,571	337	1,908	19,358	-	21,266
Equipment acquisition	-	-	-	-	175,927	175,927
Other	<u>27,433</u>	<u>21,808</u>	<u>49,241</u>	<u>162,930</u>	<u>-</u>	<u>212,171</u>
Total support, revenue, and other additions	1,570,022	1,718,851	3,288,873	9,050,460	175,927	12,515,260
<b><u>EXPENDITURES AND OTHER DEDUCTIONS</u></b>						
Program Services						
Programming and Production	718,539	365,815	1,084,354	2,581,064	-	3,665,418
Broadcasting	505,183	439,562	944,745	1,984,910	-	2,929,657
Program Information	<u>134,882</u>	<u>132,926</u>	<u>267,808</u>	<u>412,667</u>	<u>-</u>	<u>680,475</u>
Total program services	1,358,604	938,303	2,296,907	4,978,641	-	7,275,548
Supporting services						
Management & General	365,159	464,959	830,118	1,430,185	-	2,260,302
Fundraising	249,320	245,678	494,998	733,353	-	1,228,351
Underwriting	<u>35,924</u>	<u>9,898</u>	<u>45,822</u>	<u>62,943</u>	<u>-</u>	<u>108,765</u>
Total supporting services	650,403	720,535	1,370,938	2,226,481	-	3,597,419
Expended for plant facilities	19,370	20,110	39,480	121,541	-	161,021
Disposal of plant facilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,304</u>	<u>94,304</u>
Total expenditures and other deductions	<u>2,028,377</u>	<u>1,678,948</u>	<u>3,707,325</u>	<u>7,326,663</u>	<u>94,304</u>	<u>11,128,297</u>
Excess (deficit) of additions over deductions	<u>(\$458,355)</u>	<u>39,903</u>	<u>(418,452)</u>	<u>1,723,797</u>	<u>81,623</u>	<u>\$ 1,386,968</u>



**SCHEDULE OF NON-FEDERAL FINANCIAL SUPPORT**  
**ONLY ORIGINALS OF THIS PAGE SHOULD BE FILED WITH CPB**


**SUMMARY OF NONFEDERAL FINANCIAL SUPPORT**

FISCAL YEAR 2000

1. Direct Revenue (Schedule A)	\$ <u>6,167,450</u>
2. Indirect Administrative Support (Schedule B)	\$ <u>803,884</u>
3. In-Kind Contributions	
a. Services and Other Assets (Schedule C)	\$ <u>1,713,869</u>
b. Property and Equipment (Schedule D)	\$ <u>-</u>
4. Total Nonfederal Financial Support (sum of lines 1, 2, 3a. and 3b.)	\$ <u>8,685,203</u>

**CERTIFICATION BY LICENSEE**

I certify that the above Schedule of Non-Federal Financial Support for the year ended June 30, 2001 conforms with the definition of non-federal financial support set forth in the Communications Act of 1934, as amended, and adheres to the appropriate source, form, purpose, and recipient criteria as described in the Corporation for Public Broadcasting's Fiscal Year 2000-2001 Annual Financial Report Handbook of Instructions.

	WOSU - TV The Ohio State University
<i>Signature of Station Manager or Chief Executive/Date</i>	<i>Call Letters and Licensee Name</i>
Dale K. Ouzts (614)292-9678 ouzs@osu.edu	2400 Olentangy River Road Columbus, OH 43210
<i>Name, telephone, e-mail address of contact person</i>	<i>Address of Station</i>


**INDEPENDENT ACCOUNTANT'S REPORT** (check here  if a separate opinion page is included)

We have examined management's assertion included in the accompanying Corporation for Public Broadcasting (CPB) Schedule of Non-Federal Financial Support that WOSU Stations {grantee} complied with CPB's Fiscal Year 2000-2001 Annual Financial Report Handbook of Instructions governing the amounts reported as Non-Federal Financial Support (NFFS) for the year ended June 30, 2001. Management is responsible for WOSU Stations {grantee's} compliance with those requirements. Our responsibility is to express an opinion on management's assertion about WOSU Stations {grantee's} compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about WOSU Stations {grantee's} compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, WOSU Stations {grantee} complied, in all material respects, with the aforementioned requirements during the year ended June 30, 2001.

This report is intended solely for the information and use of the Corporation for Public Broadcasting and is not intended to be and should not be used by anyone other than this specified party.

Tim Grant Parms & Company, Inc.	400 East Town Street, Suite 200 Columbus, OH 43215
<i>Name of Independent Accountant</i>	<i>Address</i>
	(614)224-3078
<i>Authorized Signature/Date of Examination</i>	<i>Telephone and e-mail address</i> tgrant@parms.com



**SCHEDULE A**  
**FISCAL YEAR 2000**  
**DIRECT REVENUE**

*Round all figures to nearest dollar*

1. Amounts provided directly by federal government agencies:			
A.	PTFP (NTIA) Facilities Grants	\$	_____ (1A)
B.	Department of Education		_____ (1B)
C.	Department of Health and Human Services		_____ (1C)
D.	National Endowment for the Arts and Humanities		_____ (1D)
E.	National Science Foundation		_____ (1E)
F.	Other Federal Funds (specify) <u>Tower Rental</u>		<u>13,810</u> (1F)
	<i>Total federal government (forward to line 22)</i>	\$	<u>13,810</u> (1)
2. Amounts provided by public broadcasting entities such as CPB, PBS, NPR, AIT, CTW, FCI, other stations and regional networks:			
A.	CPB - Community Service Grants	\$	<u>976,939</u> (2A)
B.	Annenberg/CPB Project Grants		_____ (2B)
C.	CPB - NPPAG		_____ (2C)
D.	CPB - Interconnection grants		<u>12,927</u> (2D)
E.	CPB - all other funds		_____ (2E)
F.	PBS - all payments		<u>15,429</u> (2F)
G.	NPR - all payments		_____ (2G)
H.	Public broadcasting stations - all payments		_____ (2H)
I.	Other PBE funds (specify) _____		_____ (2I)
	<i>Total public broadcasting entities (forward to line 23)</i>	\$	<u>1,005,295</u> (2)
3.	Local boards and departments of education or other local government or agency sources		_____ (3)
4.	State boards and departments of education or other state government or agency sources		<u>2,202,949</u> (4)
5.	State colleges and universities		<u>745,013</u> (5)
6.	Other state-supported colleges and universities		<u>120,207</u> (6)
7.	Private colleges and universities		_____ (7)
8.	Foundations and nonprofit associations (include underwriting)		<u>265,709</u> (8)
9.	Business and Industry (include underwriting)		<u>544,493</u> (9)
10.	Memberships and subscriptions (net of write-offs)		<u>1,477,823</u> (10)
10a.	Total number of contributors <u>15,533</u> (10a)		
11.	Revenue from friends groups less any revenue included on line 10		_____ (11)
11a.	Total number of friends contributors _____ (11a)		
12.	Revenue from subsidiary enterprises and related organizations (see instructions)		_____ (12)

**SCHEDULE A**  
**FISCAL YEAR 2000 - continued**

13.	Net auction revenue (Do not enter less than 0.) (net of direct expenses of \$ _____).		301,809	(13)
14.	Net revenue from special fund raising activities (Do not enter less than 0.) (net of direct expenses of \$ _____).		27,853	(14)
15.	Passive income			
15a.	Interests and dividends	376,527	(15a)	
15b.	Royalties	19,358	(15b)	
15c.	Copyright Tribunal Distributions		395,885	(15)
16.	Gains (losses) from asset and securities transactions			
16a.	Sale of property and equipment		(16a)	
16b.	Marketable securities (realized)		(16b)	
16c.	Marketable securities (unrealized)	(791,018)	(16c)	(791,018) (16)
17.	Endowment revenue (contributions plus interest and dividends)		85,709	(17)
18.	Capital fund contributions			
18a.	Facilities and equipment	122,300	(18a)	
18b.	Other		122,300	(18)
19.	Gifts and bequests from major individual donors			(19)
20.	Other (attach schedule)			
	<u>Description</u>	<u>Amount</u>		
	Duplications & Misc	14,519		
	Other	351		
			14,870	(20)
21.	<b>Total Revenue (Sum of lines 1 through 20)</b>		\$ 6,532,707	(21)
<b>Adjustments to Revenue:</b>				
22.	Federal revenue from line 1		13,810	(22)
23.	Public broadcasting revenue from line 2		1,005,295	(23)
24.	Capital funds exclusion - TV only (from line 18a)		122,300	(24)
25.	Other revenue on line 21 not meeting the source, form, purpose or recipient criteria (Schedule A-1, line 19)		(776,148)	(25)
26.	Revenue on line 21 that has been previously claimed as NFFS			(26)
27.	<b>Total Direct Nonfederal Financial Support (Line 21 less Lines 22 through 26). (Forward to line 1 of the Schedule of Nonfederal Financial Support)</b>		\$ 6,167,450	(27)

**ADDITIONAL INFORMATION REQUIRED**

1.	Revenue received as underwriting from foundations and nonprofits (line 8)	\$ 191,682
2.	Revenue received as underwriting from business and industry (line 9)	\$ 182,222

**SCHEDULE A-1****FISCAL YEAR 2000****REVENUE NOT MEETING CRITERIA FOR INCLUSION AS NFFS**

Unless revenue meets the specific criteria defined in the Communications Act of 1934, as amended, it must be excluded from NFFS. This Schedule (A-1) is used to report revenue that must be excluded from the total reported on Schedule A. The criteria are defined as follows:

Source: A commercial (profit-making) business enterprise, including a for-profit subsidiary or any individual.  
 Form: Payment in exchange for any service or material.  
 Purpose: Service or material for any related activity of the public broadcasting entity.  
 Recipient: A public broadcasting entity.

List revenue from for-profit corporations or individuals reported on Schedule A that is for the sale of goods and services:

	Enter Line No. From Sched. A	Amount	
1. Production, taping, or other broadcast related activities	20 (1a)	14,870	(1)
2. Telecasting production / teleconferencing	(2a)		(2)
3. Foreign rights	(3a)		(3)
4. Rentals of membership lists	(4a)		(4)
5. Rentals of studio space, equipment, tower, parking space	(5a)		(5)
6. Leasing of SCA, VBI, ITFS channels	(6a)		(6)
7. Sale of programs or program rights for public performance	(7a)		(7)
8. Sale or rental of program transcripts or recording for other than public performance including private use	(8a)		(8)
9. Gains or losses on sale of assets and securities transactions	16c (9a)	(791,018)	(9)
10. Sale of premiums	(10a)		(10)
11. Royalty income from licensing fees and Store of Knowledge agrmts.	(11a)		(11)
12. Other rev. not listed above and not includable by definition (att. list)	(12a)		(12)

List below any revenue claimed on Schedule A regardless of source:

13. A wholly owned or partially owned for-profit subsidiary regardless of the nature of the business	(13a)		(13)
14. A wholly owned or partially owned nonprofit subsidiary	(14a)		(14)
15. Sale of program guides	(15a)		(15)
16. Program guide advertising attributable to that percent of total copies distributed that have been sold through normal retail outlets and/or by magazine subscription	(16a)		(16)
17. Refunds, rebates, reimbursements, and insurance proceeds	(17a)		(17)
18. Other (attach list)	(18a)		(18)
19. Total revenue not meeting criteria for inclusion as NFFS (sum of lines 1 through 18). (Forward to Schedule A, line 25)		\$ (776,148)	(19)

# SCHEDULE B (For Use By Institutional Licensees Only)

FISCAL YEAR 2000

## INDIRECT ADMINISTRATIVE SUPPORT

If you are using the Other Sponsored Activities indirect cost rate methodology, complete Schedule B - Worksheet I before continuing.

Complete Schedule B-1 in support of the benefiting cost groups included in the amount on line 3.

	Institutional Support	Physical Plant Operations
1. Costs per licensee financial statements	\$ _____	\$ _____
2. LESS: Costs groups that do not benefit the operations of the public broadcast station	_____	_____
3. Adjusted balance (line 1 minus line 2)	_____	_____
4. Percentage of allocation (Select basis of allocation from boxes below *)	_____	_____
	4a	4b
5. Portion of support activity benefiting station (line 3 times line 4)	\$ _____	\$ _____
	5a	5b
6. Total support activity benefiting station (sum of lines 5a and 5b or amt. from line 3 of Sch. B Worksheet I or IA)	\$ 803,884	
7. Occupancy value - check one and complete occupancy forms <input type="checkbox"/> Annual Value - same as prior year <input type="checkbox"/> NEW Annual Value	_____	
8. LESS: Any fees paid to the licensee for overhead recovery, assessment, etc.	_____	
9. Total Indirect Administrative Support (sum of lines 6 and 7 minus line 8) (Forward to line 2 of the Schedule of NFFS)	\$ 803,884	

\* Basis of allocation used for line 4 above

Institutional support (check box)

Basic Method (complete Worksheet II)

Station Developed Method (complete Worksheet III)

Physical plant operations (check box)

Basic Method (complete Worksheet II)

Station Developed Method (complete Worksheet III)

**DONOR CODES - YOU MUST SELECT ONE:**

SU (State university)

SG (State government)

PU (Private university)

LG (Local government)

OU (Other university)

**SCHEDULE B - WORKSHEET I (OSA Allocation Method)**

**FISCAL YEAR 2000**

**INDIRECT ADMINISTRATIVE SUPPORT (Using the Licensee's Other Sponsored Activities Indirect Cost Rate Only \*)**

\* If this is a combined rate applicable to OSA and other programs, check appropriate box below:

Rate is applicable to all programs

Base = MTDC

Rate is applicable to Instruction and OSA

Base = Salaries and Wages (use Worksheet IA)

Each line of this worksheet must be completed. Enter zero or n/a as applicable.

**1. Determine station net direct expenses**

Total station operating expenses and capital outlays (from line 10 of Schedule E)		\$ <u>7,326,663</u>
Less: Capital Outlays	\$ <u>121,541</u>	
Depreciation	_____	
Amortization	_____	
In-kind contributions (services and property)	<u>1,713,869</u>	
Indirect administrative support	<u>803,884</u>	
Donated property	_____	
Other	_____	
Total		( <u>2,639,294</u> )
<b>Station Net Direct Expenses</b>		<b>\$ <u>4,687,369</u></b>

**2. Modify licensee negotiated cost rate**

If the station's direct expenses are not included in the cost base, do not continue with this worksheet.

FY 2000 Licensee negotiated indirect cost rate		
Rate sheet must be attached (see instructions)	<u>17.15</u>	%
Less: Portion of rate that does not benefit station operations:		
Departmental administration	_____	%
Sponsored projects administration	_____	%
Library support	_____	%
Other	_____	%
<b>Modified cost rate</b>	<u>17.15</u>	%

**3. Apply modified rate to station net direct expenses**

Station net direct expenses from line 1		\$ <u>4,687,369</u>
Modified cost rate from line 2		X <u>.1715</u>
<b>Total Indirect Support (forward to line 6 of Schedule B)</b>		<b>\$ <u>803,884</u></b>

NOTE: Do not claim a value for occupancy if the cost pool includes a rate for building use.

**SCHEDULE C  
FISCAL YEAR 2000**

**IN-KIND CONTRIBUTIONS - SERVICES AND OTHER ASSETS**

*Supporting documentation for all claims must be maintained at the station and may be requested by CPB. This support must be recognized in the station's audited financial statements.*

	Donor Type (See below)		
<b>1. Professional Services</b>			
(a) Legal	_____	\$ _____	(a)
(b) Accounting and/or auditing	_____	_____	(b)
(c) Engineering	_____	_____	(c)
(d) Other professionals and craftsmen (be specific - see AFR guidelines for examples)	_____	_____	(d)
_____	_____	_____	
_____	_____	_____	
_____	_____	_____	
<i>Total Professional Services</i>		\$ _____	(1)
<b>2. General Operational Services</b>			
(a) Annual rental value of space (studios, offices or tower facilities)	_____	_____	(a)
(b) Annual value of land used for locating a station-owned transmission tower	_____	_____	(b)
(c) Station operating expenses	_____	_____	(c)
(d) Other (specify exact type)	_____	_____	(d)
_____	_____	_____	
_____	_____	_____	
<i>Total General Operational Services</i>		_____	(2)

DONOR CODES	
BS - Business	PU - Private Univ
FD - Foundation	SG - State Govt.
FG - Federal Government	SU - State Univ.
LG - Local Government	
PB - Public Broadcasting Entity	OT - Other

**SCHEDULE C**  
**FISCAL YEAR 2000**

**IN-KIND CONTRIBUTIONS - SERVICES AND OTHER ASSETS - continued**

	Donor Type (See below)		
<b>3. Other Services</b>			
(a) TV or educational radio	SG	\$ 876,412	(a)
(b) State Public Broadcasting Agencies: (APBC, FL DOE, NYN, OET, PPIN and NY Network only)	SG	825,528	(b)
(c) Local advertising	BS	11,929	(c)
(d) National advertising			(d)
<i>Total Other Services</i>			<u>1,713,869</u> (3)
<b>4. Total in-kind contributions - services and other assets (sum of lines 1 through 3)</b>			<u>\$ 1,713,869</u> (4)
<b>5. LESS: In-kind contributions from federal and public broadcasting entities included in line 4</b>			<u>-</u> (5)
<b>6. Total nonfederal In-kind contributions - services and other assets (line 4 less line 5). (Forward to line 3a of the Schedule of Nonfederal Financial Support)</b>			<u>\$ 1,713,869</u> (6)

**Caution: Refer to the Guidelines and Supplemental Guide to determine if in-kind contributions meet the criteria for inclusion as NFFS. Do not include contributions related to fund raising activities (including membership drives).**

DONOR CODES	
BS - Business	PU - Private Univ
FD - Foundation	SG - State Govt.
FG - Federal Government	SU - State Univ.
LG - Local Government	
PB - Public Broadcasting Entity	OT - Other

**SCHEDULE E  
FISCAL YEAR 2000**

**EXPENSES AND CAPITAL OUTLAYS**

Include both cash and non-cash expenses

*Round all figures  
to nearest dollar*

**Program Services**

1.	Programming and Production	\$	<u>2,581,064</u>	(1)
2.	Broadcasting		<u>1,984,910</u>	(2)
3.	Program Information and Promotion		<u>412,667</u>	(3)

**Support Services**

4.	Management and General		<u>1,430,185</u>	(4)
5.	Fund Raising and Membership Development		<u>733,353</u>	(5)
6.	Underwriting and Grant Solicitation		<u>62,943</u>	(6)
7.	Depreciation and Amortization *		<u>                    </u>	(7)
8.	<b>Total operating expenses (lines 1 to 7)</b> (line 8 must agree with audited financial statements)	\$	<u>7,205,122</u>	(8)

**Additional Information**

9.	Cost of Capital Assets Purchased or Donated			
	Land and Buildings	\$	<u>                    </u>	(9a)
	Equipment		<u>121,541</u>	(9b)
	All Other		<u>                    </u>	(9c)
			<u>121,541</u>	(9)
10.	<b>TOTAL (sum of lines 8 and 9)</b>	\$	<u>7,326,663</u>	(10)

**NOTE:**

\* If depreciation and amortization are not allocated to the various functional categories, report the full amount on this line.



**SCHEDULE F  
FISCAL YEAR 2000**

**RECONCILIATION FORM - Part I (Joint Licensees - read instructions carefully)**

*A grantee's AFR must be reconciled with its audited financial statements. This form must be used for that purpose. All NFFS reported in any given year must be recognized as support and revenue in the grantee's audited financial statements for that year.*

*(A grantee may elect to reconcile its reports either separately or jointly if the AFS presents discrete information for each grantee, either in the Statement of Activities or in a Supplemental Schedule. Check the appropriate box below.)*

This is a Joint Licensee that elects to reconcile each grantee separately

(complete Part I only)

This is a JL that elects to reconcile all grantees to the combined AFS

(complete Part I and Part II)

**CPB Annual Financial Report**

**AFR**

*List revenue reported on the following lines:*

Schedule A, line 21	\$ <u>6,532,707</u>
Schedule B, line 9	<u>803,884</u>
Schedule C, line 4	<u>1,713,869</u>
Schedule D, line 6	<u>-</u>
Joint Licensee Stations (Grand Total from Part II)	<u>-</u>
<b>Total CPB Annual Financial Report(s)</b>	<b>\$ <u>9,050,460</u></b>

**Audited Financial Statements (check box if combined AFS)**

**AFS**

*List total support and revenue as recognized in the statement of activities:*

Total support and revenue - unrestricted	\$ <u>9,050,460</u>
Total support and revenue - temporarily restricted	<u>-</u>
Total support and revenue - permanently restricted	<u>-</u>
<b>Total Support and Revenue</b>	<b>\$ <u>9,050,460</u></b>
Capital grants	<u>-</u>
<b>Total Audited Financial Statements (from AFS, page _____)</b>	<b>\$ <u>9,050,460</u></b>

**Difference - Total CPB Annual Financial Report less Total Audited Financial Statements (Explain in the space provided below)** \$ -

<u>Description of Reconciling Items</u>	<u>Reconciling Amount</u>
1 _____	\$ _____
2 _____	_____
3 _____	_____
4 _____	_____
5 _____	_____
6 _____	_____
<b>Total (must agree with difference shown above)</b>	<b>\$ _____</b>



**SCHEDULE OF NON-FEDERAL FINANCIAL SUPPORT**  
**ONLY ORIGINALS OF THIS PAGE SHOULD BE FILED WITH CPB**

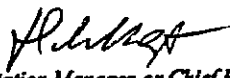
**SUMMARY OF NONFEDERAL FINANCIAL SUPPORT**

**FISCAL YEAR 2000**

1. Direct Revenue (Schedule A)	\$ <u>2,688,998</u>
2. Indirect Administrative Support (Schedule B)	\$ <u>495,452</u>
3. In-Kind Contributions	
a. Services and Other Assets (Schedule C)	\$ <u>283,465</u>
b. Property and Equipment (Schedule D)	\$ <u>-</u>
4. Total Nonfederal Financial Support (sum of lines 1, 2, 3a. and 3b.)	\$ <u>3,467,915</u>

**CERTIFICATION BY LICENSEE**

I certify that the above Schedule of Non-Federal Financial Support for the year ended June 30, 2001 conforms with the definition of non-federal financial support set forth in the Communications Act of 1934, as amended, and adheres to the appropriate source, form, purpose, and recipient criteria as described in the Corporation for Public Broadcasting's Fiscal Year 2000-2001 Annual Financial Report Handbook of Instructions.

 <i>Signature of Station Manager or Chief Executive/Date</i>	WOSU - AM & FM The Ohio State University <i>Call Letters and Licensee Name</i>
Dale K. Ouzts (614)292-9678 ouzts@osu.edu <i>Name, telephone, e-mail address of contact person</i>	2400 Olentangy River Road Columbus, OH 43210 <i>Address of Station</i>


**INDEPENDENT ACCOUNTANT'S REPORT** (check here  if a separate opinion page is included)

We have examined management's assertion included in the accompanying Corporation for Public Broadcasting (CPB) Schedule of Non-Federal Financial Support that WOSU Stations (grantee) complied with CPB's Fiscal Year 2000-2001 Annual Financial Report Handbook of Instructions governing the amounts reported as Non-Federal Financial Support (NFFS) for the year ended June 30, 2001. Management is responsible for WOSU Stations (grantee's) compliance with those requirements. Our responsibility is to express an opinion on management's assertion about WOSU Stations (grantee's) compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about WOSU Stations (grantee's) compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, WOSU Stations (grantee) complied, in all material respects, with the aforementioned requirements during the year ended June 30, 2001.

This report is intended solely for the information and use of the Corporation for Public Broadcasting and is not intended to be and should not be used by anyone other than this specified party.

Tim Grant Parms & Company, Inc. <i>Name of Independent Accountant</i>	400 East Town Street, Suite 200 Columbus, OH 43215 <i>Address</i>
 <i>Authorized Signature/Date of Examination</i>	(614)224-3078 tgrant@parms.com <i>Telephone and e-mail address</i>

**SCHEDULE A**  
**FISCAL YEAR 2000**

**DIRECT REVENUE**

*Round all figures to nearest dollar*

1. Amounts provided directly by federal government agencies:			
A.	PTFP (NTIA) Facilities Grants	\$	_____ (1A)
B.	Department of Education		_____ (1B)
C.	Department of Health and Human Services		_____ (1C)
D.	National Endowment for the Arts and Humanities		_____ (1D)
E.	National Science Foundation		_____ (1E)
F.	Other Federal Funds (specify) <u>Tower Rental</u>		<u>9,720</u> (1F)
	<i>Total federal government (forward to line 22)</i>	\$	<u>9,720</u> (1)
2. Amounts provided by public broadcasting entities such as CPB, PBS, NPR, AIT, CTW, FCI, other stations and regional networks:			
A.	CPB - Community Service Grants	\$	<u>330,429</u> (2A)
B.	Annenberg/CPB Project Grants		_____ (2B)
C.	CPB - NPPAG		_____ (2C)
D.	CPB - Interconnection grants		_____ (2D)
E.	CPB - all other funds		_____ (2E)
F.	PBS - all payments		<u>1,990</u> (2F)
G.	NPR - all payments		_____ (2G)
H.	Public broadcasting stations - all payments		_____ (2H)
I.	Other PBE funds (specify) _____		_____ (2I)
	<i>Total public broadcasting entities (forward to line 23)</i>	\$	<u>332,419</u> (2)
3.	Local boards and departments of education or other local government or agency sources		_____ (3)
4.	State boards and departments of education or other state government or agency sources		<u>229,594</u> (4)
5.	State colleges and universities		<u>493,742</u> (5)
6.	Other state-supported colleges and universities		<u>12,926</u> (6)
7.	Private colleges and universities		_____ (7)
8.	Foundations and nonprofit associations (include underwriting)		<u>215,877</u> (8)
9.	Business and Industry (include underwriting)		<u>381,779</u> (9)
10.	Memberships and subscriptions (net of write-offs)		<u>1,051,646</u> (10)
10a.	Total number of contributors <u>10,354</u> (10a)		
11.	Revenue from friends groups less any revenue included on line 10		_____ (11)
11a.	Total number of friends contributors _____ (11a)		
12.	Revenue from subsidiary enterprises and related organizations (see instructions)		_____ (12)

**SCHEDULE A**  
**FISCAL YEAR 2000 - continued**

13.	Net auction revenue (Do not enter less than 0.) (net of direct expenses of \$ _____).			_____	(13)
14.	Net revenue from special fund raising activities (Do not enter less than 0.) (net of direct expenses of \$ _____).			30,152	(14)
15.	Passive income				
15a.	Interests and dividends	214,236	(15a)		
15b.	Royalties	1,908	(15b)		
15c.	Copyright Tribunal Distributions		(15c)	216,144	(15)
16.	Gains (losses) from asset and securities transactions				
16a.	Sale of property and equipment		(16a)		
16b.	Marketable securities (realized)		(16b)		
16c.	Marketable securities (unrealized)	(527,344)	(16c)	(527,344)	(16)
17.	Endowment revenue (contributions plus interest and dividends)			57,138	(17)
18.	Capital fund contributions				
18a.	Facilities and equipment		(18a)		
18b.	Other		(18b)		(18)
19.	Gifts and bequests from major individual donors				(19)
20.	Other (attach schedule)				
		<u>Description</u>	<u>Amount</u>		
		Duplications & Misc.	2,658		
		Other	3,505	6,163	(20)
21.	<i>Total Revenue (Sum of lines 1 through 20)</i>			\$ 2,509,956	(21)
<i>Adjustments to Revenue:</i>					
22.	Federal revenue from line 1			9,720	(22)
23.	Public broadcasting revenue from line 2			332,419	(23)
24.	Capital funds exclusion - TV only (from line 18a)				(24)
25.	Other revenue on line 21 not meeting the source, form, purpose or recipient criteria (Schedule A-1, line 19)			(521,181)	(25)
26.	Revenue on line 21 that has been previously claimed as NFFS				(26)
27.	<i>Total Direct Nonfederal Financial Support (Line 21 less Lines 22 through 26). (Forward to line 1 of the Schedule of Nonfederal Financial Support)</i>			\$ 2,688,998	(27)

**ADDITIONAL INFORMATION REQUIRED**

1.	Revenue received as underwriting from foundations and nonprofits (line 8)	\$ 207,374
2.	Revenue received as underwriting from business and industry (line 9)	\$ 252,683

**SCHEDULE A-1**

**FISCAL YEAR 2000**

**REVENUE NOT MEETING CRITERIA FOR INCLUSION AS NFFS**

Unless revenue meets the specific criteria defined in the Communications Act of 1934, as amended, it must be excluded from NFFS. This Schedule (A-1) is used to report revenue that must be excluded from the total reported on Schedule A. The criteria are defined as follows:

- Source: A commercial (profit-making) business enterprise, including a for-profit subsidiary or any individual.
- Form: Payment in exchange for any service or material.
- Purpose: Service or material for any related activity of the public broadcasting entity.
- Recipient: A public broadcasting entity.

List revenue from for-profit corporations or individuals reported on Schedule A that is for the sale of goods and services:

	Enter Line No. From Sched. A	Amount	
1. Production, taping, or other broadcast related activities	20 (1a)	6,163	(1)
2. Telecasting production / teleconferencing	(2a)		(2)
3. Foreign rights	(3a)		(3)
4. Rentals of membership lists	(4a)		(4)
5. Rentals of studio space, equipment, tower, parking space	(5a)		(5)
6. Leasing of SCA, VBI, ITFS channels	(6a)		(6)
7. Sale of programs or program rights for public performance	(7a)		(7)
8. Sale or rental of program transcripts or recording for other than public performance including private use	(8a)		(8)
9. Gains or losses on sale of assets and securities transactions	16c (9a)	(527,344)	(9)
10. Sale of premiums	(10a)		(10)
11. Royalty income from licensing fees and Store of Knowledge agrmts.	(11a)		(11)
12. Other rev. not listed above and not includable by definition (att. list)	(12a)		(12)

List below any revenue claimed on Schedule A regardless of source:

13. A wholly owned or partially owned for-profit subsidiary regardless of the nature of the business	(13a)		(13)
14. A wholly owned or partially owned nonprofit subsidiary	(14a)		(14)
15. Sale of program guides	(15a)		(15)
16. Program guide advertising attributable to that percent of total copies distributed that have been sold through normal retail outlets and/or by magazine subscription	(16a)		(16)
17. Refunds, rebates, reimbursements, and insurance proceeds	(17a)		(17)
18. Other (attach list)	(18a)		(18)
19. Total revenue not meeting criteria for inclusion as NFFS (sum of lines 1 through 18). (Forward to Schedule A, line 25)		\$ (521,181)	(19)

**SCHEDULE B (For Use By Institutional Licensees Only)**

**FISCAL YEAR 2000**

**INDIRECT ADMINISTRATIVE SUPPORT**

If you are using the Other Sponsored Activities Indirect cost rate methodology, complete Schedule B - Worksheet I before continuing.

Complete Schedule B-1 in support of the benefiting cost groups included in the amount on line 3.

	Institutional Support	Physical Plant Operations
1. Costs per licensee financial statements	\$ _____	\$ _____
2. LESS: Costs groups that do not benefit the operations of the public broadcast station	_____	_____
3. Adjusted balance (line 1 minus line 2)	_____	_____
4. Percentage of allocation (Select basis of allocation from boxes below *)	_____	_____
	4a	4b
5. Portion of support activity benefiting station (line 3 times line 4)	\$ _____	\$ _____
	5a	5b
6. Total support activity benefiting station (sum of lines 5a and 5b or amt. from line 3 of Sch. B Worksheet I or IA)	\$ <u>495,452</u>	
7. Occupancy value - check one and complete occupancy forms <input type="checkbox"/> Annual Value - same as prior year <input type="checkbox"/> NEW Annual Value	_____	
8. LESS: Any fees paid to the licensee for overhead recovery, assessment, etc.	_____	
9. Total Indirect Administrative Support (sum of lines 6 and 7 minus line 8) (Forward to line 2 of the Schedule of NFBS)	\$ <u><u>495,452</u></u>	

**\* Basis of allocation used for line 4 above**

*Institutional support (check box)*

Basic Method (complete Worksheet II)

Station Developed Method (complete Worksheet III)

*Physical plant operations (check box)*

Basic Method (complete Worksheet II)

Station Developed Method (complete Worksheet III)

<p><b>DONOR CODES - YOU MUST SELECT ONE:</b></p> <p><input type="checkbox"/> SU (State university)</p> <p><input type="checkbox"/> SG (State government)</p> <p><input type="checkbox"/> PU (Private university)</p> <p><input type="checkbox"/> LG (Local government)</p> <p><input type="checkbox"/> OU (Other university)</p>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

**SCHEDULE B - WORKSHEET I (OSA Allocation Method)**

**FISCAL YEAR 2000**

**INDIRECT ADMINISTRATIVE SUPPORT (Using the Licensee's Other Sponsored Activities Indirect Cost Rate Only \*)**

*\* If this is a combined rate applicable to OSA and other programs, check appropriate box below:*

Rate is applicable to all programs

Base = MTDC

Rate is applicable to Instruction and OSA

Base = Salaries and Wages (use Worksheet IA)

*Each line of this worksheet must be completed. Enter zero or n/a as applicable.*

**1. Determine station net direct expenses**

Total station operating expenses and capital outlays (from line 10 of Schedule E)	\$ <u>3,707,325</u>
Less: Capital Outlays	\$ <u>39,480</u>
Depreciation	_____
Amortization	_____
In-kind contributions (services and property)	<u>283,465</u>
Indirect administrative support	<u>495,452</u>
Donated property	_____
Other	_____
Total	( <u>818,397</u> )
<b>Station Net Direct Expenses</b>	<b>\$ <u>2,888,928</u></b>

**2. Modify licensee negotiated cost rate**

*If the station's direct expenses are not included in the cost base, do not continue with this worksheet.*

FY 2000 Licensee negotiated indirect cost rate Rate sheet must be attached (see instructions)	<u>17.15</u> %
Less: Portion of rate that does not benefit station operations:	
Departmental administration	_____ %
Sponsored projects administration	_____ %
Library support	_____ %
Other	_____ %
<b>Modified cost rate</b>	<b><u>17.15</u> %</b>

**3. Apply modified rate to station net direct expenses**

Station net direct expenses from line 1	\$ <u>2,888,928</u>
Modified cost rate from line 2	X <u>.1715</u>
<b>Total Indirect Support (forward to line 6 of Schedule B)</b>	<b>\$ <u>495,452</u></b>

**NOTE: Do not claim a value for occupancy if the cost pool includes a rate for building use.**



**SCHEDULE C  
FISCAL YEAR 2000**

**IN-KIND CONTRIBUTIONS - SERVICES AND OTHER ASSETS**

*Supporting documentation for all claims must be maintained at the station and may be requested by CPB. This support must be recognized in the station's audited financial statements.*

	Donor Type (See below)		
<b>1. Professional Services</b>			
(a) Legal	_____	\$ _____	(a)
(b) Accounting and/or auditing	_____	_____	(b)
(c) Engineering	_____	_____	(c)
(d) Other professionals and craftsmen (be specific - see AFR guidelines for examples)	_____	_____	(d)
_____	_____	_____	
_____	_____	_____	
_____	_____	_____	
<i>Total Professional Services</i>		\$ _____	(1)
<b>2. General Operational Services</b>			
(a) Annual rental value of space (studios, offices or tower facilities)	_____	_____	(a)
(b) Annual value of land used for locating a station-owned transmission tower	_____	_____	(b)
(c) Station operating expenses	_____	_____	(c)
(d) Other (specify exact type)			
<u>News Reporter</u>	<u>BS</u>	<u>6,000</u>	(d)
_____	_____	_____	
<i>Total General Operational Services</i>		<u>6,000</u>	(2)

DONOR CODES	
BS - Business	PU - Private Univ
FD - Foundation	SG - State Govt.
FG - Federal Government	SU - State Univ.
LG - Local Government	
PB - Public Broadcasting Entity	OT - Other

**SCHEDULE C  
FISCAL YEAR 2000**

**IN-KIND CONTRIBUTIONS - SERVICES AND OTHER ASSETS - continued**

	Donor Type (See below)		
<b>3. Other Services</b>			
(a) TV or educational radio	_____	\$ _____	(a)
(b) State Public Broadcasting Agencies: (APBC, FL DOE, NYN, OET, PPTN and NY Network only)	SG	272,538	(b)
(c) Local advertising	BS	4,927	(c)
(d) National advertising	_____	_____	(d)
<i>Total Other Services</i>		<u>277,465</u>	(3)
<b>4. Total in-kind contributions - services and other assets (sum of lines 1 through 3)</b>		<u>\$ 283,465</u>	(4)
<b>5. LESS: in-kind contributions from federal and public broadcasting entities included in line 4</b>		<u>-</u>	(5)
<b>6. Total nonfederal in-kind contributions - services and other assets (line 4 less line 5). (Forward to line 3a of the Schedule of Nonfederal Financial Support)</b>		<u>\$ 283,465</u>	(6)

**Caution: Refer to the Guidelines and Supplemental Guide to determine if in-kind contributions meet the criteria for inclusion as NFFS. Do not include contributions related to fund raising activities (including membership drives).**

DONOR CODES	
BS - Business	PU - Private Univ
FD - Foundation	SG - State Govt.
FG - Federal Government	SU - State Univ.
LG - Local Government	
PB - Public Broadcasting Entity	OT - Other

**SCHEDULE E  
FISCAL YEAR 2000**

**EXPENSES AND CAPITAL OUTLAYS**

Include both cash and non-cash expenses

*Round all figures  
to nearest dollar*

**Program Services**

1.	Programming and Production	\$	<u>1,084,354</u>	(1)
2.	Broadcasting		<u>944,745</u>	(2)
3.	Program Information and Promotion		<u>267,808</u>	(3)

**Support Services**

4.	Management and General		<u>830,118</u>	(4)
5.	Fund Raising and Membership Development		<u>494,998</u>	(5)
6.	Underwriting and Grant Solicitation		<u>45,822</u>	(6)
7.	Depreciation and Amortization *		<u>-</u>	(7)
8.	<b>Total operating expenses (lines 1 to 7)</b> (line 8 must agree with audited financial statements)	\$	<u>3,667,845</u>	(8)

**Additional Information**

9.	Cost of Capital Assets Purchased or Donated			
	Land and Buildings	\$	<u>                    </u>	(9a)
	Equipment		<u>39,480</u>	(9b)
	All Other		<u>                    </u>	(9c)
			<u>39,480</u>	(9)
10.	<b>TOTAL (sum of lines 8 and 9)</b>	\$	<u>3,707,325</u>	(10)

**NOTE:**

\* If depreciation and amortization are not allocated to the various functional categories, report the full amount on this line.

**SCHEDULE F  
FISCAL YEAR 2000**

**RECONCILIATION FORM - Part I (Joint Licensees - read instructions carefully)**

*A grantee's AFR must be reconciled with its audited financial statements. This form must be used for that purpose. All NFFS reported in any given year must be recognized as support and revenue in the grantee's audited financial statements for that year.*

*(A grantee may elect to reconcile its reports either separately or jointly if the AFS presents discrete information for each grantee, either in the Statement of Activities or in a Supplemental Schedule. Check the appropriate box below.)*

This is a Joint Licensee that elects to reconcile each grantee separately

(complete Part I only)

This is a JL that elects to reconcile all grantees to the combined AFS

(complete Part I and Part II)

**CPB Annual Financial Report**  
*List revenue reported on the following lines:*

**AFR**

Schedule A, line 21	\$ 2,509,956
Schedule B, line 9	495,452
Schedule C, line 4	283,465
Schedule D, line 6	_____
Joint Licensee Stations (Grand Total from Part II)	_____

**Total CPB Annual Financial Report(s)** \$ 3,288,873

**Audited Financial Statements (check box if combined AFS)**  
*List total support and revenue as recognized in the statement of activities:*

**AFS**

Total support and revenue - unrestricted	\$ 3,288,873
Total support and revenue - temporarily restricted	_____
Total support and revenue - permanently restricted	_____
<b>Total Support and Revenue</b>	<b>\$ 3,288,873</b>

Capital grants \_\_\_\_\_

**Total Audited Financial Statements (from AFS, page \_\_\_\_\_)** \$ 3,288,873

**Difference - Total CPB Annual Financial Report less Total Audited Financial Statements (Explain in the space provided below)** \$ \_\_\_\_\_

Description of Reconciling Items

Reconciling Amount

1 _____	\$ _____
2 _____	_____
3 _____	_____
4 _____	_____
5 _____	_____
6 _____	_____

**Total (must agree with difference shown above)** \$ \_\_\_\_\_



**SCHEDULE OF NON-FEDERAL FINANCIAL SUPPORT**  
ONLY ORIGINALS OF THIS PAGE SHOULD BE FILED WITH CPB


**SUMMARY OF NONFEDERAL FINANCIAL SUPPORT**

**FISCAL YEAR 2000**

1. Direct Revenue (Schedule A)	\$ <u>1,273,041</u>
2. Indirect Administrative Support (Schedule B)	\$ <u>277,983</u>
3. In-Kind Contributions	
a. Services and Other Assets (Schedule C)	\$ <u>110,134</u>
b. Property and Equipment (Schedule D)	\$ <u>-</u>
4. Total Nonfederal Financial Support (sum of lines 1, 2, 3a. and 3b.)	\$ <u>1,661,158</u>

**CERTIFICATION BY LICENSEE**

I certify that the above Schedule of Non-Federal Financial Support for the year ended June 30, 2001 conforms with the definition of non-federal financial support set forth in the Communications Act of 1934, as amended, and adheres to the appropriate source, form, purpose, and recipient criteria as described in the Corporation for Public Broadcasting's Fiscal Year 2000-2001 Annual Financial Report Handbook of Instructions.

	WOSU-AM The Ohio State University
<i>Signature of Station Manager or Chief Executive/Date</i>	<i>Call Letters and Licensee Name</i>
Dale K. Ouzts (614)292-9678 ouzts@osu.edu	2400 Olentangy River Road Columbus, OH 43210
<i>Name, telephone, e-mail address of contact person</i>	<i>Address of Station</i>


**INDEPENDENT ACCOUNTANT'S REPORT** (check here  if a separate opinion page is included)

We have examined management's assertion included in the accompanying Corporation for Public Broadcasting (CPB) Schedule of Non-Federal Financial Support that WOSU Stations (grantee) complied with CPB's Fiscal Year 2000-2001 Annual Financial Report Handbook of Instructions governing the amounts reported as Non-Federal Financial Support (NFFS) for the year ended June 30, 2001. Management is responsible for WOSU Stations (grantee's) compliance with those requirements. Our responsibility is to express an opinion on management's assertion about WOSU Stations (grantee's) compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about WOSU Stations (grantee's) compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, WOSU Stations (grantee) complied, in all material respects, with the aforementioned requirements during the year ended June 30, 2001.

This report is intended solely for the information and use of the Corporation for Public Broadcasting and is not intended to be and should not be used by anyone other than this specified party.

Tim Grant Parms & Company, Inc.	400 East Town Street, Suite 200 Columbus, OH 43215
<i>Name of Independent Accountant</i>	<i>Address</i>
	(614)224-3078
<i>Authorized Signature/Date of Examination</i>	<i>Telephone and e-mail address</i> tgrant@parms.com

**SCHEDULE A**  
**FISCAL YEAR 2000**  
**DIRECT REVENUE**

*Round all figures to nearest dollar*

1. Amounts provided directly by federal government agencies:			
A.	PTFP (NTIA) Facilities Grants	\$	_____ (1A)
B.	Department of Education		_____ (1B)
C.	Department of Health and Human Services		_____ (1C)
D.	National Endowment for the Arts and Humanities		_____ (1D)
E.	National Science Foundation		_____ (1E)
F.	Other Federal Funds (specify) _____		_____ (1F)
	<i>Total federal government (forward to line 22)</i>	\$	_____ (1)
2. Amounts provided by public broadcasting entities such as CPB, PBS, NPR, AIT, CTW, FCI, other stations and regional networks:			
A.	CPB - Community Service Grants	\$	165,214 (2A)
B.	Annenberg/CPB Project Grants		_____ (2B)
C.	CPB - NPPAG		_____ (2C)
D.	CPB - Interconnection grants		_____ (2D)
E.	CPB - all other funds		_____ (2E)
F.	PBS - all payments		1,990 (2F)
G.	NPR - all payments		_____ (2G)
H.	Public broadcasting stations - all payments		_____ (2H)
I.	Other PBE funds (specify) _____		_____ (2I)
	<i>Total public broadcasting entities (forward to line 23)</i>	\$	167,204 (2)
3.	Local boards and departments of education or other local government or agency sources		_____ (3)
4.	State boards and departments of education or other state government or agency sources		90,995 (4)
5.	State colleges and universities		208,192 (5)
6.	Other state-supported colleges and universities		12,817 (6)
7.	Private colleges and universities		_____ (7)
8.	Foundations and nonprofit associations (include underwriting)		138,118 (8)
9.	Business and Industry (include underwriting)		151,986 (9)
10.	Memberships and subscriptions (net of write-offs)		524,637 (10)
10a.	Total number of contributors _____	5,177 (10a)	
11.	Revenue from friends groups less any revenue included on line 10		_____ (11)
11a.	Total number of friends contributors _____		(11a)
12.	Revenue from subsidiary enterprises and related organizations (see instructions)		_____ (12)

**SCHEDULE A**  
**FISCAL YEAR 2000 - continued**

13.	Net auction revenue (Do not enter less than 0.) (net of direct expenses of \$ _____).		_____	(13)
14.	Net revenue from special fund raising activities (Do not enter less than 0.) (net of direct expenses of \$ _____).		9,284	(14)
15.	Passive income			
15a.	Interests and dividends	106,872	(15a)	
15b.	Royalties	1,571	(15b)	
15c.	Copyright Tribunal Distributions		108,443	(15)
16.	Gains (losses) from asset and securities transactions			
16a.	Sale of property and equipment		(16a)	
16b.	Marketable securities (realized)		(16b)	
16c.	Marketable securities (unrealized)	(263,672)	(16c)	(263,672) (16)
17.	Endowment revenue (contributions plus interest and dividends)		28,569	(17)
18.	Capital fund contributions			
18a.	Facilities and equipment		(18a)	
18b.	Other		(18b)	(18)
19.	Gifts and bequests from major individual donors			(19)
20.	Other (attach schedule)			
	<u>Description</u>	<u>Amount</u>		
	Duplications & Misc	1,844		
	Other	3,488		5,332 (20)
21.	Total Revenue (Sum of lines 1 through 20)		\$ 1,181,905	(21)
<i>Adjustments to Revenue:</i>				
22.	Federal revenue from line 1			(22)
23.	Public broadcasting revenue from line 2		167,204	(23)
24.	Capital funds exclusion - TV only (from line 18a)			(24)
25.	Other revenue on line 21 not meeting the source, form, purpose or recipient criteria (Schedule A-1, line 19)		(258,340)	(25)
26.	Revenue on line 21 that has been previously claimed as NFFS			(26)
27.	Total Direct Nonfederal Financial Support (Line 21 less Lines 22 through 26). (Forward to line 1 of the Schedule of Nonfederal Financial Support)		\$ 1,273,041	(27)

**ADDITIONAL INFORMATION REQUIRED**

1.	Revenue received as underwriting from foundations and nonprofits (line 8)	\$ 137,915
2.	Revenue received as underwriting from business and industry (line 9)	\$ 147,337



**SCHEDULE A-1  
FISCAL YEAR 2000**

**REVENUE NOT MEETING CRITERIA FOR INCLUSION AS NFFS**

Unless revenue meets the specific criteria defined in the Communications Act of 1934, as amended, it must be excluded from NFFS. This Schedule (A-1) is used to report revenue that must be excluded from the total reported on Schedule A. The criteria are defined as follows:

- Source: A commercial (profit-making) business enterprise, including a for-profit subsidiary or any individual.
- Form: Payment in exchange for any service or material.
- Purpose: Service or material for any related activity of the public broadcasting entity.
- Recipient: A public broadcasting entity.

List revenue from for-profit corporations or individuals reported on Schedule A that is for the sale of goods and services:

	Enter Line No. From Sched. A	Amount	
1. Production, taping, or other broadcast related activities	20 (1a)	5,332	(1)
2. Telecasting production / teleconferencing	(2a)		(2)
3. Foreign rights	(3a)		(3)
4. Rentals of membership lists	(4a)		(4)
5. Rentals of studio space, equipment, tower, parking space	(5a)		(5)
6. Leasing of SCA, VBI, ITFS channels	(6a)		(6)
7. Sale of programs or program rights for public performance	(7a)		(7)
8. Sale or rental of program transcripts or recording for other than public performance including private use	(8a)		(8)
9. Gains or losses on sale of assets and securities transactions	16c (9a)	(263,672)	(9)
10. Sale of premiums	(10a)		(10)
11. Royalty income from licensing fees and Store of Knowledge agrmts.	(11a)		(11)
12. Other rev. not listed above and not includable by definition (att. list)	(12a)		(12)

List below any revenue claimed on Schedule A regardless of source:

13. A wholly owned or partially owned for-profit subsidiary regardless of the nature of the business	(13a)		(13)
14. A wholly owned or partially owned nonprofit subsidiary	(14a)		(14)
15. Sale of program guides	(15a)		(15)
16. Program guide advertising attributable to that percent of total copies distributed that have been sold through normal retail outlets and/or by magazine subscription	(16a)		(16)
17. Refunds, rebates, reimbursements, and insurance proceeds	(17a)		(17)
18. Other (attach list)	(18a)		(18)
19. Total revenue not meeting criteria for inclusion as NFFS (sum of lines 1 through 18). (Forward to Schedule A, line 25)		\$ (258,340)	(19)

# SCHEDULE B (For Use By Institutional Licensees Only)

FISCAL YEAR 2000

## INDIRECT ADMINISTRATIVE SUPPORT

If you are using the Other Sponsored Activities indirect cost rate methodology, complete Schedule B - Worksheet I before continuing.

Complete Schedule B-1 in support of the benefiting cost groups included in the amount on line 3.

	Institutional Support	Physical Plant Operations
1. Costs per licensee financial statements	\$ _____	\$ _____
2. LESS: Costs groups that do not benefit the operations of the public broadcast station	_____	_____
3. Adjusted balance (line 1 minus line 2)	_____	_____
4. Percentage of allocation (Select basis of allocation from boxes below *)	_____ 4a	_____ 4b
5. Portion of support activity benefiting station (line 3 times line 4)	\$ _____ 5a	\$ _____ 5b
6. Total support activity benefiting station (sum of lines 5a and 5b or amt. from line 3 of Sch. B Worksheet I or IA)	\$ <u>277,983</u>	
7. Occupancy value - check one and complete occupancy forms <input type="checkbox"/> Annual Value - same as prior year <input type="checkbox"/> NEW Annual Value	_____	
8. LESS: Any fees paid to the licensee for overhead recovery, assessment, etc.	_____	
9. Total Indirect Administrative Support (sum of lines 6 and 7 minus line 8) (Forward to line 2 of the Schedule of NFFS)	\$ <u><u>277,983</u></u>	

**\* Basis of allocation used for line 4 above**

*Institutional support (check box)*

Basic Method (complete Worksheet II)

Station Developed Method (complete Worksheet III)

*Physical plant operations (check box)*

Basic Method (complete Worksheet II)

Station Developed Method (complete Worksheet III)

**DONOR CODES - YOU MUST SELECT ONE:**

SU (State university)

SG (State government)

PU (Private university)

LG (Local government)

OU (Other university)

**SCHEDULE B - WORKSHEET I (OSA Allocation Method)**

**FISCAL YEAR 2000**

**INDIRECT ADMINISTRATIVE SUPPORT (Using the Licensee's Other Sponsored Activities Indirect Cost Rate Only \*)**

\* If this is a combined rate applicable to OSA and other programs, check appropriate box below:

<input type="checkbox"/> Rate is applicable to all programs	<input type="checkbox"/> Base = MTDC
<input type="checkbox"/> Rate is applicable to Instruction and OSA	<input checked="" type="checkbox"/> Base = Salaries and Wages (use Worksheet IA)

Each line of this worksheet must be completed. Enter zero or n/a as applicable.

**1. Determine station net direct expenses**

Total station operating expenses and capital outlays (from line 10 of Schedule E)	\$ <u>2,028,377</u>
Less: Capital Outlays	\$ <u>19,370</u>
Depreciation	_____
Amortization	_____
In-kind contributions (services and property)	<u>110,134</u>
Indirect administrative support	<u>277,983</u>
Donated property	_____
Other	_____
Total	( <u>407,487</u> )
<b>Station Net Direct Expenses</b>	<b>\$ <u>1,620,890</u></b>

**2. Modify licensee negotiated cost rate**

If the station's direct expenses are not included in the cost base, do not continue with this worksheet.

FY 2000 Licensee negotiated indirect cost rate Rate sheet must be attached (see instructions)	<u>17.15</u> %
Less: Portion of rate that does not benefit station operations:	
Departmental administration	_____ %
Sponsored projects administration	_____ %
Library support	_____ %
Other	_____ %
<b>Modified cost rate</b>	<b><u>17.15</u> %</b>

**3. Apply modified rate to station net direct expenses**

Station net direct expenses from line 1	\$ <u>1,620,890</u>
Modified cost rate from line 2	X <u>.1715</u>
<b>Total Indirect Support (forward to line 6 of Schedule B)</b>	<b>\$ <u><u>277,983</u></u></b>

NOTE: Do not claim a value for occupancy if the cost pool includes a rate for building use.

**SCHEDULE C  
FISCAL YEAR 2000**

**IN-KIND CONTRIBUTIONS - SERVICES AND OTHER ASSETS**

*Supporting documentation for all claims must be maintained at the station and may be requested by CPB. This support must be recognized in the station's audited financial statements.*

	Donor Type (See below)		
<b>1. Professional Services</b>			
(a) Legal	_____	\$ _____	(a)
(b) Accounting and/or auditing	_____	_____	(b)
(c) Engineering	_____	_____	(c)
(d) Other professionals and craftsmen (be specific - see AFR guidelines for examples)	_____	_____	(d)
_____	_____	_____	
_____	_____	_____	
_____	_____	_____	
<b>Total Professional Services</b>		\$ _____	(1)
<b>2. General Operational Services</b>			
(a) Annual rental value of space (studios, offices or tower facilities)	_____	_____	(a)
(b) Annual value of land used for locating a station-owned transmission tower	_____	_____	(b)
(c) Station operating expenses	_____	_____	(c)
(d) Other (specify exact type)			
New Reporter	BS	3,084	(d)
_____	_____	_____	
_____	_____	_____	
<b>Total General Operational Services</b>		3,084	(2)

DONOR CODES	
BS - Business	PU - Private Univ
FD - Foundation	SG - State Govt.
FG - Federal Government	SU - State Univ.
LG - Local Government	
PB - Public Broadcasting Entity	OT - Other

**SCHEDULE C  
FISCAL YEAR 2000**

**IN-KIND CONTRIBUTIONS - SERVICES AND OTHER ASSETS - continued**

	Donor Type (See below)		
<b>3. Other Services</b>			
(a) TV or educational radio	_____	\$ _____	(a)
(b) State Public Broadcasting Agencies: (APBC, FL DOE, NYN, OET, PPTN and NY Network only)	SG	105,424	(b)
(c) Local advertising	BS	1,626	(c)
(d) National advertising	_____	_____	(d)
<i>Total Other Services</i>		<u>107,050</u>	(3)
<b>4. Total in-kind contributions - services and other assets (sum of lines 1 through 3)</b>		<b>\$ <u>110,134</u></b>	<b>(4)</b>
<b>5. LESS: in-kind contributions from federal and public broadcasting entities included in line 4</b>		<u>-</u>	(5)
<b>6. Total nonfederal in-kind contributions - services and other assets (line 4 less line 5). (Forward to line 3a of the Schedule of Nonfederal Financial Support)</b>		<b>\$ <u><u>110,134</u></u></b>	<b>(6)</b>

**Caution: Refer to the Guidelines and Supplemental Guide to determine if in-kind contributions meet the criteria for inclusion as NFFS. Do not include contributions related to fund raising activities (including membership drives).**

DONOR CODES	
BS - Business	PU - Private Univ
FD - Foundation	SG - State Govt.
FG - Federal Government	SU - State Univ.
LG - Local Government	
PB - Public Broadcasting Entity	OT - Other

**SCHEDULE E  
FISCAL YEAR 2000**

**EXPENSES AND CAPITAL OUTLAYS**

Include both cash and non-cash expenses

*Round all figures  
to nearest dollar*

**Program Services**

1.	Programming and Production	\$	<u>718,539</u>	(1)
2.	Broadcasting		<u>505,183</u>	(2)
3.	Program Information and Promotion		<u>134,882</u>	(3)

**Support Services**

4.	Management and General		<u>365,159</u>	(4)
5.	Fund Raising and Membership Development		<u>249,320</u>	(5)
6.	Underwriting and Grant Solicitation		<u>35,924</u>	(6)
7.	Depreciation and Amortization *		<u>-</u>	(7)
8.	<b>Total operating expenses (lines 1 to 7)</b> (line 8 must agree with audited financial statements)	\$	<u><u>2,009,007</u></u>	(8)

**Additional Information**

9.	Cost of Capital Assets Purchased or Donated			
	Land and Buildings	\$	<u>                    </u>	(9a)
	Equipment		<u>19,370</u>	(9b)
	All Other		<u>                    </u>	(9c)
			<u>19,370</u>	(9)
10.	<b>TOTAL (sum of lines 8 and 9)</b>	\$	<u><u>2,028,377</u></u>	(10)

**NOTE:**

\* If depreciation and amortization are not allocated to the various functional categories, report the full amount on this line.

**SCHEDULE F  
FISCAL YEAR 2000**

**RECONCILIATION FORM - Part I (Joint Licensees - read instructions carefully)**

*A grantee's AFR must be reconciled with its audited financial statements. This form must be used for that purpose. All NFFS reported in any given year must be recognized as support and revenue in the grantee's audited financial statements for that year.*

*(A grantee may elect to reconcile its reports either separately or jointly if the AFS presents discrete information for each grantee, either in the Statement of Activities or in a Supplemental Schedule. Check the appropriate box below.)*

This is a Joint Licensee that elects to reconcile each grantee separately

(complete Part I only)

This is a JL that elects to reconcile all grantees to the combined AFS

(complete Part I and Part II)

**CPB Annual Financial Report**

**AFR**

*List revenue reported on the following lines:*

Schedule A, line 21

\$ 1,181,905

Schedule B, line 9

277,983

Schedule C, line 4

110,134

Schedule D, line 6

\_\_\_\_\_

Joint Licensee Stations (Grand Total from Part II)

\_\_\_\_\_

**Total CPB Annual Financial Report(s)**

\$ 1,570,022

**Audited Financial Statements (check box if combined AFS)**

**AFS**

*List total support and revenue as recognized in the statement of activities:*

Total support and revenue - unrestricted

\$ 1,570,022

Total support and revenue - temporarily restricted

\_\_\_\_\_

Total support and revenue - permanently restricted

\_\_\_\_\_

**Total Support and Revenue**

\$ 1,570,022

Capital grants

-

**Total Audited Financial Statements (from AFS, page \_\_\_\_\_)**

\$ 1,570,022

**Difference - Total CPB Annual Financial Report less Total Audited Financial Statements (Explain in the space provided below)**

\$ -

Description of Reconciling Items

Reconciling Amount

1 \_\_\_\_\_

\$ \_\_\_\_\_

2 \_\_\_\_\_

\_\_\_\_\_

3 \_\_\_\_\_

\_\_\_\_\_

4 \_\_\_\_\_

\_\_\_\_\_

5 \_\_\_\_\_

\_\_\_\_\_

6 \_\_\_\_\_

\_\_\_\_\_

**Total (must agree with difference shown above)**

\$ \_\_\_\_\_





**SCHEDULE OF NON-FEDERAL FINANCIAL SUPPORT**  
ONLY ORIGINALS OF THIS PAGE SHOULD BE FILED WITH CPB


**SUMMARY OF NONFEDERAL FINANCIAL SUPPORT**

**FISCAL YEAR 2000**

1. Direct Revenue (Schedule A)	\$ <u>1,415,957</u>
2. Indirect Administrative Support (Schedule B)	\$ <u>217,469</u>
3. In-Kind Contributions	
a. Services and Other Assets (Schedule C)	\$ <u>173,331</u>
b. Property and Equipment (Schedule D)	\$ <u>-</u>
4. Total Nonfederal Financial Support (sum of lines 1, 2, 3a. and 3b.)	\$ <u>1,806,757</u>

**CERTIFICATION BY LICENSEE**

I certify that the above Schedule of Non-Federal Financial Support for the year ended June 30, 2001 conforms with the definition of non-federal financial support set forth in the Communications Act of 1934, as amended, and adheres to the appropriate source, form, purpose, and recipient criteria as described in the Corporation for Public Broadcasting's Fiscal Year 2000-2001 Annual Financial Report Handbook of Instructions.

 <i>Signature of Station Manager or Chief Executive/Date</i>	WOSU - FM The Ohio State University <i>Call Letters and Licensee Name</i>
Dale K. Ouzts (614)292-9678 ouzs@osu.edu <i>Name, telephone, e-mail address of contact person</i>	2400 Olentangy River Road Columbus, OH 43210 <i>Address of Station</i>

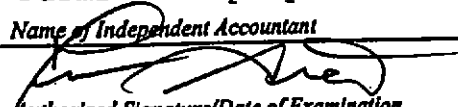
**INDEPENDENT ACCOUNTANT'S REPORT** (check here  if a separate opinion page is included)

We have examined management's assertion included in the accompanying Corporation for Public Broadcasting (CPB) Schedule of Non-Federal Financial Support that WOSU Stations (grantee) complied with CPB's Fiscal Year 2000-2001 Annual Financial Report Handbook of Instructions governing the amounts reported as Non-Federal Financial Support (NFFS) for the year ended June 30, 2001. Management is responsible for WOSU Stations (grantee's) compliance with those requirements. Our responsibility is to express an opinion on management's assertion about WOSU Stations (grantee's) compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about WOSU Stations (grantee's) compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, WOSU Stations (grantee) complied, in all material respects, with the aforementioned requirements during the year ended June 30, 2001.

This report is intended solely for the information and use of the Corporation for Public Broadcasting and is not intended to be and should not be used by anyone other than this specified party.

Tim Grant Parms & Company, Inc. <i>Name of Independent Accountant</i>	400 East Town Street, Suite 200 Columbus, OH 43215 <i>Address</i>
 <i>Authorized Signature/Date of Examination</i>	(614)224-3078 tgrant@parms.com <i>Telephone and e-mail address</i>

**SCHEDULE A**  
**FISCAL YEAR 2000**

**DIRECT REVENUE**

*Round all figures to nearest dollar*

1. Amounts provided directly by federal government agencies:			
A.	PTFP (NTIA) Facilities Grants	\$ _____	(1A)
B.	Department of Education	_____	(1B)
C.	Department of Health and Human Services	_____	(1C)
D.	National Endowment for the Arts and Humanities	_____	(1D)
E.	National Science Foundation	_____	(1E)
F.	Other Federal Funds (specify) <u>Tower Rental</u>	<u>9,720</u>	(1F)
	<i>Total federal government (forward to line 22)</i>	\$ <u>9,720</u>	(1)
2. Amounts provided by public broadcasting entities such as CPB, PBS, NPR, AIT, CTW, FCI, other stations and regional networks:			
A.	CPB - Community Service Grants	\$ <u>165,215</u>	(2A)
B.	Annenberg/CPB Project Grants	_____	(2B)
C.	CPB - NPPAG	_____	(2C)
D.	CPB - Interconnection grants	_____	(2D)
E.	CPB - all other funds	_____	(2E)
F.	PBS - all payments	_____	(2F)
G.	NPR - all payments	_____	(2G)
H.	Public broadcasting stations - all payments	_____	(2H)
I.	Other PBE funds (specify) _____	_____	(2I)
	<i>Total public broadcasting entities (forward to line 23)</i>	\$ <u>165,215</u>	(2)
3.	Local boards and departments of education or other local government or agency sources	_____	(3)
4.	State boards and departments of education or other state government or agency sources	<u>138,599</u>	(4)
5.	State colleges and universities	<u>285,550</u>	(5)
6.	Other state-supported colleges and universities	<u>109</u>	(6)
7.	Private colleges and universities	_____	(7)
8.	Foundations and nonprofit associations (include underwriting)	<u>77,759</u>	(8)
9.	Business and Industry (include underwriting)	<u>229,793</u>	(9)
10.	Memberships and subscriptions (net of write-offs)	<u>527,009</u>	(10)
10a.	Total number of contributors <u>5,177</u>		(10a)
11.	Revenue from friends groups less any revenue included on line 10	_____	(11)
11a.	Total number of friends contributors _____		(11a)
12.	Revenue from subsidiary enterprises and related organizations (see instructions)	_____	(12)

**SCHEDULE A**  
**FISCAL YEAR 2000 - continued**

13.	Net auction revenue (Do not enter less than 0.) (net of direct expenses of \$ _____).				(13)
14.	Net revenue from special fund raising activities (Do not enter less than 0.) (net of direct expenses of \$ _____).			20,868	(14)
15.	Passive income				
15a.	Interests and dividends	107,364	(15a)		
15b.	Royalties	337	(15b)		
15c.	Copyright Tribunal Distributions		(15c)	107,701	(15)
16.	Gains (losses) from asset and securities transactions				
16a.	Sale of property and equipment		(16a)		
16b.	Marketable securities (realized)		(16b)		
16c.	Marketable securities (unrealized)	(263,672)	(16c)	(263,672)	(16)
17.	Endowment revenue (contributions plus interest and dividends)			28,569	(17)
18.	Capital fund contributions				
18a.	Facilities and equipment		(18a)		
18b.	Other		(18b)		(18)
19.	Gifts and bequests from major individual donors				(19)
20.	Other (attach schedule)				
	<u>Description</u>	<u>Amount</u>			
	Duplications & Misc	814			
	Other	17		831	(20)
21.	<b>Total Revenue (Sum of lines 1 through 20)</b>			\$ 1,328,051	(21)
<b>Adjustments to Revenue:</b>					
22.	Federal revenue from line 1			9,720	(22)
23.	Public broadcasting revenue from line 2			165,215	(23)
24.	Capital funds exclusion - TV only (from line 18a)				(24)
25.	Other revenue on line 21 not meeting the source, form, purpose or recipient criteria (Schedule A-1, line 19)			(262,841)	(25)
26.	Revenue on line 21 that has been previously claimed as NFFS				(26)
27.	<b>Total Direct Nonfederal Financial Support (Line 21 less Lines 22 through 26). (Forward to line 1 of the Schedule of Nonfederal Financial Support)</b>			\$ 1,415,957	(27)

**ADDITIONAL INFORMATION REQUIRED**

1.	Revenue received as underwriting from foundations and nonprofits (line 8)	\$ 69,459
2.	Revenue received as underwriting from business and industry (line 9)	\$ 105,346

**SCHEDULE A-1  
FISCAL YEAR 2000**

**REVENUE NOT MEETING CRITERIA FOR INCLUSION AS NFFS**

Unless revenue meets the specific criteria defined in the Communications Act of 1934, as amended, it must be excluded from NFFS. This Schedule (A-1) is used to report revenue that must be excluded from the total reported on Schedule A. The criteria are defined as follows:

- Source: A commercial (profit-making) business enterprise, including a for-profit subsidiary or any individual.  
 Form: Payment in exchange for any service or material.  
 Purpose: Service or material for any related activity of the public broadcasting entity.  
 Recipient: A public broadcasting entity.

List revenue from for-profit corporations or individuals reported on Schedule A that is for the sale of goods and services:

	Enter Line No. From Sched. A	Amount
1. Production, taping, or other broadcast related activities	20 (1a)	831 (1)
2. Telecasting production / teleconferencing	(2a)	(2)
3. Foreign rights	(3a)	(3)
4. Rentals of membership lists	(4a)	(4)
5. Rentals of studio space, equipment, tower, parking space	(5a)	(5)
6. Leasing of SCA, VBI, ITFS channels	(6a)	(6)
7. Sale of programs or program rights for public performance	(7a)	(7)
8. Sale or rental of program transcripts or recording for other than public performance including private use	(8a)	(8)
9. Gains or losses on sale of assets and securities transactions	16c (9a)	(263,672) (9)
10. Sale of premiums	(10a)	(10)
11. Royalty income from licensing fees and Store of Knowledge agrmts.	(11a)	(11)
12. Other rev. not listed above and not includable by definition (att. list)	(12a)	(12)

List below any revenue claimed on Schedule A regardless of source:

13. A wholly owned or partially owned for-profit subsidiary regardless of the nature of the business	(13a)	(13)
14. A wholly owned or partially owned nonprofit subsidiary	(14a)	(14)
15. Sale of program guides	(15a)	(15)
16. Program guide advertising attributable to that percent of total copies distributed that have been sold through normal retail outlets and/or by magazine subscription	(16a)	(16)
17. Refunds, rebates, reimbursements, and insurance proceeds	(17a)	(17)
18. Other (attach list)	(18a)	(18)
19. Total revenue not meeting criteria for inclusion as NFFS (sum of lines 1 through 18). (Forward to Schedule A, line 25)		\$ (262,841) (19)

**SCHEDULE B (For Use By Institutional Licensees Only)**

**FISCAL YEAR 2000**

**INDIRECT ADMINISTRATIVE SUPPORT**

If you are using the Other Sponsored Activities indirect cost rate methodology, complete Schedule B - Worksheet I before continuing.

Complete Schedule B-1 in support of the benefiting cost groups included in the amount on line 3.

	Institutional Support	Physical Plant Operations
1. Costs per licensee financial statements	\$ _____	\$ _____
2. LESS: Costs groups that do not benefit the operations of the public broadcast station	_____	_____
3. Adjusted balance (line 1 minus line 2)	_____	_____
4. Percentage of allocation (Select basis of allocation from boxes below *)	_____	_____
	4a	4b
5. Portion of support activity benefiting station (line 3 times line 4)	\$ _____	\$ _____
	5a	5b
6. Total support activity benefiting station (sum of lines 5a and 5b or amt. from line 3 of Sch. B Worksheet I or IA)	\$ <u>217,469</u>	
7. Occupancy value - check one and complete occupancy forms <input type="checkbox"/> Annual Value - same as prior year <input type="checkbox"/> NEW Annual Value	_____	
8. LESS: Any fees paid to the licensee for overhead recovery, assessment, etc.	_____	
9. <b>Total Indirect Administrative Support</b> (sum of lines 6 and 7 minus line 8) (Forward to line 2 of the Schedule of NFFS)	\$ <u><u>217,469</u></u>	

**\* Basis of allocation used for line 4 above**

*Institutional support (check box)*

Basic Method (complete Worksheet II)

Station Developed Method (complete Worksheet III)

*Physical plant operations (check box)*

Basic Method (complete Worksheet II)

Station Developed Method (complete Worksheet III)

<p><b>DONOR CODES - YOU MUST SELECT ONE:</b></p> <p><input type="checkbox"/> SU (State university)</p> <p><input type="checkbox"/> SG (State government)</p> <p><input type="checkbox"/> PU (Private university)</p> <p><input type="checkbox"/> LG (Local government)</p> <p><input type="checkbox"/> OU (Other university)</p>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

**SCHEDULE B - WORKSHEET I (OSA Allocation Method)**

**FISCAL YEAR 2000**

**INDIRECT ADMINISTRATIVE SUPPORT (Using the Licensee's Other Sponsored Activities Indirect Cost Rate Only \*)**

\* If this is a combined rate applicable to OSA and other programs, check appropriate box below:

Rate is applicable to all programs

Base = MTDC

Rate is applicable to Instruction and OSA

Base = Salaries and Wages (use Worksheet IA)

Each line of this worksheet must be completed. Enter zero or n/a as applicable.

**1. Determine station net direct expenses**

Total station operating expenses and capital outlays (from line 10 of Schedule E)	\$ <u>1,678,948</u>
Less: Capital Outlays	\$ <u>20,110</u>
Depreciation	_____
Amortization	_____
In-kind contributions (services and property)	<u>173,331</u>
Indirect administrative support	<u>217,469</u>
Donated property	_____
Other	_____
Total	( <u>410,910</u> )
<b>Station Net Direct Expenses</b>	<b>\$ <u>1,268,038</u></b>

**2. Modify licensee negotiated cost rate**

If the station's direct expenses are not included in the cost base, do not continue with this worksheet.

FY 2000 Licensee negotiated indirect cost rate Rate sheet must be attached (see instructions)	<u>17.15</u> %
Less: Portion of rate that does not benefit station operations:	
Departmental administration	_____ %
Sponsored projects administration	_____ %
Library support	_____ %
Other	_____ %
<b>Modified cost rate</b>	<b><u>17.15</u> %</b>

**3. Apply modified rate to station net direct expenses**

Station net direct expenses from line 1	\$ <u>1,268,038</u>
Modified cost rate from line 2	X <u>.1715</u>
<b>Total Indirect Support (forward to line 6 of Schedule B)</b>	<b>\$ <u><u>217,469</u></u></b>

NOTE: Do not claim a value for occupancy if the cost pool includes a rate for building use.

**SCHEDULE C  
FISCAL YEAR 2000**

**IN-KIND CONTRIBUTIONS - SERVICES AND OTHER ASSETS**

*Supporting documentation for all claims must be maintained at the station and may be requested by CPB. This support must be recognized in the station's audited financial statements.*

	Donor Type (See below)		
<b>1. Professional Services</b>			
(a) Legal		\$ _____	(a)
(b) Accounting and/or auditing		_____	(b)
(c) Engineering		_____	(c)
(d) Other professionals and craftsmen (be specific - see AFR guidelines for examples)		_____	(d)
_____		_____	
_____		_____	
_____		_____	
<i>Total Professional Services</i>		\$ _____	(1)
<b>2. General Operational Services</b>			
(a) Annual rental value of space (studios, offices or tower facilities)		_____	(a)
(b) Annual value of land used for locating a station-owned transmission tower		_____	(b)
(c) Station operating expenses		_____	(c)
(d) Other (specify exact type)		_____	(d)
News Reporters	BS	2,916	(d)
_____		_____	
_____		_____	
<i>Total General Operational Services</i>		2,916	(2)

DONOR CODES	
BS - Business	PU - Private Univ
FD - Foundation	SG - State Govt.
FG - Federal Government	SU - State Univ.
LG - Local Government	
PB - Public Broadcasting Entity	OT - Other

**SCHEDULE C**  
**FISCAL YEAR 2000**

**IN-KIND CONTRIBUTIONS - SERVICES AND OTHER ASSETS - continued**

	Donor Type (See below)		
3. Other Services			
(a) TV or educational radio	_____	\$ _____	(a)
(b) State Public Broadcasting Agencies: (APBC, FL DOE, NYN, OET, PPTN and NY Network only)	SG	167,114	(b)
(c) Local advertising	BS	3,301	(c)
(d) National advertising	_____	_____	(d)
<i>Total Other Services</i>		<u>170,415</u>	(3)
4. <i>Total in-kind contributions - services and other assets (sum of lines 1 through 3)</i>		\$ <u>173,331</u>	(4)
5. LESS: in-kind contributions from federal and public broadcasting entities included in line 4		<u>-</u>	(5)
6. <i>Total nonfederal in-kind contributions - services and other assets (line 4 less line 5). (Forward to line 3a of the Schedule of Nonfederal Financial Support)</i>		\$ <u><u>173,331</u></u>	(6)

**Caution: Refer to the Guidelines and Supplemental Guide to determine if in-kind contributions meet the criteria for inclusion as NFFS. Do not include contributions related to fund raising activities (including membership drives).**

DONOR CODES	
BS - Business	PU - Private Univ
FD - Foundation	SG - State Govt.
FG - Federal Government	SU - State Univ.
LG - Local Government	
PB - Public Broadcasting Entity	OT - Other



**SCHEDULE E  
FISCAL YEAR 2000**

**EXPENSES AND CAPITAL OUTLAYS**

Include both cash and non-cash expenses

*Round all figures  
to nearest dollar*

**Program Services**

1.	Programming and Production	\$	<u>365,815</u>	(1)
2.	Broadcasting		<u>439,562</u>	(2)
3.	Program Information and Promotion		<u>132,926</u>	(3)

**Support Services**

4.	Management and General		<u>464,959</u>	(4)
5.	Fund Raising and Membership Development		<u>245,678</u>	(5)
6.	Underwriting and Grant Solicitation		<u>9,898</u>	(6)
7.	Depreciation and Amortization *		<u>          </u>	(7)
8.	<b>Total operating expenses (lines 1 to 7)</b> (line 8 must agree with audited financial statements)	\$	<u>1,658,838</u>	(8)

**Additional Information**

9.	Cost of Capital Assets Purchased or Donated			
	Land and Buildings	\$	<u>          </u>	(9a)
	Equipment		<u>20,110</u>	(9b)
	All Other		<u>          </u>	(9c)
			<u>20,110</u>	(9)
10.	<b>TOTAL (sum of lines 8 and 9)</b>	\$	<u>1,678,948</u>	(10)

**NOTE:**

\* If depreciation and amortization are not allocated to the various functional categories, report the full amount on this line.

**SCHEDULE F  
FISCAL YEAR 2000**

**RECONCILIATION FORM - Part I (Joint Licensees - read instructions carefully)**

*A grantee's AFR must be reconciled with its audited financial statements. This form must be used for that purpose. All NFFS reported in any given year must be recognized as support and revenue in the grantee's audited financial statements for that year.*

*(A grantee may elect to reconcile its reports either separately or jointly if the AFS presents discrete information for each grantee, either in the Statement of Activities or in a Supplemental Schedule. Check the appropriate box below.)*

- This is a Joint Licensee that elects to reconcile each grantee separately  (complete Part I only)  
 This is a JL that elects to reconcile all grantees to the combined AFS  (complete Part I and Part II)

CPB Annual Financial Report	AFR
<i>List revenue reported on the following lines:</i>	
Schedule A, line 21	\$ 1,328,051
Schedule B, line 9	217,469
Schedule C, line 4	173,331
Schedule D, line 6	-
Joint Licensee Stations (Grand Total from Part II)	-

**Total CPB Annual Financial Report(s)** \$ 1,718,851

Audited Financial Statements (check box if combined AFS)	<input type="checkbox"/> AFS
<i>List total support and revenue as recognized in the statement of activities:</i>	
Total support and revenue - unrestricted	\$ 1,718,851
Total support and revenue - temporarily restricted	_____
Total support and revenue - permanently restricted	_____
<b>Total Support and Revenue</b>	<b>\$ 1,718,851</b>
Capital grants	_____
<b>Total Audited Financial Statements (from AFS, page _____)</b>	<b>\$ 1,718,851</b>

**Difference - Total CPB Annual Financial Report less Total Audited Financial Statements (Explain in the space provided below)** \$ -

<u>Description of Reconciling Items</u>	<u>Reconciling Amount</u>
1 _____	\$ _____
2 _____	_____
3 _____	_____
4 _____	_____
5 _____	_____
6 _____	_____
<b>Total (must agree with difference shown above)</b>	<b>\$ _____</b>

# *The Ohio State University*

*Independent Accountants' Report on Application  
of Agreed-Upon Procedures to Statements and  
Records of Booster Organizations' Expenditures  
for or in Behalf of the University's Department of  
Athletics for the Year Ended June 30, 2001*



Dr. William E. Kirwan  
President  
The Ohio State University  
Columbus, Ohio

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

- a. We obtained a list of booster organizations and a schedule of receipts/revenues and disbursements/expenses for the year ended June 30, 2001 from the Director of Athletics. This schedule is included as the Exhibit to this report.
- b. We agreed total revenues and expenditures or total cash receipts and cash disbursements of all booster organizations for the year ended June 30, 2001 listed on the schedule with amounts obtained from the official responsible for each respective booster organization.
- c. We received a representation letter signed by the Director of Athletics and all of the head coaches that the booster organizations as listed in the Exhibit are the only booster organizations that support the Department of Athletics as defined in the NCAA Financial Audit Guidelines dated May 1996.
- d. We obtained a summary of contributions to or in behalf of the Department of Athletics from the booster organizations and compared such summary to the revenues recorded in the University's accounting records. The in-kind contributions and donated goods or services were not recorded in the University's accounting records. There were no such items in the current year. We also noted that contributions reported by the booster groups were credited to these groups in The Ohio State University Development Fund's records.

We were not engaged to, and did not, conduct an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which would be the expression of an opinion on the accounts of the booster organizations or items referred to above. Accordingly, we do not express such an opinion. Had we performed additional procedures or had we performed an audit of the financial statements of the related outside organizations in accordance with auditing standards generally accepted in the United States of America, other matters might have come to our attention that would have been reported to you. This report relates only to the accounts and items specified above and does not extend to any financial statements of The Ohio State University or related outside organizations, taken as a whole.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than management of The Ohio State University or an authorized representative of the National Collegiate Athletic Association.

DELOITTE & TOUCHE LLP

Columbus, Ohio  
January 24, 2002

**THE OHIO STATE UNIVERSITY  
DEPARTMENT OF ATHLETICS**

**Exhibit**

**OUTSIDE ORGANIZATIONS ACTING IN  
BEHALF OF THE DEPARTMENT OF ATHLETICS  
RECEIPTS/REVENUES AND DISBURSEMENTS/EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2001**

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Organizations reporting on a cash receipts and disbursements basis for the year ended June 30, 2001 are as follows:

Organization	Beginning Cash Balance	Cash Receipts	Cash Disbursements		Ending Cash Balance
			Contributions To or In Behalf of Program	Other	
Varsity "O" Women	\$ 34,564	\$ 13,923	\$ 7,132	\$ 117	\$ 41,238
The Buckeye Diamond Club	164,138	164,083	118,208	16,800	193,213
The Match Point Club	20,411	13,938		7,845	26,504
The Buckeye Sideliners	2,615	23,985	10,000	14,381	2,219
The Rebounders Club	5,786	20,174	3,850	16,980	5,130
The Ohio State Men's Swimming and Diving Booster Club	4,582	5,963		6,207	4,338

Organizations reporting revenues and expenditures for the year ended June 30, 2001 are as follows:

Organization	Revenues	Expenditures		Net Income (Loss)
		Contributions To or In Behalf of Program	Other	
Buckeye Boosters, Inc.	\$ 79,789	\$ 72,562	\$ 96,982	\$ (89,755)
The Varsity "O" Alumni Center Ice Club	120,996 8,211	600	132,283 7,537	(11,887) 674
OSU Varsity Rifle Team Booster Club	1,702		624	1,078



# *The Ohio State University*

*Independent Accountants' Report on Application  
of Agreed-Upon Procedures to the University's Accounting  
Records and to its System of Internal Accounting Control  
as They Relate to the University's Department of Athletics  
for the Year Ended June 30, 2001*





Dr. William E. Kirwan  
President  
The Ohio State University  
Columbus, Ohio

We have audited the financial statements of The Ohio State University (the "University") as of and for the year ended June 30, 2001, and have issued our unqualified report thereon dated October 5, 2001. At your request, we have also performed the procedures enumerated below, which were agreed to by the Vice President for Student and Urban/Community Affairs, with respect to the University's accounting records and system of internal accounting control as they relate to the University's Department of Athletics for the year ended June 30, 2001, solely to assist the University in complying with NCAA Bylaw 6.2.3.1. The University's management is responsible for the University's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures that we performed and our findings are as follows:

**Statement of Revenues and Expenditures - Agreed-Upon Substantive Procedures**

- a. We obtained the Department of Athletics' Statement of Revenues and Expenditures (the "Statement") for the year ended June 30, 2001, as prepared by management and shown in the Exhibit to this report. We noted the arithmetic accuracy of the amounts in the Statement, and compared the amounts in the Statement to management's worksheets and agreed management's worksheets to accounts in the University's general ledger. We noted no differences between the amounts in the University's general ledger and the amounts in the worksheets.
- b. Through discussions with the University's Assistant Director of Athletics, we obtained an understanding of the ticket revenue cycle, and we compared football and men's basketball ticket sales as recorded in the Statement to the Department of Athletics' "Ticket Order Status Report" for the year ended June 30, 2001. Ticket sales as recorded in the Statement were reconciled within \$37,185 or 0.27% of the "Ticket Order Status Report" for football and \$14,841 or 0.51% for basketball.
- c. We compared concession revenues recorded in the Statement to the detailed statements from the independent concessionaire of concession activity and commissions earned for the year ended June 30, 2001. Football concession revenues agreed to the detailed statements while all other sports were recalculated to within \$19,740 or 1.43% of the concession revenue recorded in the University's general ledger.

- d. We compared the Department of Athletics' percentage rate of return on interest-bearing cash and investments for the year ended June 30, 2001 to that of the University as a whole for the same period. We noted the University's rate of return was 5.60%, while the Department of Athletics' rate was 5.83%.
- e. We compared gift revenues recorded in the Department of Athletics' accounts for the year ended June 30, 2001, to the amounts recognized by The Ohio State University Development Fund for the same period and noted that the amounts differed by \$192,725 or 0.95%. The primary reason for this difference is the University's policy which requires donated monies to remain in The Ohio State University Development Fund for 90 days prior to being transferred to the Department of Athletics.
- f. We compared revenue and expenditure line-items in the Statement with prior year amounts, and made inquiries about fluctuations greater than \$100,000 and 10%. The Department of Athletics provided explanations for the fluctuations.
- g. We inquired of the Business Manager and Development Director of the Department of Athletics and noted that no individual contributions received for the period ended June 30, 2001 were in excess of 10% of total contributions for the period.

Because the above procedures "a" through "g" do not constitute an audit in accordance with auditing standards generally accepted in the United States of America, we do not express an opinion on any of the accounts or items referred to above. We were not engaged to, and did not, conduct an audit or examination, the objective of which would be the expression of an opinion on the specified elements, accounts, or items or on the effectiveness of the internal control over financial reporting, respectively. Accordingly, we do not express such an opinion. Had we performed additional procedures or had we made an audit of any financial statements of the Department of Athletics of The Ohio State University in accordance with auditing standards generally accepted in the United States of America, other matters might have come to our attention that would have been reported to you. This report relates only to the accounts and items specified above and does not extend to the financial statements of The Ohio State University or its Department of Athletics taken as a whole.

**Internal Control Structure: Policies and Procedures Related to Intercollegiate Athletics - Agreed-Upon Procedures**

The management of The Ohio State University is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate. Our procedures and findings are as follows:

- h. We obtained and read the organization chart for the Department of Athletics. We read the available documentation of the accounting systems and procedures. We also made certain inquiries of management regarding control consciousness, competence of personnel, and protection of records and equipment.
- i. We obtained an understanding of the Ticket Sales, Team Travel expenditures, and Purchase/Payables cycles by testing a sample of transactions. No exceptions were noted, except as noted in item "b" above.
- j. We obtained an understanding of the University's procedures for monitoring the financial activities of the booster organizations. These monitoring procedures entitled "Guidelines for Athletic Support Groups" consist of ten requirements that all support groups must comply with. For five randomly selected booster organizations, we read files maintained by the University and compared the contents thereof to the requirements of the guidelines. No exceptions were noted.
- k. We selected the largest fundraising activity and the largest expenditure for each booster organization to determine if prior formal written approval was received by the Athletic Department. The Athletic Department does not give formal written approval for recurring activities and expenditures previously approved. No exceptions were noted regarding formal written approval on new fundraising activities or expenditures.

Agreed-upon procedures "h" through "k" applied to certain aspects of the University's system of internal accounting control were more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole. Because the scope of our work was limited to applying agreed-upon procedures "h" through "k" to certain aspects of the system of internal accounting control, we are unable to express and do not express an opinion on whether the system of internal accounting control of The Ohio State University in effect for the year ended June 30, 2001, taken as a whole, was sufficient to meet the objectives stated above.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than management of The Ohio State University or an authorized representative of the National Collegiate Athletic Association.

DELOITTE & TOUCHE LLP

Columbus, Ohio  
January 24, 2002

**THE OHIO STATE UNIVERSITY  
DEPARTMENT OF ATHLETICS**

**Exhibit**

**STATEMENT OF REVENUES AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2001 (UNAUDITED)**

	Football	Men's Basketball	Women's Basketball	Other Sports Men	Other Sports Women	Nonprogram Specific	Total
<b>REVENUES:</b>							
Ticket sales	\$ 16,518,416	\$ 3,451,729	\$ 204,099	\$ 352,590	\$ 42,036	\$ 14,395	\$ 20,583,265
Post season event	2,407,483	1,262,408					3,669,891
Program sales	267,422	43,761	8,215			22,997	342,395
Novelty Sales						990,690	990,690
Radio and T.V. rights	3,601,445	1,810,395					5,411,840
Concessions	908,188	262,051	56,170	87,455	15,553	51,285	1,380,702
Gifts:							
Restricted	113,727	31,481	8,433	111,971		2,331,351	2,596,963
Grant-in-aid						7,285,037	7,285,037
Parking	728,942	56,696	24,298				809,936
Investment income - unrestricted						725,296	725,296
Postage/service charges	287,496	88,466	417	6,994	(4)	14,899	398,268
Advertising						3,223,998	3,223,998
Entry fees				1,058	982	1,483,564	1,485,604
Facility rentals						46,539	46,539
Miscellaneous	7	537,929	172,054	41	(4)	(12,977)	697,050
Golf course						3,260,150	3,260,150
Ice rink						537,509	537,509
<b>Total revenues</b>	<b><u>24,833,126</u></b>	<b><u>7,544,916</u></b>	<b><u>473,686</u></b>	<b><u>560,109</u></b>	<b><u>58,563</u></b>	<b><u>19,974,733</u></b>	<b><u>53,445,133</u></b>
<b>EXPENDITURES:</b>							
Coaches' salaries	1,803,257	653,120	590,232	1,642,946	1,821,108		6,510,663
Other salaries	456,084	210,915	135,214	309,260	129,232	12,650,564	13,891,269
Travel:							
Team and other	1,100,081	146,022	169,221	371,850	413,058	458,083	2,658,315
Recruiting	285,887	56,754	78,049	134,199	187,278	11,597	753,764
Guarantees - net	1,124,266	294,302	18,570	22,433	7,420	31,000	1,497,991
Financial aid	1,624,904	287,324	259,554	1,970,033	2,989,602	153,620	7,285,037
Maintenance/general	1,354,859	323,840	153,936	216,088	252,941	8,566,431	10,868,095
Equipment purchases	95,385	10,020	770	54,318	25,210	365,125	550,828
Advertising						203,636	203,636
Insurance						86,738	86,738
Telephone	65,194	31,292	21,828	63,257	48,940	278,693	509,204
Food	378,453	63,826	26,917	233,074	221,158	598,050	1,521,478
Lodging	478,411	81,611	42,357	191,673	252,268	183,588	1,229,908
Indirect overhead						2,343,396	2,343,396
Physical facilities						813,024	813,024
<b>Total expenditures</b>	<b><u>8,766,781</u></b>	<b><u>2,159,026</u></b>	<b><u>1,496,648</u></b>	<b><u>5,209,131</u></b>	<b><u>6,348,215</u></b>	<b><u>26,743,545</u></b>	<b><u>50,723,346</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b><u>\$ 16,066,345</u></b>	<b><u>\$ 5,385,890</u></b>	<b><u>\$ (1,022,962)</u></b>	<b><u>\$ (4,649,022)</u></b>	<b><u>\$ (6,289,652)</u></b>	<b><u>\$ (6,768,812)</u></b>	<b><u>\$ 2,721,787</u></b>

Note: This schedule was prepared by a representative of the Department of Athletics.



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**OHIO STATE UNIVERSITY**

**FRANKLIN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 12, 2002**