

# *University of Cincinnati*

*Office of Management and Budget  
Circular A-133 Reports for the  
Year Ended June 30, 2005*





**Auditor of State  
Betty Montgomery**

Board of Trustees  
University of Cincinnati  
51 Goodman Drive  
540 University Hall  
Cincinnati, Ohio 45221-0257

We have reviewed the *Independent Auditor's Report* of the University of Cincinnati, Hamilton County, prepared by Deloitte & Touche LLP, for the audit period July 1, 2004 through June 30, 2005. 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 University of Cincinnati is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

December 30, 2005

**This Page is Intentionally Left Blank.**

# UNIVERSITY OF CINCINNATI

## TABLE OF CONTENTS

---

	<b>Page</b>
INDEPENDENT AUDITORS' REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-11
FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004:	
Statements of Net Assets	12
Statements of Revenues, Expenses and Changes in Net Assets	13
Statements of Cash Flows	14
Notes to Financial Statements	16-34
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005	35-68
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	69-70
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT</i> <i>AUDITING STANDARDS</i>	71
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO EACH MAJOR FEDERAL AWARD PROGRAM	72-73
SUMMARY OF SCHEDULE OF FINDINGS AND QUESTIONED COSTS	74-78
SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS	79-80

**This Page is Intentionally Left Blank.**



Deloitte & Touche LLP  
250 East Fifth Street  
Suite 1900  
P.O. Box 5340  
Cincinnati, OH 45201-5340  
USA

Tel: +1 513 784 7100  
www.deloitte.com

## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of  
the University of Cincinnati:

We have audited the accompanying statements of net assets of the University of Cincinnati ("University"), a component unit of the State of Ohio, as of June 30, 2005 and 2004, and the related statements of revenues, expenses and changes in net assets and of cash flows for the years then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of the University of Cincinnati Foundation, a discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the University of Cincinnati Foundation, is based solely on the report of such other auditors.

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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the University as of June 30, 2005 and 2004, and the results of its operations and its cash flows, as applicable, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the University. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information 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 in relation to the basic financial statements taken as a whole.

Management's Discussion and Analysis on pages 3 through 11 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the University's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and we do not express opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2005, on our consideration of the University's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Deloitte & Touche LLP

October 28, 2005



---

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### INTRODUCTION

The following discussion and analysis provides an overview of the financial position and activities of the University of Cincinnati (the "University") for the year ended June 30, 2005, with selected comparative information for the years ended June 30, 2004 and 2003. Comments relate only to the University and do not pertain to the University of Cincinnati Foundation, a component unit of the University. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

The University was founded in 1819 and was city owned until becoming a state university in 1977. The University is composed of 14 colleges, one division and one school and operates on five campuses in southwest Ohio. It has an enrollment of approximately 34,000 students. There are approximately 2,000 full-time faculty members and a total faculty of 3,300. The University has been designated in long-range planning by the Ohio Board of Regents as one of only two comprehensive graduate public universities in the state. In total, the University employs more than 14,000 people and is the largest employer in the City of Cincinnati.

The University and its Board of Trustees are declared by statute to be a public body performing essential governmental functions serving public purposes and an instrumentality of the State of Ohio.

The University is affiliated with a number of health-care, educational, cultural and governmental institutions. Through such affiliations, the University is able to broaden its curricular offerings.

### USING THE FINANCIAL STATEMENTS

The University's financial report includes three financial statements: the Statement of Net Assets; the Statement of Revenues, Expenses and Changes in Net Assets; and the Statement of Cash Flows. These financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) Statement 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*, as amended by GASB Statements 37 and 38. These statements establish standards for external financial reporting for public colleges and universities and require that financial statements focus on the University as a whole, with resources classified for accounting and reporting purposes into three net asset categories.

Revenues and expenses are categorized as either operating or non operating. Significant recurring sources of the University's revenues, including state appropriations, gifts and investment income are considered non operating.

Scholarship allowances applied to student accounts are shown as a reduction of student tuition and fee revenues, while stipends and other payments made directly to students are presented as scholarship and fellowship expense.

Capital assets, including general infrastructure assets, are shown net of depreciation. However, there is no requirement to fund the accumulated depreciation. Instead, capital assets are largely funded by state capital appropriations, issuance of debt, and by major gifts that support the academic, research and student services missions of the institution. Gifts and capital appropriations are reflected on the financial statements as non operating revenue and other revenue, respectively. The corresponding annual depreciation expense is reflected as an operating expense.

Accounts of the University of Cincinnati Foundation have been consolidated in the accompanying financial statements in a discrete columnar format.

### FINANCIAL HIGHLIGHTS

The University's financial position remained strong at June 30, 2005, with total assets of \$ 2.9 billion and liabilities of \$ 1.1 billion. Net assets, which represent the residual interest in the University's assets after liabilities are deducted, increased by \$61 million in fiscal 2005 to \$1.8 billion, or 62% of total assets as a result of the following:

---

- Total assets increased by \$59 million, or 2%, primarily due to increases in the value of endowment investments and the addition of capital assets.
- Total liabilities decreased by \$2 million, remaining essentially flat with 2004, primarily due to the retirement of outstanding debt.

Income before other revenues, expenses, gains or losses includes the effect of several significant transactions, including fluctuations in the market value of investments; non cash depreciation; losses on the disposal of assets; and a major adjustment to the reserve for uncollectible receivables. The net effect of these significant transactions on income (loss) before other revenues, expenses, gains or losses is shown below.

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Change in investment value	\$ 65	\$ 152	\$ (26)
Depreciation	(72)	(62)	(57)
Loss on asset disposal	(15)	(6)	(14)
Uncollectible receivables	-	(7)	-
	<u>\$ (22)</u>	<u>\$ 77</u>	<u>\$ (97)</u>

Because of a flat level of state appropriations, increases in tuition ranging from 7% to 15% were implemented in 2005 and 2004. The effects of the flat level of state appropriations were also partially offset by 2% increases in enrollment in 2005, the continued expansion of self sustaining revenue driven programs which complimented the standard curriculum and the use of over \$5 million in internal working capital reserves. The continued renovation and addition of research facilities in accordance with implementation of the Millennium Research Institute was reflected in a \$7 million increase in revenues from sponsored research in 2005. A similar increase of \$17 million in sponsored research revenue was realized in 2004.

Operating expenses increased by \$60 million in 2005, including \$12 million in research related activity; \$10 million for increased depreciation expense; and \$5 million in increased utilities fuel costs. The balance of the increase was the result of inflation, costs related to new capital facilities brought on line and increased health care benefits. The increase in operating expenses occurred despite over \$8 million in operating expense budget reductions that were necessitated by the lack of increased state appropriations. In 2004, operating expenses increased by \$53 million, mostly due to increases in research activities, increased depreciation and new capital facilities, despite a similar \$10 million operating budget reduction.

The University continues to implement its Master Plan through several major capital initiatives that will provide facilities for advancing research, improve the quality of student life, upgrade residence halls, improve infrastructure, and enhance the ability to be self-sustaining with respect to energy production. Several of these projects are being financed through the issuance of tax-exempt bonds. The operating revenues to sustain payments on this local debt come from a variety of sources. Additional residents in the housing system, increased parking rates, increased food sales with profit sharing income, savings on locally generated electric compared to commercial prices, new overhead income from expanding research holdings, and dedicated student fees approved by the student body are examples of new revenues being used to service this debt.

Finally, in 2005 the University joined an elite group of institutions whose endowment valuations exceed \$1 billion. The value of the endowment ranks in the top 10% of all US institutions of higher education, both public and private.

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

The statement of revenues, expenses and changes in net assets presents the University's results of operations. A summarized comparison for the years ended June 30 follows (*in thousands*):

	<u>2005</u>	<u>2004</u>	<u>2003</u>
<i>Operating revenues:</i>			
Student tuition and fees, net	\$202,036	\$169,993	\$ 154,807
Grants and contracts	193,877	186,738	169,524
Auxiliary enterprises, net	90,151	81,716	81,944
Other	<u>60,375</u>	<u>52,540</u>	<u>46,719</u>
	546,439	490,987	452,994
<i>Operating expenses:</i>			
Instruction	264,736	243,226	234,615
Research	143,848	131,637	119,596
Auxiliary enterprises	83,167	74,041	70,611
Depreciation	71,708	61,685	57,112
Other	<u>288,281</u>	<u>280,717</u>	<u>255,728</u>
	851,740	791,306	737,662
Operating loss	(305,301)	(300,319)	(284,668)
<i>Non-operating revenues (expenses):</i>			
State appropriations	179,007	181,139	181,179
Gifts	37,686	29,157	16,673
Investment income, net	53,448	52,816	55,825
Increase (decrease) in fair value of investments	65,480	152,363	(26,351)
Interest expense, net	(25,115)	(22,780)	(16,995)
Other	<u>(15,026)</u>	<u>(3,643)</u>	<u>(15,886)</u>
	295,480	389,052	194,445
Income (loss) before other revenues, expenses, gains or losses	(9,821)	88,733	(90,223)
Capital appropriations	44,024	13,006	38,084
Capital grants and gifts	12,026	8,263	7,609
Additions to permanent endowments	<u>15,203</u>	<u>12,442</u>	<u>12,774</u>
Increase (decrease) in net assets before extraordinary item	61,432	122,444	(31,756)
Transfer of liability to the state	<u>0</u>	<u>0</u>	<u>8,137</u>
Increase (decrease) in net assets after extraordinary item	<u>\$ 61,432</u>	<u>\$ 122,444</u>	<u>\$ (23,619)</u>

One of the University's greatest strengths is the diverse stream of revenues that supplement its student tuition and fees, including voluntary private support from individuals, foundations and corporations along with government and other sponsored programs; state appropriations and investment income. The University has aggressively sought, and will continue to seek, funding from all possible sources consistent with its mission to supplement student tuition, and will prudently manage the financial resources realized from these efforts to fund its operating activities.

Tuition and state appropriations are the primary sources of funding for the University. During 2005, tuition rate increases ranged from 7% to 15%, depending upon the category of student. These increases were in response to a flat level of state appropriations. In addition, a 2% increase in overall enrollment was achieved by increased recruitment and retention efforts. These increases, as well as changes in the mix of students, resulted in increases in tuition and fee income in 2005 of \$32 million, or 19%, over 2004. Similar tuition increase were implemented in 2004, supplemented by minor increases in enrollment that resulted in increases in tuition and fee revenue of \$15 million, or 10%, in 2004 compared to 2003.

Although state appropriations for higher education were flat in 2005 and 2004, they represented an improvement over the trend toward decreasing state support in prior years. Consequently, state appropriations now contribute a significantly lower percentage of the overall funding of University operations. Nonetheless, such resources remain a vital source of funding for academic programs and administrative costs. If future tuition increases are to be minimized, the level of state appropriation support will need to be increased.

Revenues from grants and contracts with governmental and private entities provide for the recovery of direct and indirect costs. Such revenues increased by \$7 million, or 4%, in 2005 and by \$17 million, or 10% in 2004 primarily due to the conduct of research. The increases were generated by various colleges and research units across the University, with the largest increase being in the College of Medicine reflecting continued gradual implementation of the Millennium Research Institute.

The results of fund raising efforts have been an important component of financial resources during the past two fiscal years. Expendable gifts to the University totaled \$50 million and \$37 million in 2005 and 2004, respectively. It will be extremely difficult to sustain the current level of operations without continued increases in donor support. Accordingly, plans are being implemented for increasing the number of substantial recurring gifts that are available for operations.

Increases in interest rates were partially offset by lower operating cash balances in 2005. These factors and reductions in distributions of income under the University's endowment spending policy resulted in investment income in 2005 being flat compared to 2004 when lower rates, lower cash balances and similar reductions in spendable endowment income combined to reduce investment income by \$3 million, or 5% compared to 2003.

Although higher education must compete with secondary education for increased state capital appropriations, the University has been able to borrow the funds needed to complete state funded capital projects on schedule. The increase in capital appropriations in 2005 reflects a return to somewhat normal biennial draws of state funds. Capital appropriations in 2004 were unusually low because funds for the 2003-2004 biennium were drawn prior to 2004 in order to complete projects on schedule.

## STATEMENT OF NET ASSETS

The statement of net assets presents the financial position of the University at the end of the fiscal year. Net assets represent the difference between total assets and total liabilities. Net assets are one indicator of the overall financial condition of the University, while the change in net assets is an indicator of whether the overall financial condition has improved or worsened during the year. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost less an allowance for depreciation. A summarized comparison of the University's assets, liabilities and net assets at June 30 follows (*in thousands*):

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Current assets	\$ 192,641	\$ 254,908	\$ 201,044
Noncurrent assets:			
Endowment, life income and other investments	1,341,637	1,328,224	1,140,963
Capital assets, net	1,330,172	1,216,525	1,080,404
Other	<u>57,519</u>	<u>63,579</u>	<u>67,089</u>
Total assets	2,921,969	2,863,236	2,489,500
Current liabilities	209,951	214,849	186,465
Noncurrent liabilities	<u>890,847</u>	<u>888,648</u>	<u>665,740</u>
Net assets	<u>\$ 1,821,171</u>	<u>\$ 1,759,739</u>	<u>\$ 1,637,295</u>

### Current Assets

Current assets consist primarily of cash, short-term investments and receivables. Normally, cash balances are low at the end of the fiscal year relative to other assets. However, during 2004, additional debt was issued and resulted in an increased level of cash and short term investments at June 30, 2004. These borrowed resources were expended during 2005 on a variety of capital projects. In addition, operating cash balances also decreased in 2005, contributing to a decrease of \$62 million, or 24%, in total current assets.

In 2004, a total of \$5.3 million in receivables from students admitted under open access programs were determined to be uncollectible. In addition, changes in the University's athletic conference were estimated to result in the loss of \$1.4 million of receivables for prior years' post season tournament appearances. Accordingly, reserves were provided in 2004 for these amounts. In 2005, the University successfully negotiated the reinstatement of the athletic conference receivables and the reserve for those receivables has been reversed and the revenue was recognized.

### Endowment, Life Income and Other Investments

The University invests its endowment to maximize total return over the long term with an appropriate level of risk. The success of this long-term investment strategy is evidenced by strong returns sustained over long periods of time and the University's ability, in the face of current challenging markets, to limit losses. Changes in the fair value of the endowment portfolio will not have a meaningful immediate impact on the portion of investment income available to support current-year operating expenses since the University makes such distributions pursuant to its spending rate policy.

The assets of the University's endowment increased by \$44 million in 2005. This increase resulted from investment gains of \$82 million, the establishment of new endowments of \$15 million and distributions of \$53 million to beneficiary units within the University. In 2004, investment gains, new funds and distributions were \$152 million, \$12 million and \$50 million respectively. Under its endowment spending policy, the University uses its endowment to support current operations in a way that generates a predictable stream of support, while at the same time maintaining the purchasing power of endowment funds adjusted for inflation. The spending policy provides for annual distributions of five percent of the three-year quarterly moving-average market value of assets in the investment pool. Due to the changes in valuation of these assets over the last three years, actual distributions to beneficiary units were 4.4 % and 5.4% of the beginning market value of these assets in 2005 and 2004, respectively.

Non current investments decreased by \$62 million in 2005 reflecting the expenditure of prior years' debt proceeds for capital projects during fiscal year 2005. The investment of these proceeds in 2004 resulted in a \$21 million increase in non current investments compared to 2003.

### Capital Assets

Development and renewal of capital assets are critical factors in continuing the quality of the University's academic mission, research programs and student life. Capital asset additions are acquired with University funds, state capital appropriations, gifts and federal grants. The University continues to implement its long-range Master Plan that was designed to modernize older teaching and research facilities balanced with new construction. Capital additions totaled \$201 million in 2005, \$204 million 2004 and \$222 million during 2003, before depreciation expense of \$72 million in 2005, \$62 million in 2004 and \$57 million in 2003, respectively. Total capital additions are comprised primarily of capital projects that were either completed during the fiscal year or in either the construction or the design phase at June 30 of each fiscal year, respectively. Major projects completed during 2005 include the Calhoun Street Garage and the Gettler Stadium.

**Major projects in the construction phase** at June 30, 2005, will be completed in stages from 2005 through 2007 and include the following:

- Clermont College expansion will add academic space to accommodate future growth.
- MainStreet includes completion of a recreation center and the creation of green space as the final phases of a multi-stage project.

- Millennium Research Institute includes the creation of state-of-the-art instructional and research space for the College of Medicine, as well as open space for the academic medical campus.
- Van Worman Rehabilitation will accommodate new users of the Van Worman administration building, restore historically significant features and upgrade surrounding landscaping.
- Varsity Village will provide indoor practice facilities and increased space for intercollegiate athletics and student intramurals, an auditorium, and facilities for athletic administrators and coaching staff.
- Raymond Walters College Veterinary Technology Building will provide space for this program.
- Zimmer Gardens will provide enhancements to the open air Zimmer Plaza

**Major projects in the design phase**, described below, have undefined completion dates.

- Chemical Storage, High Density Storage and Crosley Dock will provide increased and improved materials receiving, storage and distribution facilities.
- Jefferson Grid is a campus beautification and infrastructure improvement project that is integrated with the Varsity Village athletic complex.
- Medical Science Building Rehabilitation is a major renovation of this key academic and research building.
- Sawyer Hall Rehabilitation is a major renovation of the Sawyer residence hall.
- Social & Behavioral Sciences Center will provide new and expanded academic space for the McMicken College of Arts and Sciences.
- Teacher's College/Dyer Rehabilitation will continue the major rehabilitation of these buildings begun in 1997.
- Zimmer Rehabilitation is a renovation of auditorium facilities and surrounding academic space.

### **Debt**

Total debt, representing bonds, notes and certificates of participation, decreased by \$15 million in 2005 as a result of issuing \$204 million of new debt and decreasing outstanding debt by \$219 million. The new debt was issued to fund various capital projects and to refund \$121 million of existing debt. As a result of refunding the existing debt, the University will realize a net economic gain of \$6.4 million over 20 years. Debt also increased by \$247 million in 2004 due to the issuance of \$305 million of new debt and the reduction of outstanding debt by \$58 million. That new debt was also used to fund capital projects and to refund \$18 million of existing debt. As a result of that refunding, the University will realize a net economic gain of \$1.4 million over 14 years.

Subsequent to June 30, 2005, the University issued an additional \$20 million of debt in order to refund \$20 million of outstanding debt. This refunding will result in the University realizing a net economic gain of \$.9 million over 14 years.

Ratings of University bonds by Standard & Poors (S&P) were maintained at AA- in 2005 and 2004. The note rating of SP-1+ was also maintained through 2005 and 2004. In 2004 S&P revised the outlook for the University from stable to negative and maintained this outlook in 2005. Moody's ratings of A1 for bonds and MIG 1 for notes were maintained during 2005. The bond rating was decreased to A1 during 2004 and the note rating was maintained. Moody's outlook for the University was revised from negative to stable in 2004 and was maintained during 2005. Debt issued subsequent to 2005 received the same ratings and outlook as existed during 2005.

The decline in debt rating in 2004 was predicted and modeled by management. The repositioning of student activity facilities, expansion of research facilities without State capital appropriations, cogeneration facilities, and restructured parking system all result in a higher debt ratio. Both new revenue streams and costs savings have been secured against this new debt. State budgets across the country are fragile and include a great deal of temporary revenue, thus making their own debt and that of State-created entities subject to negative comment. Most auxiliary facilities date from the last major student expansion 30 years ago and must be improved or replaced.

The responsibility to finance research facility expansion has fallen to institutions, as both state and federal governments have stopped doing so. Yet those same levels of government encourage and fund the operating costs

---

of new research, assuming local construction of the research facilities. While a negative trend in ratings may become more common, it does not have a serious effect on our access to capital markets or our cost of capital. We and others in the upper tier of higher education can still finance these critical capital investments.

### Net Assets

Net assets represent the residual interest in the University's assets after liabilities are deducted. The University's net assets at June 30 are summarized below (*in thousands*):

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Invested in capital assets, net of related debt	\$ 541,205	\$ 546,659	\$ 584,706
Restricted:			
Nonexpendable	997,531	932,258	796,155
Expendable	400,182	356,745	331,469
Unrestricted:			
Designated	(105,535)	(73,256)	(75,090)
Undesignated	<u>(12,212)</u>	<u>(2,667)</u>	<u>55</u>
<b>Total net assets</b>	<u><b>\$1,821,171</b></u>	<u><b>\$1,759,739</b></u>	<u><b>\$1,637,295</b></u>

Capital assets, net of related debt, represent the University's depreciated buildings, equipment and infrastructure less the outstanding principal balances of debt attributable to the acquisition, construction and improvement of those assets. The decreases of \$5 million in 2005 and \$38 million in 2004, respectively, reflect the University's continued development and renewal of its capital assets in accordance with the Master Plan, net of depreciation expense and reductions in long term debt.

Restricted nonexpendable net assets include, as a primary component, the University's permanently invested endowment funds. It also includes the University's equity interest in The Health Alliance of Greater Cincinnati. The \$65 million increase in restricted nonexpendable net assets in 2005 and the \$136 million increase in 2004 reflect the changes in the fair value of investments, net of gifts.

Restricted expendable net assets are subject to externally imposed provisions governing their use. This category of net assets includes restricted gifts of \$286 million in 2005 and \$273 million in 2004 that were temporarily invested in the endowment.

Although unrestricted net assets are not subject to externally imposed stipulations, substantially all of the University's unrestricted net assets have been designated for various academic and research programs and initiatives, as well as capital projects. In addition, unrestricted net assets include \$6 million invested in the endowment at the direction of the Board of Trustees.

The deficit position of the unrestricted designated net assets is being addressed through implementation of a multi-year funding program, using a combination of departmental and central budget sources that have been established for the purpose of resolving these fund deficits over time.

Three types of funds significantly contribute to the net deficit position.

First, the liability for compensated absences, which is the future cost of unused sick and vacation days for employees, had been only partially funded. During 2004, \$12 million of funding provided in prior years was transferred for operating purposes and to restore undesignated operating reserves. As a result, the negative fund balance of \$30 million at June 30, 2003 increased to \$44 million at June 30, 2004 and 2005.

Second, overdrafts on special projects and deficit debt-service accounts will be covered as part of multi-year and blended funding programs that will provide resources from future undesignated and auxiliary budgets. These deficits total \$48 million and \$40 million in 2005 and 2004, respectively.

The third category consists of deficits caused by the growth in health benefit costs, which have risen at increasing rates over the past four years. These rising costs, combined with severe decreases in state funding, result in the amounts budgeted for health benefit costs being substantially below the actual costs incurred. Aggressive

management of health care costs and the use of a portion of the funds transferred from compensated absence reserves, as described above, have helped to minimize the growth of these deficits. Significant increases in the amounts budgeted for health benefit costs are planned to match these increasing costs on an annual basis and to eliminate the accumulated deficit of \$24 million within approximately four years.

## STATEMENT OF CASH FLOWS

The Statement of Cash Flows provides additional information about the University's financial results by reporting the major sources and uses of cash. A comparative summary of the statement of cash flows for the years ended June 30 follows (*in thousands*):

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Cash received from operations	\$ 549,726	\$ 500,528	\$ 458,526
Cash expended for operations	<u>785,417</u>	<u>729,117</u>	<u>683,926</u>
Net cash used in operating activities	(235,691)	(228,589)	(225,400)
Net cash provided by non-capital financing activities	231,699	222,391	200,608
Net cash from (used for ) capital and related financing activities	(181,077)	35,382	(90,423)
Net cash from (used for) investing activities	<u>179,125</u>	<u>(2,008)</u>	<u>123,132</u>
Net increase (decrease) in cash and cash equivalents	<u>\$ (5,944)</u>	<u>\$ 27,176</u>	<u>\$ 7,917</u>

The disparity between cash used in operating activities and cash provided by non capital financing activities results from the required financial reporting classification of state appropriations. Although state appropriations are used primarily for operating expenses of the University, GASB Statement 35 requires that they be reported as non operating revenues. Had these resources been reported as operating revenue, the net cash used in operating activities would have been deficits of \$57 million 2005 and \$47 million in 2004.

## ECONOMIC FACTORS AFFECTING THE FUTURE

For a numbers of years, the impact of the weak U. S. economy on the economy of Ohio has resulted in reductions in state support to the University which flattened in 2005. Even though the University is a state-supported institution, such appropriations account for only 24% and 21% of the total revenues of the University in 2005 and 2004, respectively. This has resulted in an increasing reliance on tuition and fees as a primary funding source. There is a direct relationship between the level of state appropriations and the ability of the University to manage tuition growth. Unless the mechanism for providing funding for statewide services can be modified to recognize the priority of funding higher education, the scope of statewide academic activities will be adversely impacted further.

In response, and to provide additional revenue, the University has implemented its "50 in 5" initiative, which includes a plan to increase the level of general funds revenue by 50% over the five years 2005 through 2009, primarily via the recruitment of 5,000 new students on the Uptown campus. This initiative is part of an institutional strategic plan titled "UC 21" that lays out ambitious goals and an action plan to define the role of an urban research university in the new century. The plan defines a set of core values to guide the institution in its rapid transformation and enable it to compete for students from a diverse cohort of learners, as it deals with an escalating need to bring intellectual capital to bear on societal issues and to meet the rising call to serve as the economic engine in a knowledge-based environment.

The University has long maintained a position of national prominence among leading research institutions. While federal support to the University for Sponsored Research has increased, various initiatives are underway to develop state support for the expansion of research and the development of technology. In response to these opportunities, the University has created its Millennium Research Institute. It will forge partnerships with commercial and other local institutional researchers. Implementation of the plan will provide the University and its partners with the ability to employ a large number of additional researchers and will significantly increase the University's research potential.



The focus of capital projects is to upgrade and add educational and research facilities, improve the quality of student life, provide additional residence halls, and upgrade infrastructure and utilities. These initiatives are an effort to remain competitive, provide the best possible educational experience for the students and promote the quality of student life. The University is now in its second decade of an ambitious Master Plan to achieve these goals. Over the next two years, the University will complete construction of the MainStreet complex, Varsity Village and various other projects currently under construction. The Millennium Research Institute projects will be completed over the next decade and will enable the University to remain a leader in biotechnology medical research for the region. In the next decade, many college-based academic projects are scheduled, but the traditional source of capital for such projects—the State of Ohio Capital Bill—is declining in both value and absolute level with each new biennium. This trend must be reversed if we are to sustain the needed academic investments that cannot come from new business revenues like the auxiliary and research facilities.

Considering the increasing reliance on tuition revenue to fund operations, it is of vital importance to the future of the University to increase the current levels of student enrollment and student retention. In order to enhance this effort, and to provide essential services to students, the MainStreet initiative will be supplemented by an extensive partnership among the University and various neighborhood residential and business groups. The resulting entities will seek to upgrade and enhance residential and commercial facilities on the borders of the campus. The anticipated improvements to the nearby neighborhoods should result in a more enjoyable and more convenient environment that will supplement the on-campus educational experience and serve as a magnet for prospective students. The University has supported these efforts by making approximately \$ 75 million in loans from its endowment to these neighborhood partnerships.

Private gifts will continue to be a critically important financial resource and a significant factor in the growth of both academic and research activities. The University's fund-raising strategy, as well as economic factors affecting donors' ability to contribute, will have a significant impact on the ability to tap this important financial resource. In this regard, fundraising budgets have been increased in order to support an aggressive program that includes a national fundraising network focused on increasing the level of private gifts to the University.

The University will continue to employ its long-term investment strategy to maximize total return at a reasonable level of risk. The ability to sustain a level of investment return which is compatible with the endowment spending policy will be strained given the anticipated performance of national and international financial markets. As a result, such investment strategies will be continually reviewed in order to insure the most efficient use of these important financial resources. In this regard, an expansion of professional investment management staff will be implemented during the coming year.

This effort will be extended to all phases of cash management. Therefore, cash collection and investment policies and procedures will be evaluated and reengineered as necessary. Internal administrative reorganizations have been implemented to achieve this goal.

A significant component of both graduate and undergraduate enrollment consists of international students. International visitors also hold numerous teaching and research positions. The ability of these individuals to achieve or maintain international visitor status in the face of increased scrutiny by the Immigration and Naturalization Service will be a key factor in maintaining this cross section of the academic community.

The University is in the midst of a major project to replace core information systems, including financial and human resources. This replacement is necessary not only to improve dated technology but also to increase effective interaction between central systems and to increase productivity.

Under the guidance of the first new president in almost 20 years, the University will soon begin a new all University fund raising campaign.

The University exists in an increasingly competitive higher education environment. Colleges and universities throughout the region and across the country are investing heavily in marketing and public relations programs to establish or maintain favorable reputations and to build enrollment to optimum levels. With this in mind, the University continues to develop strategies that will achieve a reputation commensurate with the University's excellence and increase enrollment where appropriate.

Looking forward, the University is well positioned to maintain its financial condition, its high standards of service to students and its stature in the national research community. In order to enable the University to support this level of excellence, the University is committed to obtaining new financial resources, to maintaining revenue diversification and to successfully containing costs.

---

**University of Cincinnati**  
**Statement of Net Assets**  
**As of June 30, 2005 and 2004**  
**(in thousands)**

	University		University Related Foundation	
	2005	2004	2005	2004
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 72,821	\$ 78,765	\$ 7,625	\$ 8,590
Investments	43,586	104,006		
Accounts and pledges receivable, net	53,072	45,878	29,366	26,608
Inventories	4,294	4,938		
Deposits with bond trustees	5,689	12,039		
Notes receivable, net	3,224	3,201		
Other assets	9,955	6,081	144	582
<b>Total current assets</b>	<b>192,641</b>	<b>254,908</b>	<b>37,135</b>	<b>35,780</b>
<b>Noncurrent assets:</b>				
Investments	51,531	114,012		
Pledges receivable, net	14,851	15,774	18,889	16,205
Deposits with bond trustees	12,373	18,626		
Endowment investments	1,027,850	985,922	26,939	25,762
Notes receivable, net	30,295	29,179		
Other long-term investments	262,256	228,290		
Capital assets, net	1,330,172	1,216,525	665	843
<b>Total noncurrent assets</b>	<b>2,729,328</b>	<b>2,608,328</b>	<b>46,493</b>	<b>42,810</b>
<b>Total assets</b>	<b>2,921,969</b>	<b>2,863,236</b>	<b>83,628</b>	<b>78,590</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities	139,912	136,725	10,732	10,255
Deferred revenue	19,644	12,945		
Long-term liabilities - current portion	50,306	65,179		
<b>Total current liabilities</b>	<b>209,862</b>	<b>214,849</b>	<b>10,732</b>	<b>10,255</b>
<b>Noncurrent liabilities:</b>				
Deposits	4,768	5,672	733	718
Accrued liabilities	31,322	28,433	232	248
Refundable advances for federal loans	25,895	25,126		
Long-term liabilities	828,951	829,417		
<b>Total noncurrent liabilities</b>	<b>890,936</b>	<b>888,648</b>	<b>965</b>	<b>966</b>
<b>Total liabilities</b>	<b>1,100,798</b>	<b>1,103,497</b>	<b>11,697</b>	<b>11,221</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	541,205	546,659	665	843
Restricted for:				
Nonexpendable	997,531	932,258	28,185	26,338
Expendable	400,182	356,745	39,395	36,344
Unrestricted	(117,747)	(75,923)	3,686	3,844
<b>Total net assets</b>	<b>\$ 1,821,171</b>	<b>\$ 1,759,739</b>	<b>\$ 71,931</b>	<b>\$ 67,369</b>

See accompanying notes to financial statements.

**University of Cincinnati**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**For the Years Ended June 30, 2005 and 2004**  
**(in thousands)**

	University		University Related Foundation	
	2005	2004	2005	2004
<b>REVENUES</b>				
<b>Operating revenues:</b>				
Student tuition and fees, net	\$ 202,036	\$ 169,993	\$	\$
Federal grants and contracts	169,971	164,026		
State and local grants and contracts	13,379	12,925		
Nongovernmental grants and contracts	10,527	9,787		
Sales and services of educational departments	53,635	48,196		
Auxiliary enterprises:				
Residential life	25,985	25,033		
Athletics, net	10,594	7,221		
Other Auxiliary enterprises	53,572	49,462		
Other operating revenues	6,740	4,344	104	96
<b>Total operating revenues</b>	<b>546,439</b>	<b>490,987</b>	<b>104</b>	<b>96</b>
<b>EXPENSES</b>				
<b>Operating expenses:</b>				
Instruction	264,736	243,226		
Research	143,848	131,637		
Public Service	52,656	46,068		
Academic Support	63,165	57,919		
Student Services	36,577	35,264		
Institutional Support	59,613	61,896	7,146	7,354
Operation Maintenance and Plant	56,156	64,310		
Scholarships and Fellowships	20,114	15,260		
Auxiliary Expenses	83,167	74,041		
Depreciation	71,708	61,685	295	282
<b>Total operating expenses</b>	<b>851,740</b>	<b>791,306</b>	<b>7,441</b>	<b>7,636</b>
<b>Operating loss</b>	<b>(305,301)</b>	<b>(300,319)</b>	<b>(7,337)</b>	<b>(7,540)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
State appropriations	179,007	181,139		
Gifts	37,686	29,157	4,679	12,559
Investment income	53,448	52,816	3,097	2,620
Increase in fair value of investments	65,480	152,363	2,365	4,594
Interest on capital asset-related debt	(25,115)	(22,780)		
Loss on disposal of assets	(15,461)	(5,985)		
Other nonoperating revenues (expenses)	435	2,342	1,758	1,210
<b>Net nonoperating revenue</b>	<b>295,480</b>	<b>389,052</b>	<b>11,899</b>	<b>20,983</b>
<b>Income (loss) before other revenues, expenses, gains or losses</b>	<b>(9,821)</b>	<b>88,733</b>	<b>4,562</b>	<b>13,443</b>
Capital appropriations	44,024	13,006		
Capital grants and gifts	12,026	8,263		
Additions to permanent endowments	15,203	12,442		
<b>Increase (decrease) in net assets</b>	<b>61,432</b>	<b>122,444</b>	<b>4,562</b>	<b>13,443</b>
<b>NET ASSETS</b>				
Net assets - beginning of year	1,759,739	1,637,295	67,369	53,926
<b>Net assets - end of year</b>	<b>\$ 1,821,171</b>	<b>\$ 1,759,739</b>	<b>\$ 71,931</b>	<b>\$ 67,369</b>

See accompanying notes to financial statements.

**University of Cincinnati**  
**Statements of Cash Flows**  
**Years Ended June 30, 2005 and 2004**  
**(in thousands)**

	2005	2004
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition & fees	\$ 209,118	\$ 182,539
Grants & contracts	183,912	169,791
Sales and services	143,212	133,518
Expenditures and other deductions:		
Compensation	(554,695)	(497,793)
Other	(222,324)	(222,893)
Loans issued	(8,398)	(8,431)
Loan principal collected	7,330	7,461
Other revenue	6,154	7,219
<b>Cash used for operating activities</b>	<b>(235,691)</b>	<b>(228,589)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State appropriations	179,007	181,321
Gifts for other than capital purposes	52,575	40,978
Interest on loans receivable	117	92
<b>Cash from noncapital financing activities</b>	<b>231,699</b>	<b>222,391</b>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
State appropriations	43,804	12,336
Private gifts for capital purposes	13,341	9,291
Other	4,669	1,007
Proceeds from capital debt	203,749	306,531
Purchases of capital assets	(190,845)	(207,963)
Principal paid on capital debt	(219,085)	(56,796)
Interest paid on capital debt	(36,710)	(29,024)
<b>Cash from (used for) capital financing activities</b>	<b>(181,077)</b>	<b>35,382</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Endowment income	38,694	69,238
Income from deposits with trustees	27,132	7,928
Other endowment expenditures	(207)	(45)
Realized gains(losses) on investments	7,951	62,959
Purchase of investments	(904,230)	(1,115,565)
Sale of investments	1,004,541	970,261
Investment income	5,244	3,216
<b>Cash from (used for) investing activities</b>	<b>179,125</b>	<b>(2,008)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		
	(5,944)	27,176
Cash and cash equivalents - beginning of the year	78,765	51,589
Cash and cash equivalents - end of the year	<b>\$ 72,821</b>	<b>\$ 78,765</b>

See accompanying notes to financial statements.

**University of Cincinnati**  
**Statements of Cash Flows - continued**  
**Years Ended June 30, 2005 and 2004**  
**(in thousands)**

	2005	2004
<b>RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:</b>		
<b>Operating loss</b>	\$ (305,301)	\$ (300,319)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation expense	71,708	61,685
Changes in assets and liabilities:		
Receivables, net	(5,181)	2,136
Inventories	644	(166)
Other assets	(3,871)	78
Accounts payable and accrued liabilities	317	3,470
Deferred revenue	4,062	210
Compensated absences	2,834	3,990
Deposits	(903)	327
<b>Net cash used for operating activities</b>	<b>\$ (235,691)</b>	<b>\$ (228,589)</b>

See accompanying notes to financial statements.

---

## NOTES TO FINANCIAL STATEMENTS

### For the Years Ended June 30, 2005 and 2004

#### 1. Organization and Summary of Significant Accounting Policies

##### A) Organization

The University of Cincinnati (the University) was founded in 1819 with the first charter granted by the State of Ohio in 1870. The University, formerly city owned, became a State University on July 1, 1977. As such, it is a component unit of the State of Ohio. Under provisions of the Internal Revenue Code, Section 115, and the applicable income tax regulations of the State of Ohio, the University, as a state institution, is exempt from taxes on income other than unrelated business income. Since the University has no material net unrelated business income during the year ended June 30, 2005, no provision for income taxes has been made.

The accompanying financial statements consist of the accounts of the University and the accounts of the University of Cincinnati Foundation (the Foundation). The Foundation, which is a component unit of the University in accordance with the provisions of the Governmental Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity*, is described more fully in Note 17. The Foundation is exempt from Federal income taxes under the provisions of Internal Revenue Code Section 501(c)(3).

##### B) Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the GASB. The University has elected not to apply those Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989.

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

**Invested in Capital Assets Net of Related Debt**—Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

**Restricted—Nonexpendable** restricted net assets are subject to externally imposed stipulations that they be maintained permanently by the University. Such assets include the University's permanent endowment funds. **Expendable** restricted net assets are subject to externally imposed stipulations that can be fulfilled by actions of the University pursuant to those stipulations or that expire by the passage of time.

**Unrestricted**—Net assets that are not subject to externally imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net assets are designated for academic and research programs and initiatives and for capital programs.

##### C) Summary of Significant Accounting Policies

The accompanying financial statements have been prepared on the accrual basis. The University reports as a Business Type Activity as defined by GASB Statement No. 35. A Business Type Activity is financed in whole or in part by fees charged to external parties for goods or services.

**Investments** in marketable securities are carried at fair value as established by the major securities markets. Investment income is recorded on the accrual basis. Realized and unrealized gains and losses are reported as nonoperating revenues (expenses).

The majority of alternative investments, such as limited partnerships, are carried at estimated fair value provided by the management of the alternative investment funds as of March 31, 2005 and 2004, as

adjusted by cash receipts, cash disbursements and securities distributions through June 30, 2005 and 2004. The University believes that the carrying amount of its alternative instruments is a reasonable estimate of fair value as of June 30, 2005 and 2004. Because alternative investments are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed. The amount of gain or loss associated with these investments is reflected in the accompanying financial statements using the equity method of accounting.

The University considers all highly liquid investments purchased with an original maturity of three months or fewer to be cash equivalents.

**Inventories** are held primarily by the bookstore and general stores and are stated at the lower of cost or net realizable market value. The retail basis for bookstores and the moving-average basis for all other inventories are used to determine inventory cost.

**Capital Assets**—Land, land improvements, infrastructure, buildings and equipment are recorded at cost at date of acquisition, or market value at date of donation. The University's capitalization threshold is \$100,000 for major capital projects and \$5,000 for all other capitalized items. Interest on related borrowing, net of interest earnings on invested proceeds, is capitalized during the period of construction. University and Foundation property and equipment are depreciated using the straight-line method over the estimated useful lives (from five to fifty years) of the respective assets. When plant assets are sold or disposed of, the carrying value of such assets and the associated depreciation are removed from the University's records.

The University does not capitalize works of art or historical treasures that are held for public exhibition, education or research in furtherance of public service. These collections are neither disposed of for financial gain nor encumbered in any way. In addition, the University requires the proceeds from the sale of collection items be used to acquire other collection items. Accordingly, such collections are not recognized or capitalized for financial statement purposes. All other works of art or historical treasures are capitalized at historical or fair value at date of donation.

**Gift Pledges**—The University receives pledges and bequests of financial support from corporations, foundations and individuals. Revenue is recognized when a pledge representing an unconditional promise to pay is received and all eligibility requirements, including time requirements, have been met. In the absence of such promise, revenue is recognized when the gift is received.

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows. The discounts on these amounts are computed using a discount rate commensurate with the risks involved. An allowance for uncollectible pledges receivable is provided based on management's judgment of potential uncollectible amounts. The determination includes such factors as prior collection history, type of gift and nature of fundraising.

**Deferred Revenue** includes amounts received in advance of an event.

**Endowment Spending Policy**—For donor restricted endowments, the Uniform Management of Institutional Funds Act permits the University to distribute an amount of realized and unrealized endowment appreciation as the Board of Trustees determines to be prudent. The University's policy is to accumulate the undistributed realized and unrealized appreciation within the endowment, which is discussed in Note 2.

**Student Tuition and Residence Fees** are presented net of scholarship and fellowship allowances of \$77,341,000 in 2005 and \$71,550,000 in 2004 and bad debt provisions of \$1,959,000 in 2005 and \$5,754,000 in 2004. Payments made directly to students are presented as scholarship and fellowship expenses.

**Auxiliary Enterprise Revenues** primarily represent revenues generated by bookstores, parking, the conference center, athletics, housing, and dining, net of bad debt provisions of \$1,445,000 in 2004. In 2005 these amounts were determined to be collectible and the revenue was recognized.

**Operating Activities**, as reported on the Statement of Revenues, Expenses, and Changes in Net Assets are those that generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Nearly all of the University's expenses are from exchange transactions. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB Statement 35, including state appropriations, gifts and investment income.

**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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates. The use of management's estimates relate most significantly to self-insurance reserves.

**Reclassifications**—Certain prior-year amounts have been reclassified to conform to current-year presentations.

## 2. Cash and Investments

**Summary**—The University maintains centralized management for substantially all of its cash and investments. With the exception of insurance reserves, charitable remainder trusts, and other trust funds the terms of which require separate management, the University invests its reserves and relatively short-duration assets in its Temporary Investment Pool, and invests substantially all of the assets of the University endowment in its Endowment Investment Pool.

Distributions are made from the University endowment to University entities that benefit from those funds. The endowment spending policy provides for an annual distribution of five percent of the twelve-quarter moving-average market value of endowment units.

**Authorizations**—The Temporary Investment Pool is invested principally in investment-grade money-market and fixed-income securities. Balances in the Temporary Investment Pool are primarily for operating expenses or for funding capital projects.

The University investment policies are governed and authorized by University rules. The approved asset allocation policy for the endowment investments sets a general target of 85 percent equities and 15 percent fixed-income securities within broader ranges set at the discretion of the Administrative Investment Committee.

Diversification is a fundamental risk-management strategy for the endowment portfolio. Accordingly, the portfolio includes investments in domestic and non-U.S. stocks, bonds and bond-like loans; real estate; and limited partnerships consisting of venture capital, private equity and real estate.

**Off-Balance-Sheet Risk**—The University's investment strategy incorporates certain financial instruments which involve, to varying degrees, elements of market risk and credit risk in excess of amounts recorded in the financial statements. Market risk is the potential for changes in the value of financial instruments due to market changes, including interest and foreign exchange rate movements and fluctuations embodied in forward, futures, and commodity or security prices. Market risk is directly impacted by the volatility and liquidity of the markets in which the related underlying assets are traded. Credit risk is the possibility that a loss may occur due to the failure of a counterparty to perform according to the terms of the contract. The University's risk of loss in the event of counterparty default is typically limited to the amounts recognized in the Statement of Net Assets and is not represented by the contract or notional amounts of the instruments.

**Cash and Cash Equivalents**—At June 30, 2005, the carrying amount of the University's cash and cash equivalents for all funds is \$72,821,000 as compared to bank balances of \$87,091,000. The difference between the carrying amount and the bank balances is caused primarily by deposits in transit and outstanding checks.

Of the University's bank balances, \$300,000 is covered by federal depository insurance; mutual funds hold cash equivalents of \$15,261,000; \$53,858,000 is in public funds collateralized pools; and the balance of \$17,672,000 is uncollateralized. The University does not have a policy for custodial credit risk.



**Investments**—The fair value of University investments at June 30 is *(in thousands)*:

	<u>2005</u>	<u>2004</u>
U. S. government securities	\$ 87,693	\$126,762
Corporate notes and bonds	55,803	138,877
Corporate stocks	311,916	323,597
Mutual funds	345,649	323,069
Other securities	79,351	50,753
Real estate	<u>18,067</u>	<u>15,934</u>
Total investments	898,479	978,992
Less current investments	<u>43,586</u>	<u>104,006</u>
Non current investments	<u>\$854,893</u>	<u>\$874,986</u>

At June 30, 2005 and 2004, other securities included \$74,711,000 and \$45,774,000, respectively, of loans made to certain nonprofit entities for the purpose of developing residential and commercial facilities on the borders of the campus. Currently, these loans are secured primarily by mortgages on parcels of land purchased by these nonprofit entities. Some of these mortgages are subordinated to external financing arranged by these entities. These loans bear interest at 6%. The University expects repayment once the residential and commercial facilities have streams of rental income.

The University has recorded the investments in the table above in the following categories: \$95,117,000 of investments and \$803,362,000 of endowment investments. Also, included in endowment investments as reported on the Statement of Net Assets are \$224,488,000 invested predominately in equities held in donor-stipulated irrevocable trusts.

GASB Statement 40 requires government entities to categorize investments by interest rate risk, credit risk and custodial credit risk.

**Interest Rate Risk** – The University's investments total \$898,479,000. The segmented time distribution method is used to portray interest rate risk for \$252,911,000 of bond and other fixed income investments.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
US Treasury Obligations	\$ 21,499,000	\$ 3,027,000	\$10,441,000	\$ 3,059,000	\$ 4,972,000
US Government Agencies	60,522,000	19,429,000	28,884,000	2,861,000	9,348,000
US Treasury STRIPS	5,672,000	\$839,000	3,063,000	1,770,000	-
Corporate Bonds and Notes	55,803,000	34,352,000	16,554,000	4,897,000	-
Bond Mutual Funds	30,384,000	-	-	30,384,000	-
Local mortgage secured loans	75,251,000	-	\$540,000	-	74,711,000
Other	<u>3,780,000</u>	<u>367,000</u>	<u>1,468,000</u>	<u>1,652,000</u>	<u>293,000</u>
Total	<u>\$252,911,000</u>	<u>\$58,014,000</u>	<u>\$60,950,000</u>	<u>\$44,623,000</u>	<u>\$89,324,000</u>

The University's investment policy stipulates that the weighted average of investments in the Temporary Investment Pool shall be no longer than 5 years. The weighted average of fixed income maturities in the Endowment portfolio shall not exceed 20 years.

**Credit Risk** – The Temporary Investment Pool permits investments in securities rated A or higher at the time of purchase. Securities which are downgraded below an A rating after purchase are permitted to be retained. Endowment investment grade bonds are limited to those in the first four grades of any rating system. Below investment grade high yield bond investments and certain unrated investments having strategic value to the

University are permitted. In accordance with the University's investment policy, the University's \$252,911,000 of bond and other fixed income investments are rated by nationally recognized rating organizations as follows:

<u>Rating</u>	<u>Amount</u>
US Treasury Obligations	\$ 21,499,000
AAA	85,944,000
AA	12,679,000
A	31,979,000
BBB	16,755,000
BB	5,024,000
Not Rated	<u>79,031,000</u>
Total	<u>\$252,911,000</u>

**Custodial Credit Risk** – Of the University's \$898,479,000 of total investments, \$455,731,000 are uninsured, not registered in the name of the University, and are held by trust departments or agents in the University's name, and thus are not exposed to custodial credit risk. The University does not have a policy for custodial credit risk.

**University Investment Pools**—Of the University investments, approximately \$66,000,000 are separately invested by donor stipulation. The remaining funds are invested in one of three pools. The Temporary Investment Pool represents the investment of substantially all University cash not otherwise invested in the endowment.

The Endowment Investment Pool A is the principal investment pool for the University endowments that may be pooled legally or by donor concurrence. The University employs the share method of accounting for the Endowment Investment Pool A investments and for proportionate distribution of income to each fund that participates in the pool. At June 30, 2005, the Endowment Investment Pool A consisted of 7,257,000 shares. Effective July 1, 2002, substantially all endowments held in trust, by donor stipulation, by the University of Cincinnati Foundation were invested in the University's Endowment Investment Pool A. At June 30, 2005, such endowments own 1,446,000 pool shares with a market value of \$147,934,000, equating to approximately 20% of the Endowment Investment Pool A. The Endowment Investment Pool B comprises real estate holdings received by bequest.

The following tabulation summarizes the changes in relationships between cost and fair values of the Endowment Investment Pool A assets for the year (*in thousands*):

	<u>Net Cost</u>	<u>Fair Value</u>	<u>Net Gains/ (Losses)</u>	<u>Fair Value Gain/(Loss) Per Share</u>
End of year	\$660,952	\$742,360	\$ 81,408	\$102.30
Beginning of year	644,212	705,424	<u>61,212</u>	98.95
Unrealized net gain for year			20,196	
Realized net gain for year			<u>1,330</u>	
Total net gain for year			<u>\$ 21,526</u>	\$ 3.35

The University has adopted a spending rate policy which limits the distribution of endowment income earned in the investment pool to five percent of the moving-average market value for the twelve-quarter period ending each December. During 2005, income earned was approximately \$ 18,319,000 less than the amount allocated for spending. In accordance with the Ohio Uniform Management of Institutional Funds Act, the cumulative shortfall of \$110,536,000 as of June 30, 2005, is funded by capital appreciation of the investment pool.

Income allocated for spending during 2005 amounted to \$4.35 per share of the Endowment Investment Pool A. The average annual earnings per share, exclusive of capital appreciation, amounted to \$2.43.

### 3. Accounts, Pledges and Notes Receivable

Accounts, pledges and notes receivable as of June 30, are as follows (*in thousands*):

	<u>2005</u>	<u>2004</u>
Accounts receivable	\$40,522	\$36,057
Pledges receivable	18,331	17,828
Notes receivable	33,519	32,381
Accrued interest receivable	<u>9,070</u>	<u>7,766</u>
Total	101,442	94,032
Less current receivables	<u>56,296</u>	<u>49,079</u>
Noncurrent receivables	<u>\$45,146</u>	<u>\$44,953</u>

Allowances for uncollectible receivables have been provided in the amount of approximately \$8,923,000 and \$7,946,000 for accounts receivable, \$576,000 and \$185,000 for pledges receivable, and \$4,407,000 for notes receivable as of June 30, 2005 and 2004, respectively.

Pledges have been discounted at a rate of four percent to net present value, which approximates the fair value of the receivables as follows (*in thousands*):

	<u>2005</u>	<u>2004</u>
Less than one year	\$ 3,481	\$ 2,055
One to five years	8,441	7,047
More than five years	<u>6,985</u>	<u>8,911</u>
Subtotal	18,907	18,013
Less allowance for uncollectible pledges	<u>576</u>	<u>185</u>
Total	<u>\$18,331</u>	<u>\$17,828</u>

### 4. Capital Assets

Capital assets activity for the years ended June 30, 2005 and 2004, is summarized as follows (*in thousands*):

	Balance <u>July 1, 2004</u>	Additions	Retirements/ Transfers	Balance <u>June 30, 2005</u>
Land	\$ 19,976	\$1,329	\$ -	\$ 21,305
Land improvement	27,927	3,184	3,641	34,752
Buildings	1,276,318	22,222	15,348	1,313,888
Construction in progress	199,798	146,482	(50,655)	295,625
Infrastructure	76,801	868	730	78,399
Building equipment	15,167	-	-	15,167
Moveable equipment	129,577	16,739	(9,287)	137,029
Books	125,588	9,931	(1,801)	133,718
Art objects	<u>4,408</u>	<u>61</u>	<u>-</u>	<u>4,469</u>
	1,875,560	200,816	(42,024)	2,034,352
Less accumulated depreciation	<u>659,035</u>	<u>71,708</u>	<u>(26,563)</u>	<u>704,180</u>
Net assets	<u>\$ 1,216,525</u>	<u>\$129,108</u>	<u>\$(15,461)</u>	<u>\$1,330,172</u>

	Balance <u>July 1, 2003</u>	<u>Additions</u>	Retirements/ <u>Transfers</u>	Balance <u>June 30, 2004</u>
Land	\$ 17,962	\$ 2,014	\$ -	\$ 19,976
Land improvement	21,806	780	5,341	27,927
Buildings	1,077,708	53,413	145,197	1,276,318
Construction in progress	256,317	119,488	(176,007)	199,798
Infrastructure	54,839	4,861	17,101	76,801
Building equipment	15,029	138	-	15,167
Moveable equipment	124,479	13,764	(8,666)	129,577
Books	117,674	9,333	(1,419)	125,588
Art objects	4,579	-	(171)	4,408
	<u>1,690,393</u>	<u>203,791</u>	<u>(18,624)</u>	<u>1,875,560</u>
Less accumulated depreciation	<u>609,989</u>	<u>61,685</u>	<u>(12,639)</u>	<u>659,035</u>
Net assets	<u>\$1,080,404</u>	<u>\$142,106</u>	<u>\$ (5,985)</u>	<u>\$1,216,525</u>

#### 5. Accounts Payable and Accrued Liabilities

Accounts payable and the current portion of accrued liabilities as of June 30, 2005 and 2004 are as follows (in thousands):

	<u>2005</u>	<u>2004</u>
Compensated absences	\$35,550	\$ 33,790
Compensation	56,299	53,921
Accrued liabilities	16,147	14,011
Vendors payable	<u>31,916</u>	<u>35,003</u>
Total	<u>\$139,912</u>	<u>\$136,725</u>

#### 6. Compensated Absences

University employees earn vacation and sick leave on a monthly basis. Vacation benefits may be accrued up to a maximum of three years' credit, and earned but unused days are payable upon termination. Sick leave may be accrued without limit; however, earned but unused days are payable only upon retirement from the University, subject to 30- or 60-day limits depending upon the date of hire. The liability for the costs of such benefits approximated \$65,057,000 and \$62,223,000 as of June 30, 2005 and 2004, respectively.

**7. Bonds and Notes Payable**

Bonds and notes payable at June 30, comprise the following (*in thousands*):

<u>Bond Series – Fixed Rate Debt</u>	<u>Issue Date</u>	<u>Maturity Dates Through</u>	<u>Interest Rate</u>	<u>Outstanding Debt</u>	
				<u>2005</u>	<u>2004</u>
R-11,T,X,Y,AA,AG,AH,AI	1998	2018	3.70-5.50%	\$ 36,745	\$ 39,190
R-12	1998	2005	5.19-5.73%	-	1,670
U,V	1995	2005	3.90-5.60%	-	640
Z, AC	1997	2017	4.15-5.375%	4,995	11,845
AB	1997	2007	4.40-5.10%	225	21,335
AD	1997	2010	4.65-5.05%	2,665	14,870
AL,AM,AN	1998	2018	3.45-4.75%	5,250	5,575
AL-1,AO	1999	2019	4.20-5.75%	12,365	12,965
AQ,AT,AU,AV,AZ	2000	2020	4.60-5.75%	5,595	6,025
2001A	2001	2031	3.60-5.50%	151,575	184,625
2002A	2002	2022	2.25-4.875%	5,150	5,360
2002D	2002	2022	2.40-5.00%	4,275	4,570
2002F	2003	2024	2.50-5.375%	44,560	46,090
2002G	2003	2031	1.80-5.00%	15,510	17,565
2003C	2003	2026	3.00-5.00%	82,660	85,390
2004A	2004	2031	2.00-5.00%	64,620	64,620
2004D	2004	2026	2.00-5.00%	50,985	50,985
2004E	2005	2021	2.25-5.00%	23,740	-
2005A	2005	2020	3.10-5.00%	<u>69,410</u>	<u>-</u>
<b>Total bonds payable – fixed rate debt</b>				<b><u>580,325</u></b>	<b><u>573,320</u></b>
<u>Bond Series – Variable Rate Debt</u>			<u>Weighted Average Interest Rate</u>		
2004B – Auction Mode	2004	2031	1.66%	40,000	40,000
2004B – Weekly Mode	2004	2031	1.55%	<u>103,755</u>	<u>103,755</u>
<b>Total bonds payable – variable rate debt</b>				<b><u>143,755</u></b>	<b><u>143,755</u></b>
<b>Total bonds payable</b>				<b><u>\$ 724,080</u></b>	<b><u>\$ 717,075</u></b>

Note Series	Issue Date	Maturity Dates Through	Interest Rate	Outstanding Debt	
				2005	2004
General Receipts Bond Anticipation Notes:					
2004C	March 2004	March 2005	2.00%	\$ -	\$ 42,122
2005C	March 2005	March 2006	4.00%	23,980	-
Certificates of Participation—Center					
For Information Technology	1993	2013	2.40-5.50%	270	840
Ohio Board of Regents					
Notes Payable	1994	2006	0.00%	\$ 141	\$ 282
Capital Lease Obligations					
University Center	1996	2011	4.125-5.10%	18,530	73,120
Edwards Center	1998	2011	4.00-5.75%	13,910	15,525
Residence Halls	2000	2028	4.40-5.50%	41,540	42,490
University Center Refunding	2005	2024	3.50-5.00%	52,815	-
Loans Payable-Equipment	2003	2011	2.86-4.19%	2,182	1,534
Other		2006	1.40-8.00%	<u>5</u>	<u>16</u>
Total notes payable				<u>153,373</u>	<u>175,929</u>
Total bonds and notes payable				877,453	893,004
Plus discounts/premiums/loss on refunding				<u>1,804</u>	<u>1,592</u>
Total bonds and notes payable, net				<u>\$879,257</u>	<u>\$894,596</u>

#### A) Debt Issuances and Permanent Fundings

**General Receipt Bonds-Fixed Rate Debt**—During the year ended June 30, 2005, the University issued two general receipt fixed rate bonds totaling \$93,150,000 that bear interest at rates ranging from 2.25% to 5.00% and mature in years 2020 and 2021. The proceeds were used to refund portions of Series 2001A, AB, AD, and Z bonds, to finance a portion of the costs of the UC FLEX system, and to pay associated bond issue costs and capitalized interest.

The refunded Series 2001A bonds had been issued to finance a portion of the MainStreet project and several large utility projects and will be called June 2011; the refunded Series AB bonds had been issued to finance a portion of the Eden Avenue Garage, South Addition, the upgrade of the existing Eden Avenue Garage and pedestrian bridge and associated site work and will be called June 2007; the refunded Series AD bonds had been issued to finance a portion of the College Conservatory of Music Garage and will be called June 2007; the refunded Series Z bonds had been issued to finance the construction and installation of chillers and a thermal storage tank and will be called June 2007.

**General Receipt Bonds-Variable Rate Debt**—The University issued general receipt variable rate bonds, Series 2004B in 2004.

The initial interest rate for the Series 2004B – auction rate reset mode was .85%. Auction rate bonds call for the interest rate to be reset and paid every 35 days. Interest paid to date has been based on rates that have fluctuated from a low of .85% to a high of 2.85%. The maximum interest rate on the auction rate bonds is 12%. Series 2004B auction rate bonds do not have a permanent put feature. The University does not have an obligation to purchase any Series 2004B auction rate bonds that a holder wishes to sell on an auction date, or to purchase any Series 2004B auction rate bonds that a holder has tendered for purchase on a mandatory tender date in connection with a change in mode. Accordingly, the University has classified the total outstanding principal balance on its auction rate bonds as a long-term liability.

The initial interest rate for the Series 2004B – weekly reset mode bonds was .92%. The interest rate for the weekly mode bonds resets every week, with interest due the first business day of each calendar month.

Interest paid to date has been based on weekly rates that have fluctuated from a low of .87% to a high of 3.01%. The maximum interest rate on the weekly reset mode bonds is 12%. The University has entered into a standby bond purchase agreement with a liquidity provider for Series 2004B weekly reset mode bonds. Series 2004B weekly rate bondholders may tender any of these bonds for repurchase every seven days. Any bonds so tendered will be purchased either by the proceeds of the remarketing of such bonds or, if not successfully remarketed, by the liquidity provider. Accordingly, the University has classified the total outstanding principal balance on its weekly reset mode bonds as a long-term liability. As of June 30, 2005, there has not been a failed remarketing for the weekly reset mode variable rate bonds.

The University has the option to convert the variable rate bonds from one rate mode to another, as well as the option to redeem these bonds in whole or in part. The University's variable rate bonds mature at various dates, beginning in fiscal year 2007 through 2031. It is the University's intent to repay its variable rate bonds in accordance with the maturities set forth in the bond offering circulars.

**Bond Anticipation Notes**—During the year ended June 30, 2005, the University issued the following Bond Anticipation Notes: Series 2004F for \$7,460,000, issued to fund various new construction and renovation projects; Series 2005B for \$25,087,000, issued to refinance existing bond anticipation notes (a portion of Series 2004C and 2004F); and Series 2005C for \$23,980,000, issued to refinance existing bond anticipation notes (a portion of Series 2004C and 2004F). Series 2005B bond anticipation notes were retired on June 1, 2005. Series 2005C notes are outstanding and bear interest at a rate of 4.00%.

**Capital Lease Obligations**—During the year ended June 30, 2005, the University issued Series 2005 University Center Projects certificates of participation totaling \$52,815,000 that bear interest at rates ranging from 3.5% to 5.00% and mature in years 2012 through 2024. The proceeds were used to refund a portion of the University Center certificates of participation and to pay associated issue costs.

**Loans Payable for Equipment**—During the year ended June 30, 2005, the University borrowed \$1,044,000, at an interest rate of 4.19%, for the purchase of medical equipment. All of the outstanding notes bear interest rates between 2.86% and 4.19%.

## **B) Defeasance**

**General Receipts Bonds**—Series 2005A general receipt bonds were issued March 16, 2005 in the amount of \$69,410,000. A portion of the Series 2005A bonds, \$30,565,000 was for the purpose of advance refunding \$29,245,000 of the outstanding Series 2001A general receipts bonds, stated to mature on June 1, 2015 through June 1, 2019. Another \$6,145,000 of the Series 2005A bonds was for the purpose of advance refunding \$6,185,000 of the outstanding Series Z general receipts bonds, stated to mature on June 1, 2011 through June 1, 2017. Another \$20,845,000 of the Series 2005A bonds was for the purpose of advance refunding \$21,055,000 of the outstanding Series AB general receipts bonds, stated to mature on June 1, 2008 through June 1, 2020. Finally, \$11,855,000 of the Series 2005A bonds was for the purpose of advance refunding \$12,055,000 of the outstanding Series AD general receipts bonds, stated to mature on June 1, 2011 through June 1, 2020. The purpose of the refunding was to reduce future debt service payments. Net proceeds of \$73,993,000 were used to purchase United States government securities that were placed in irrevocable trust with an escrow agent to provide for all future debt service payments on the advance refunded Series 2001A, Z, AB and AD general receipts bonds. The economic gain (difference between the present value of the old and new debt service payments) to the University will be \$3,927,000. As a result of the refunding, \$6,891,000 has been recorded as Deferred Loss on Refunding and will be amortized from 2005 through 2020. The deferred loss on refunding reflects the difference between the refunding reacquisition price for the respective portion of Series 2005A and the net carrying amount of the outstanding principal balances of the refunded debt issues.

**Capital Lease Obligations**—Series 2005 University Center Projects certificates of participation were issued March 23, 2005 in the amount of \$52,815,000. The Series 2005 certificates of participation were for the purpose of advance refunding \$52,860,000 of the outstanding University Center certificates of participation, stated to mature on June 1, 2012 through June 1, 2024. The purpose of the refunding was to reduce future debt service payments. Net proceeds of \$55,862,000 were used to purchase United States government securities that were placed in irrevocable trust with an escrow agent to provide for all future debt service payments on the advance refunded University Center certificates of participation. The economic gain (difference between the present value of the old and new debt service payments) to the University will be \$2,423,000. As a result of the refunding, \$4,336,000 has been recorded as Deferred Loss on Refunding and will be amortized from 2005 through 2024. The deferred loss on refunding reflects the difference between

the refunding reacquisition price for the Series 2005 certificates of participation and the net carrying amount of the outstanding principal balance of the refunded debt issue.

**C) Collateralization and Debt Reserves**

The general receipts bonds and general receipts bond anticipation notes are collateralized by a pledge of general receipts of the University. The certificates of participation are collateralized by the capital assets purchased under the respective financing agreements and by certain insurance covering repayment of the proceeds. Loans Payable is collateralized by specified equipment.

At June 30, 2005, the required debt service reserve amounted to \$12,418,000. As provided for in the Amended and Restated Trust Agreement, this reserve is solely for the payment of debt service charges on the pre-amended bonds, with the exception that excess amounts may be transferred pursuant to Section 4.03 of the Amended and Restated Trust Agreement.

**D) Debt Service Commitments**

For bonds and notes payable at June 30, 2005, scheduled annual debt service payments subsequent to June 30, 2005, are as follows (*in thousands*):

Fiscal				
Year	Principal	Interest	Total	
2006	\$ 44,641	\$ 32,048	\$ 76,689	
2007	26,915	30,195	57,110	
2008	32,455	29,072	61,527	
2009	27,305	27,849	55,154	
2010	27,575	26,749	54,324	
2011-2015	150,330	115,337	265,667	
2016-2020	173,120	78,993	252,113	
2021-2025	142,070	42,758	184,828	
2026-2030	106,235	15,114	121,349	
2031	<u>17,825</u>	<u>652</u>	<u>18,477</u>	
Total	<u>\$748,471</u>	<u>\$398,767</u>	<u>\$1,147,238</u>	

The University has \$143.8 million of variable rate bonds. \$103.8 million of this variable rate debt bears interest that is reset weekly based on the market with a maximum rate of 12% per year. \$40 million of the variable rate debt bears interest that is reset every 35 days based on an auction rate, subject to a maximum of 12% per year. The interest rate used to determine future interest payments in the debt service repayment table above is the year-end rate of 2.28% for the variable weekly rate and 2.50% for the variable 35-day rate. The bonds were issued in February 2004 and, since the date of issuance, the variable weekly rate has ranged from .87% to 3.010% and the variable 35-day rate has ranged from .85% to 2.85%.

Scheduled principal and interest payments on capital lease obligations and loans payable subsequent to June 30, 2005, are (*in thousands*):

Fiscal				
Year	Principal	Interest	Total	
2006	\$ 5,325	\$ 6,438	\$ 11,763	
2007	5,911	6,222	12,133	
2008	6,125	5,941	12,066	
2009	7,463	5,633	13,096	
2010	7,385	5,255	12,640	
2011-2015	31,513	21,185	52,698	
2016-2020	28,505	13,508	42,013	
2021-2025	28,260	6,154	34,414	
2026-2028	<u>8,495</u>	<u>885</u>	<u>9,380</u>	



Total      \$128,982      \$71,221      \$200,203

**E) Defeased Debt**

Debt defeased by the University for which amounts remain outstanding at June 30, 2005, are (in thousands):

Bond Series	Maturity Dates	Interest Rate(s)	Amount Outstanding
Residence Hall and Dining Facility Bonds:			
Series D and H	1970-2007	5.50%	\$ 2,070
Series F	1972-2009	5.00-6.00%	2,400
General Receipts Bonds:			
Series W	2011-2016	5.65-5.85%	8,090
Series Z	2011-2017	5.00-5.375%	6,185
Series AB	2008-2020	5.20-5.45%	21,055
Series AD	2011-2020	5.00-5.15%	12,055
Series 2001A	2015-2019	5.75%	29,245
Capital Lease Obligations:			
1996 UCP COPS	2012-2024	5.125-5.45%	<u>52,860</u>
Total			<u>\$133,960</u>

Neither the outstanding indebtedness nor the related trust accounts are reflected in the accompanying financial statements for the fully defeased bonds listed above. United States Treasury obligations in an amount sufficient to pay principal and interest on the defeased obligations, when due, have been deposited with a trustee in accordance with the defeasance of the debt.

**F) Other**

Subsequent to June 30, 2005, the University has issued \$20.4 million in Series 2005D bonds to refund \$20.3 million in existing debt. As a result of the refunding, the University will realize a net economic gain of \$9 million over 14 years.

Interest expense incurred on indebtedness for the years ended June 30, 2005 and 2004, is \$25,115,000 and \$22,780,000 respectively. In 2005, interest expense on construction-related debt of \$11,558,000, net of \$3,357,000 interest earned on invested funds, was capitalized. In 2004, interest expense on construction-related debt of \$14,055,000, net of \$2,641,000 interest earned on invested funds, was capitalized.

**G) Long-Term Liability**

Long-term liabilities as of June 30, 2005 and 2004, are as follows (in thousands):

	Year Ended June 30, 2005					
	Balance July 1, 2004	Additions	Reductions	Balance June 30, 2005	Current Portion	Noncurrent Portion
Bonds, notes and capital leases:						
Bonds and notes payable	\$759,479	\$149,674	\$ 160,952	\$748,201	\$44,611	\$703,590
Certificates of participation	840	-	570	270	30	240
Loans payable-equipment	1,534	1,044	396	2,182	666	1,516
Capital lease obligations	131,151	52,816	57,167	126,800	4,659	122,141
Issue costs, premiums and discounts	<u>1,592</u>	<u>212</u>	<u>-</u>	<u>1,804</u>	<u>340</u>	<u>1,464</u>
Total bonds, notes and capital leases	<u>894,596</u>	<u>203,746</u>	<u>219,085</u>	<u>879,257</u>	<u>50,306</u>	<u>828,951</u>
Other long-term liabilities:						
Compensated absences	62,223	2,928	94	65,057	35,550	29,507
Refundable advances, federal loans	25,126	824	55	25,895	-	25,895
Other Liability	-	2,226	-	2,226	411	1,815
Deposits held in trust for others	<u>5,672</u>	<u>79,080</u>	<u>79,984</u>	<u>4,768</u>	<u>-</u>	<u>4,768</u>
Total other long-term liabilities	<u>93,021</u>	<u>85,058</u>	<u>80,133</u>	<u>97,946</u>	<u>35,961</u>	<u>61,985</u>
Total	<u>\$987,617</u>	<u>\$288,804</u>	<u>\$299,218</u>	<u>\$977,203</u>	<u>\$ 86,267</u>	<u>\$ 890,936</u>

	Year Ended June 30, 2004					
	Balance July 1, 2003	Additions	Reductions	Balance June 30, 2004	Current Portion	Noncurrent Portion
Bonds, notes and capital leases:						
Bonds and notes payable	\$511,662	\$301,482	\$ 53,665	\$759,479	\$59,868	\$699,611
Certificates of participation	930	-	90	840	90	750
Loans payable-equipment	1,720	157	343	1,534	396	1,138
Capital lease obligations	135,262	-	4,111	131,151	4,306	126,845
Issue costs, premiums and discounts	<u>(1,886)</u>	<u>3,478</u>	<u>-</u>	<u>1,592</u>	<u>519</u>	<u>1,073</u>
Total bonds, notes and capital leases	<u>647,688</u>	<u>305,117</u>	<u>58,209</u>	<u>894,596</u>	<u>65,179</u>	<u>829,417</u>
Other long-term liabilities:						
Compensated absences	58,233	4,161	171	62,223	33,790	28,433
Refundable advances, federal loans	24,328	894	96	25,126	-	25,126
Deposits held in trust for others	<u>6,299</u>	<u>89,884</u>	<u>90,511</u>	<u>5,672</u>	<u>-</u>	<u>5,672</u>
Total other long-term liabilities	<u>88,860</u>	<u>94,939</u>	<u>90,778</u>	<u>93,021</u>	<u>33,790</u>	<u>59,231</u>
Total	<u>\$736,548</u>	<u>\$400,056</u>	<u>\$ 148,987</u>	<u>\$987,617</u>	<u>\$98,969</u>	<u>\$888,648</u>

## 8. State Support

The University is a state-assisted institution of higher education and receives from the State of Ohio a state share of instruction that is student-enrollment based. This subsidy is determined annually by the Ohio Board of Regents. The State also provides line-item appropriations that support, in part, the current operations of various activities including clinical teaching expenditures.

In addition to the operating subsidies, the State of Ohio provides funding for and constructs major plant facilities on the University's campuses. The state passes a capital-appropriations bill biannually for both major capital projects and basic renovation projects of which the University receives a share. Such facilities are reported as capital assets on the Statement of Net Assets.

## 9. Retirement Plans and Other Post Employment Benefits

### A) Public Employee Retirement Plans

Retirement benefits are available for substantially all employees under one of several contributory retirement plans. Prior to July 1, 1977, when the University became a state institution, employees were covered by either the City of Cincinnati Retirement System (CRS) or the Teachers' Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF). Certified teachers appointed on or after July 1, 1977, are covered by the State Teachers' Retirement System (STRS). Non-certified employees appointed on or after that date are covered by the Public Employees Retirement System (PERS). Both STRS and PERS are statewide systems.

The PERS, STRS and CRS plans are cost-sharing, multiple-employer, defined-benefit, public-employee retirement systems. Each provides retirement, disability and death benefits to plan members and beneficiaries. These plans also provide health-care benefits to vested retirees. Benefits provided under the plans are established by State statute or the Cincinnati Municipal Code.

All three plans issue separate, publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by contacting each system as follows: Public Employee Retirement System of Ohio, 277 East Town Street, Columbus, Ohio 43215, Telephone (614) 466-2085; State Teachers Retirement System of Ohio, 275 East Broad Street, Columbus, Ohio 43215, Telephone (614) 227-4090; and City of Cincinnati Retirement System, 801 Plum Street, Cincinnati, Ohio 45202, Telephone (513) 352-3227.

The Ohio Revised Code and the Cincinnati Municipal Code provide PERS, STRS and CRS statutory authority, respectively, over employer and employee contributions. The required, actuarially determined

contribution rates for the University and for employees are 13.31% (4% relating to health-care benefits) and 8.5% of covered payroll, respectively, for PERS; 14% (1% relating to health-care benefits) and 10%, respectively, for STRS; and 11% and 7%, respectively, for CRS for the year ended June 30, 2005. The University's contributions, representing 100% of employer contributions for the year ended June 30, 2005, and for each of the two preceding years are as follows (*in thousands*):

<u>Fiscal Year</u>	<u>PERS</u>	<u>STRS</u>	<u>CRS</u>
2003	\$15,686	\$13,981	\$330
2004	16,769	14,686	408
2005	18,217	15,404	417

PERS and STRS provide postretirement and postemployment health-care benefits in addition to the retirement benefits described above. PERS Other Post Employment Benefits (OPEB) is advance funded on an actuarially determined basis. The assumptions and calculation below were based on the system's latest actuarial review performed as of December 31, 2003. An entry-age normal actuarial-cost method of valuation is used in determining the present value. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The actuaries' assumptions were as follows: investment return, 8%; annual wage increase (compounded annually), 4%; and health care costs, 4%. At December 31, 2003, the actuarial value of the Retirement System's net assets available for OPEB was \$10,500,000,000. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$26,900,000,000 and \$16,400,000,000, respectively. There are 369,885 active contributing participants. Of the \$18,217,000 of University employer contributions to PERS for 2005, \$5,474,000 was to fund OPEB.

STRS has discretionary authority, pursuant to the Ohio Revised Code, over how much, if any, of the health-care costs will be absorbed by STRS. All benefit recipients are required to pay a portion of the health-care cost in the form of a monthly premium. The balance in the Health Care Reserve Fund was \$3.1 billion at June 30, 2004 (the latest information available). For the year ended June 30, 2003, the net health-care costs paid by STRS were \$268,739,000. There were 111,853 eligible benefit recipients.

In addition to the pension benefits described above, the University provides postretirement health-care and dental benefits (under its labor agreement with the American Association of University Professors) to all retirees who are participants of TIAA-CREF when they retire. During 2005, 2004, and 2003 the net cost of these benefits recorded on a pay-as-you-go basis totaled approximately \$2,972,000, \$2,906,000, and \$2,706,000 respectively.

#### **B) Ohio Alternative Retirement Plan**

On June 23, 1998, pursuant to Ohio House Bill 586, the University created an Ohio Alternative Retirement Plan (ARP), which is designed to aid the University in recruiting and retaining employees by offering a portable retirement option. The ARP is a defined-contribution plan that provides full and immediate vesting of all contributions made on behalf of the participants. Contributions are directed to one of eight investment management companies, which allows the participant to manage the investment of all retirement funds. New employees who qualify for the ARP have 90 days from the date of hire to elect the ARP option. Once this window has passed, the employee does not have the option to elect into the ARP.

At June 30, 2005, there were 1,710 members of the plan. During 2005, 2004, and 2003 the employer contributions were \$10,349,000, \$9,194,000, and \$7,677,000 respectively. During 2005 and 2004, the employer contribution rate for participants electing out of PERS was 12%, and 10.5% for employees electing out of STRS.

### **10. Restricted Net Assets**

Restricted net assets are either nonexpendable or expendable. Nonexpendable restricted net assets consist primarily of endowments whose corpus is held in perpetuity. Only the income earned on the invested

principal is used for the purpose specified by the donor. The principal of expendable restricted net assets may be used for the donor-specified purpose. Restricted nonexpendable and expendable net assets are held for the following purposes (*in thousands*):

	<u>2005</u>	<u>2004</u>
Restricted nonexpendable:		
Instruction	\$135,783	\$135,475
Research	77,025	77,477
Academic support	46,089	53,094
College/programs	288,569	259,381
Scholarships	114,946	105,424
Equity interest in Alliance	257,050	223,355
Other	<u>78,069</u>	<u>78,052</u>
Total	<u>\$997,531</u>	<u>\$932,258</u>
Restricted expendable:		
Instruction	\$ 29,085	\$ 28,481
Research	106,316	99,999
Academic support	28,539	29,779
College/programs	124,314	122,511
Scholarships	34,916	34,297
Student loans	9,119	8,933
Grants and contracts	9,131	17,277
Capital projects	50,987	9,174
Other	<u>7,775</u>	<u>6,295</u>
Total	<u>\$400,182</u>	<u>\$356,745</u>

## 11. Unrestricted Net Assets

Unrestricted net assets, as defined by GASB Statement 35, are not subject to externally imposed stipulations; however, they are subject to internal restrictions imposed by action of management or the Board of Trustees, or may otherwise be limited by contractual agreements with outside parties.

## 12. Equity Interest in Alliance

Effective January 1, 1995, the University, acting on its own behalf and on behalf of University Hospital (the Hospital), entered into a Joint Operating Agreement (the Agreement) with The Christ Hospital, St. Luke Hospital, Inc. and The Health Alliance of Greater Cincinnati (the Alliance) for the purpose of forming an alliance of hospitals, physicians and other health-care providers in an integrated health-care delivery system. Jewish Health Systems, Inc. (Jewish Hospital) and Fort Hamilton Hospital Holding Company LLC (Fort Hamilton Hospital) also executed the Agreement effective January 1, 1996, and July 1, 1998, respectively. Under the terms of the Agreement, the Hospital, The Christ Hospital, Fort Hamilton Hospital, Jewish Hospital and St. Luke Hospital (collectively referred to as the Participating Entities) are managed by Alliance management, and their operating results are combined and allocated to the Participating Entities based on their calculated equity interests in the Alliance. The University's equity interest in the Alliance of 29.09% is based on the Hospital's pro rata portion of the Participating Entities' net assets. The University has recognized its equity interest in the Alliance of \$257,050,000 and \$223,355,000 for the years ended June 30, 2005 and 2004, respectively, in Other Long-term Investments and Restricted Nonexpendable Net Assets. Separate financial information regarding the Alliance may be obtained by contacting the Alliance at the Health Alliance of Greater Cincinnati, 3200 Burnet Avenue, Cincinnati, Ohio 45229.

Hospital revenues and expenditures are recorded by the Alliance. The University has reported its pro rata share (\$33,695,000 and \$54,465,000 for the years ended June 30, 2005 and 2004, respectively) of the Alliance's net gain as part of the change in the fair value of investments.

The University provides various shared services, consisting mainly of security and various administrative services, to the Health Alliance for which the University is reimbursed on a cost basis. The total cost of these

services for the years ended June 30, 2005 and 2004, were approximately \$4,033,000 and \$3,671,000, respectively.

Also pursuant to the Agreement, the Hospital transferred to the University, as trustee, \$60 million of its unrestricted reserves into a separate quasi-endowment for the account of the Alliance to support academic programs of the University's College of Medicine. This amount was not considered in the calculation of the University's equity interest in the Alliance. The current market value of this fund was \$79,672,000 and \$78,292,000 as of June 30, 2005 and 2004, respectively.

### 13. Capital Project Commitments

At June 30, 2005, the University is committed to future capital expenditures as follows (*in thousands*):

Contractual commitments	\$181,811
Estimated completion costs of projects	<u>84,426</u>
Total	<u>\$266,237</u>

These projects are being funded through various resources, including the State of Ohio, as follows (*in thousands*):

Approved state appropriations requested and released as of June 30, 2005	\$ 13,420
Approved state appropriations not yet requested	9,214
Gifts and Pledges	17,857
University funded prior to June 30, 2005	95,379
Funds to be provided subsequent to June 30, 2005, from various available sources	<u>130,367</u>
Total	<u>\$ 266,237</u>

The \$130,367,000 of funding to be provided subsequent to June 30, 2005 will come from state funds, debt, gifts and University funds.

### 14. Self-Insurance Funds

The University currently provides for medical professional and general liability insurance through a combination of actuarially funded self-insurance and purchased commercial insurance in excess of the self-insurance amount. The medical professional liability insurance program also includes several qualified not-for-profit departmental (physician) practice corporations. Medical professional self-insurance limits were \$4 million per occurrence for 2005. An additional \$15 million in commercial excess professional liability insurance was provided above the self-insured retention. General liability coverage was provided as part of a group purchase arrangement of Ohio state universities through the Inter-University Council of Ohio (IUC). This program provided for a \$250,000 retention per occurrence with the first \$100,000 funded by the University, and the remaining \$150,000 funded by pool funds held through the IUC. Excess commercial coverage for general liability was provided with total limits of \$50 million, of which \$45 million was shared with the other participating four-year universities in the state of Ohio. In addition, educators' legal liability coverage was provided through the IUC program with \$25 million in total limits, of which \$20 million was shared among the participating institutions.

The University's self-insurance funding is based on calculations by independent actuaries and funds are deposited directly into two irrevocable self-insurance trust funds, one for medical professional liability and one for general liability. In the opinion of management, trust assets totaling approximately \$18,440,000 are adequate to cover IUC estimated liabilities resulting from known claims and incidents and incurred-but-not-reported incidents as of June 30, 2005. The University has reported self-insurance trust assets of \$3,584,000 in other assets and liabilities, representing its interest in the two trust funds. IUC self-insurance pools are funded by an agreed formula among the participating four-year universities in the state of Ohio.

The University is also self-insured for a portion of medical and dental benefits provided to employees. The cost of such self-insured benefits provided during 2005 and 2004, respectively, was approximately \$17,450,000 and \$17,101,000, including \$1,345,000 and \$1,571,000 accrued for estimated claims incurred but not reported.

#### 15. Contingencies

The University is currently a defendant in various legal actions including the privatization of University Hospital and the construction of an on-campus conference center. Although the final outcome of such actions cannot currently be determined, the University's administration is of the opinion that the eventual liability, if any, will not have a material effect on the financial position or operations of the University.

#### 16. University of Cincinnati Foundation

The University of Cincinnati Foundation is a legally separate, tax-exempt component unit of the University. The principal function of the Foundation is to solicit, reserve, hold, invest and administer funds and to make distributions to or for the benefit of the University. Since these resources held by the Foundation can be used only by or for the benefit of the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements.

Accounts of the Foundation have been consolidated in the accompanying financial statements in accordance with generally accepted accounting principles for state-assisted colleges and universities which differ somewhat from generally accepted accounting principals for not-for-profit organizations. Pledges receivable for the benefit of the University totaling \$16,742,000 in 2005 and \$16,948,000 in 2004, and funds held in trust by the Foundation for the University of \$169,177,000 in 2005 and \$150,037,000 in 2004, have been recorded by the University and have, therefore, been eliminated from the amounts reported for the Foundation as of June 30, 2005 and 2004. Of these amounts, \$148,815,000 and \$129,100,000 has been invested as of June 30, 2005 and 2004 respectively in the University endowment pool investment pool.

##### A) Cash & Cash Equivalents

The carrying amount of the Foundation's cash and cash equivalents is \$7,625,000 as compared to bank balances of \$7,768,000. The difference between the carrying amounts and the bank balances is caused primarily by deposits in transit and outstanding checks.

Of the Foundation's bank balances, \$435,000 is covered by federal depository insurance, \$2,522,000 is uninsured and mutual funds hold \$4,811,000 in cash equivalents.

##### B) Investments

The fair value of investments at June 30 are *(in thousands)*:

	<u>2005</u>	<u>2004</u>
U. S. government securities	\$ 3,520	\$ 2,440
Corporate notes and bonds	4,424	5,025
Corporate stocks	1,120	1,121
Mutual funds	15,683	15,764
Other securities	1,360	1,126
Real estate	<u>832</u>	<u>286</u>
Total investments	<u>\$26,939</u>	<u>\$25,762</u>

GASB Statement 40 requires government entities to categorize investments of interest rate risk, credit risk, and custodial risk.

##### Interest Rate Risk

The Foundation's investments total \$26,939,000. The segmented time distribution method is used to portray interest rate risk for \$21,533,000 of bond and other fixed income investments.

Investment Type	Investment Maturities (In Years)				
	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury Obligations	\$ 1,830,000	\$ 1,108,000	\$ 444,000	\$ -	\$ 278,000
U.S. Government Agency Obligations	4,629,000	266,000	3,784,000	173,000	406,000
Corporate Bonds	7,048,000	1,657,000	4,757,000	555,000	79,000
Bond Mutual Funds	7,890,000	-	1,116,000	6,599,000	175,000
Other	<u>136,000</u>	<u>-</u>	<u>11,000</u>	<u>125,000</u>	<u>-</u>
Total Investments	<u>\$21,533,000</u>	<u>\$ 3,031,000</u>	<u>\$10,112,000</u>	<u>\$ 7,452,000</u>	<u>\$ 938,000</u>

The Foundation does not have a policy for interest rate risk

#### Credit Risk

U.S. Government Obligations	\$ 1,830,000
AAA	10,252,000
AA	2,396,000
A	4,080,000
BBB	452,000
Not Rated	<u>2,523,000</u>
Total	<u>\$21,533,000</u>

Foundation investment grade bonds are limited to those in the first four grades of any rating system. The average rating of the portfolio of investment grade bonds must be in the top two grades of any rating system. Limited investments having strategic value to the University are permitted.

#### Custodial Credit Risk

Of the Foundation's \$26,939,000 total investments, approximately \$21,051,000 are uninsured, not registered in the name of the Foundation, and are held in trust departments or assets in the Foundation's name and are thus not exposed to custodial credit risk. The Foundation does not have a policy for custodial credit risk.

#### C) Endowment Investments

These funds represent separately invested endowments and split interest trusts where the Foundation is the remainderman.

#### D) Pledges Receivable

Contributors to the Foundation have made unconditional pledges totaling \$70,026,000 and \$52,427,000 as of June 30, 2005 and 2004, respectively. These pledges receivable have been discounted at a rate of six percent to a net present value of \$46,991,000 and \$41,482,000 as of June 30, 2005 and 2004, respectively, which represents fair market value. As of June 30, these pledges are due as follows (in thousands):

	<u>2005</u>	<u>2004</u>
Less than one year	\$25,959	\$23,550
One to five years	8,370	11,435
More than five years	<u>12,662</u>	<u>6,497</u>
Subtotal	46,991	41,482
Less allowance for uncollectibles pledges	<u>2,143</u>	<u>1,726</u>
Total	<u>\$44,848</u>	<u>\$39,756</u>

---

Separate financial information regarding the Foundation may be obtained by contacting the Foundation at University of Cincinnati Foundation, University Hall, Suite 100, 51 Goodman Drive, Cincinnati, Ohio 45221-0064.

**17. Unconsolidated Related Organization**

The University's Board of Trustees and the Board of County Commissioners of Hamilton County, Ohio, constitute the membership of Drake Center, Inc. (the Center), a nonprofit corporation created to operate a rehabilitation hospital and a skilled nursing facility. The Center is governed by a Board of Trustees, the majority of whom are appointed by the University Board of Trustees. Also, certain University officers/employees serve on the Center's Board and in Center officer/employee positions under contractual arrangements.

However, the Center is not financially accountable to the University. The Center's assets and liabilities totaling approximately \$125,980,000 and \$34,101,000, respectively, as of June 30, 2004 (the latest information available), and operating revenues, expenses and nonoperating gains totaling approximately \$80,837,000, \$88,762,000 and \$4,208,000, respectively, for the year ended June 30, 2004, are not included in the University's accompanying financial statements.

**18. New Accounting Standards**

Governmental Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting of Employers for Postemployment Benefits Other than Pensions* was issued in June 2004 and requires systematic measurement and recognition of other postemployment benefit expense and improved disclosure of accrued liabilities associated with such expenses. The provisions of this Statement are effective for fiscal periods beginning after December 15, 2006.

GASB Statement Number 46, *Net Assets Restricted by Enabling Legislation*, was issued in December 2004 and clarifies Statement 34 regarding the evaluation of the legal enforceability of legislation upon a government. The provisions of the Statement are effective for fiscal periods beginning after June 15, 2005.

GASB Statement Number 47, *Accounting for Termination Benefits*, was issued in June 2005 and establishes accounting standards for termination benefits. The provisions of the Statement are effective for fiscal periods beginning after June 15, 2005.

Although not yet required to implement the aforementioned statements for the fiscal year ended June 30, 2005, the University does not think that there will be a material affect on its financial statements when implementation does occur.



# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
<b>STUDENT FINANCIAL AID CLUSTER</b>			
STUDENT FINANCIAL AID—Direct—			
Department of Education:			
Office of Student Financial Assistance	84.007	USED SEOG P007A043379 04-05	\$ 1,748,220.00
Office of Student Financial Assistance	84.007	USED SEOG P007A033379 03-04	12,850.00
Office of Student Financial Assistance	84.033	USED FWS-MAINP033A043379 04-	1,401,983.56
Office of Student Financial Assistance	84.033	USED FWS-CLR P033A043379 04-05	41,963.51
Office of Student Financial Assistance	84.033	USED FWS-CLR P033A033379 03-04	(240.79)
Office of Student Financial Assistance	84.033	USED FWS-RWC P033A043379 04-	40,859.42
Office of Student Financial Assistance	84.033	USED FWS-JL&DP033A043379 04-	46,340.78
Office of Student Financial Assistance	84.033	USED FWS-JL&DP033A033379 03-	422.16
Office of Student Financial Assistance	84.033	USED FWS-MAINP033A033379 03-	(40,014.01)
Office of Student Financial Assistance	84.033	USED FWS-RWC P033A033379 03-	(404.90)
Office of Student Financial Assistance	84.038	USED PERKINS P038A053379 04-	404,071.00
Office of Student Financial Assistance	84.063	USED PELL P063P042017 04-05	16,801,166.00
Office of Student Financial Assistance	84.063	USED PELL P063P032017 03-04	646,060.00
Total Department of Education			<u>21,103,276.73</u>
Total Student Financial Aid—Direct Cluster			<u>21,103,276.73</u>
TOTAL STUDENT FINANCIAL AID CLUSTER			<u>\$ 21,103,276.73</u>
<b>RESEARCH AND DEVELOPMENT CLUSTER</b>			
RESEARCH AND DEVELOPMENT—Direct:			
Department of Agriculture			
Cooperative State Research, Education.	10.206	USDA 02-35200-12235	\$ 78,770.23
Cooperative State Research, Education.	10.206	USDA 02-35200-12313	<u>112,387.84</u>
Total Department of Agriculture			<u>191,158.07</u>
Department of Commerce:			
National Institute of Standards and	11.609	NIST SURF 70NANB4H1004	200.00
National Institute of Standards and	11.611	NIST NA1341-02-W-1303	<u>2,236.24</u>
Total Department of Commerce			<u>2,436.24</u>
Department of Defense:			
Army Research Office	12.431	ARMY-DAAD19-02-1-0227	339,884.19
Army Research Office	12.431	ARMY-DAAD19-02-1-0227	127,923.83
Army Research Office	12.431	ARMY-DAAD19-02-1-0227	76,398.75
Army Research Office	12.431	ARMY/W911NF-04-1-0165	197,400.00
Army Research Office	12.431	ARMY W911NF-04-1-0295	4,999.98
Army Research Office	12.431	ARMY-DAAD19-02-1-0227	126,238.16
Army Research Office	12.431	ARMY/W911NF-04-1-0381	59,164.17
Army Research Office	12.431	ARMY-DAAD19-02-1-0227	158,641.96
Army Research Office	12.431	DAAD19-03-1-0101 ARMY	172,930.36
Defense Advanced Research Projects	12.91	AF F30602-00-1-0569	(0.03)
Defense Advanced Research Projects	12.91	AF F30602-00-1-0569	0.02
Defense Advanced Research Projects	12.91	AF F30602-00-1-0569	(280.83)
Department of Army	12.42	ARMY-W81XWH-04-1-0329	5,421.85
Department of Army	12.42	DAMD17-03-1-0351 ARMY	278,079.82

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
Department of Army	12.42	DAMD17-03-1-0614 ARMY	\$ 41,182.05
Department of Army	12.42	ARMY W81XWH-04-1-0492	140,081.02
Department of Army	12.42	DAMD17-01-1-0243 ARMY	107,542.76
Department of Army	12.42	ARMY W81XWH-04-1-0306	100,631.96
Department of Army	12.42	DAMD17-01-1-0202 ARMY	1,647.66
Department of Army	12.42	DAMD17E02E1E0510 ARMY	55,267.81
Department of Army	12.42	ARMY W81XWH-05-1-0230	25,706.43
Department of Army	12.42	DAMD17-02-1-0679 ARMY	(40,873.54)
Department of Army	12.42	DAMD 17-02-1-0679 ARMY FELLO	0.03
Department of Army	12.42	DAMD 17-02-1-0037 ARMY	(9,142.55)
Department of Army	12.42	DAMD 17E01E1E0704 ARMY	28,952.54
Department of Army	12.42	DAMD17-01-1-0203 ARMY	7,552.63
Department of Army	12.42	DAMD17-01-1-0705 ARMY	50,598.68
Department of Army	12.42	DAMD17-01-1-0723 ARMY	43,659.03
Department of Army	12.42	ARMY W81XWH-04-1-0666	104,269.06
Department of Defense	12	AF/F33615-96-C-1911 VASE	(112.20)
Department of Defense	12	DAMD17-02-1-0342 ARMY	49,501.95
Department of Defense	12	ARMY W9132T-04-C-0011	107,460.47
Department of Defense	12	DAAD19-02-2-0014 ARMY	73,254.06
Department of Defense	12	DACA72-03-C-0019 ARMY SERDP	327,724.58
Department of Defense	12	NATL SEC AGY/MDA904-02-C-1162	4,791.94
Department of Defense	12	AF F33615-01-C-1977	188,272.44
Department of Defense	12	ARMY W81XWH-05-1-0414	422.87
Department of Defense	12	NATL SEC AGY/MDA904-00-C-2103	(7,781.04)
Department of Defense	12	ARMY W81XWH-04-1-0186	221,852.31
Department of Defense	12	AFOSR FA9550-05-1-0175	2,403.81
Department of Defense	12	AIR FORCE-WPAFB-IP AGR	81,663.17
Department of the Air Force	12.8	AF F33615-98-1-2865	2,842.27
Department of the Air Force	12.8	AF F49620-02-C-0039	119,535.38
Department of the Air Force	12.8	AF F33615E03E2E5210	28,904.80
Department of the Air Force	12.8	AFOSR F49620-02-1-0092	61,562.26
National Security Agency	12.901	NSA H98230-05-1-0066	193.84
National Security Agency	12.901	NSA H98230-05-1-0045	3,562.59
Office of Naval Research	12.3	ONR N00014-02-1-0837 NAVY	195,888.08
Office of Naval Research	12.3	ARMY W81XWH-04-C-0002	173,103.70
Office of Naval Research	12.3	ONR N00014-03-1-0706 NAVY	68,934.06
Office of Naval Research	12.3	ONR N00014-04-1-0229	72,643.07
Office of Naval Research	12.3	ONR N00014-05-1-0436	27,862.01
Office of Naval Research	12.3	ONR N00014-04-1-0059	103,032.88
Office of Naval Research	12.3	ONR N00014E02E1E0756 NAVY	9,637.02
Total Department of Defense			<u>4,121,034.12</u>
Department of Education:			
Office of Special Education and	84.324	USED H324B030043 STU INIT RES	4,389.90
Office of Special Education and	84.325N	USED H325N010044	29,679.84
Office of the Assistant Secretary for	84.116Z	USED P116Z040087 OH	207,612.14
Total Department of Education			<u>241,681.88</u>
Department of Energy:			
Department of Energy	81	DOE/NETL DE-AP26-04NT40135	10,000.00
Department of Energy	81	ORISE FELLOWSHIP/AFRL-HEP/DOE	33,233.28
Office of Fossil Energy	81.057	NETL DE-FG26-02NT41555	9,775.48
Office of Fossil Energy	81.057	DOE NETL-DE-FG26-04NT42180	39,094.14
Office of Fossil Energy	81.057	NETL DE-FG26-03NT41810	79,806.44

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
Office of Fossil Energy	81.057	NETL DE-FG26-03NT41793	\$ 50,492.54
Office of Fossil Energy	81.057	NETL DE-FG26-00NT40818	3,070.22
Office of Fossil Energy	81.089	NETL DE-FC26-04NT42227	89,670.22
Office of Nuclear Energy	81.114	ID DE-FG07-02ID14352	28,379.62
Office of Nuclear Energy	81.114	ID DE-FG07-02ID14340	18,108.12
Office of Nuclear Energy	81.121	ID DE-FC07-05-ID14653	10,659.54
Office of Science	81.049	CHI DE-FG02-03ER41256	(42.90)
Office of Science	81.049	CH DE-FG02-00ER45855/A002	27,733.82
Office of Science	81.049	DOE/CHICAGO DE-FG02-	19,747.44
Office of Science	81.049	CHI DE-FG02-84ER40153-TASK B	316,816.67
Office of Science	81.049	CH DE-FG02-84ER40153-TASK A	129,061.24
Office of Science	81.049	OAKL DE-FC03-96SF21263 SUPPL	446,223.54
Office of Science	81.049	DOE/CHICAGO DE-FG02-	87,513.28
Office of Science	81.049	OAKL DE-FC03-96SF21263	585,731.12
Office of Science	81.049	CH DE-FG02-03ER63655	87,821.42
Total Department of Energy			2,072,895.23
Department of Health and Human Services:			
Administration for Children and Families	93.6	DHHS ACF 90YD0129/03 ACT2	174,189.41
Administration for Children and Families	93.6	USDHHS 90YD0148	68,783.65
Administration for Children and Families	93.6	DHHS ACF 90YD0129/02	42,205.06
Administration on Developmental Disabilities	93.632	90DD0546/02	53,380.99
Administration on Developmental Disabilities	93.632	90DD0546/01	22,238.41
Agency for Healthcare Research and Quality	93.226	5 T73 MC 00032-14	854,867.53
Agency for Healthcare Research and Quality	93.226	N01-HB-47171	94,825.03
Agency for Healthcare Research and Quality	93.226	R03 HS013280-01A1 AHRQ	94,037.94
Agency for Healthcare Research and Quality	93.226	N01-HB-47171	19,619.67
Agency for Healthcare Research and Quality	93.226	1 R03 HS13220-01	(325.79)
Bureau of Health Professions	93.358	2 A10 HP00227-05	81,269.00
Bureau of Health Professions	93.896	5 D16 HP00137-03	113,616.93
Bureau of Health Professions	93.896	5 D16 HP00137-02	(545.60)
Bureau of Health Professions	93.984	5 D12 HP 00168-03	112,621.16
Bureau of Health Professions	93.984	3 D12 HP 00168-03-01	74,672.45
Bureau of Health Professions	93.984	5 D12 HP 00168-02	37,738.53
Centers for Disease Control and Prevention	93.136	R49/CCR523225-02	56,916.31
Centers for Disease Control and Prevention	93.136	R49/CCR523225-02	162,891.84
Centers for Disease Control and Prevention	93.136	R49/CCR523225-012	14,645.24
Centers for Disease Control and Prevention	93.136	R49/CCR523225-01 (L424 & L441)	22,984.98
Centers for Disease Control and Prevention	93.136	R49/CCR523225-01	17,389.00
Centers for Disease Control and Prevention	93.136	R49/CCR523225-01 (L424 & L444)	6,220.84
Centers for Disease Control and Prevention	93.161	U50 ATU573006-02 (ATSDR-CDC)	94,937.68
Centers for Disease Control and Prevention	93.161	U50 ATU573006-02 (ATSDR-CDC)	12,784.38
Centers for Disease Control and Prevention	93.161	U50 ATU573006-01	(0.69)
Centers for Disease Control and Prevention	93.161	U50 ATU573006-01	64,646.34
Centers for Disease Control and Prevention	93.197	CDC 200-98-7010	18,313.20
Centers for Disease Control and Prevention	93.263	T42/CCT510420-11 IND HYGIENE	178,701.46
Centers for Disease Control and Prevention	93.263	T42/CCT510420-11 NORA	145,399.94
Centers for Disease Control and Prevention	93.263	T42/CCT510420-11 OCC HLTH	158,646.38
Centers for Disease Control and Prevention	93.263	T42/CCT510420-11 VIETAS PILOT	5,962.99
Centers for Disease Control and Prevention	93.263	T42/CCT510420-11 OCC MEDICINE	191,356.58
Centers for Disease Control and Prevention	93.263	NIOSH T42 CCT510420-09	(84.51)
Centers for Disease Control and Prevention	93.263	T42/CCT510420-11 PILOT AL-	5,567.38
Centers for Disease Control and Prevention	93.263	NIOSH T42 CCT510420-09 PILOT	(0.01)
Centers for Disease Control and Prevention	93.263	T42/CCT510420-11 PILOT	3,298.35
Centers for Disease Control and Prevention	93.263	NIOSH T42 CCT510420-09	0.01
Centers for Disease Control and Prevention	93.263	T42/CCT510420-11 PILOT	1,720.13

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
Centers for Disease Control and Prevention	93.263	NIOSH T42 CCT510420-09	\$ 8.95
Centers for Disease Control and Prevention	93.263	NIOSH T42 CCT510420-09	0.04
Centers for Disease Control and Prevention	93.263	NIOSH T42 CCT510420-09 PILOT	(0.01)
Centers for Disease Control and Prevention	93.263	NIOSH T42 CCT510420-09	(0.01)
Centers for Disease Control and Prevention	93.263	NIOSH T42 CCT510420-09	(259.14)
Centers for Disease Control and Prevention	93.263	T42/CCT510420-11 PILOT KSU	1,728.00
Centers for Disease Control and Prevention	93.263	T42/CCT510420-11 PILOT	1,590.46
Centers for Disease Control and Prevention	93.263	T42/CCT510420-11 PILOT	7,290.00
Centers for Disease Control and Prevention	93.263	T42/CCT510420-11 PILOT	41,754.42
Centers for Disease Control and Prevention	93.263	T42/CCT510420-11 OCC HLTH SAFE	168,859.41
Centers for Disease Control and Prevention	93.263	T42/CCT510420-11 PILOT BIOMECH	11,340.00
Centers for Disease Control and Prevention	93.263	T42/CCT510420-11 PILOT	1,620.00
Centers for Disease Control and Prevention	93.263	NIOSH T42 CCT510420-09	(0.01)
Centers for Disease Control and Prevention	93.263	NIOSH T42 CCT510420-09	(4,174.29)
Centers for Disease Control and Prevention	93.263	T42/CCT510420-11 ADM.	30,370.59
Centers for Disease Control and Prevention	93.263	NIOSH T42 CCT510420-11	53,787.73
Centers for Disease Control and Prevention	93.263	T42/CCT510420-11 SPEC PROJ	23,408.12
Centers for Disease Control and Prevention	93.263	T42/CCT510420-11 HSAT	52,097.46
Centers for Disease Control and Prevention	93.263	NIOSH T42 CCT510420-09	(0.10)
Centers for Disease Control and Prevention	93.263	NIOSH T42 CCT510420-10	(4,403.45)
Centers for Disease Control and Prevention	93.263	T42 CCT510420-10 PILOT	3,957.40
Centers for Disease Control and Prevention	93.263	T42 CCT510420-10 PILOT	(1.36)
Centers for Disease Control and Prevention	93.263	T42 CCT510420-10 PILOT	1,732.74
Centers for Disease Control and Prevention	93.263	T42/CCT510420-10 NORA	52.44
Centers for Disease Control and Prevention	93.263	T42/CCT510420-10 FUNGAL	0.01
Centers for Disease Control and Prevention	93.263	T42 CCT510420-10 PILOT	(0.01)
Centers for Disease Control and Prevention	93.263	T42/CCT510420-10 PILOT	8.64
Centers for Disease Control and Prevention	93.263	T42 CCT510420-10 PILOT	131.12
Centers for Disease Control and Prevention	93.263	T42/CCT510420-10 AJR	1,296.00
Centers for Disease Control and Prevention	93.263	NIOSH T42 CCT510420-10	4,174.20
Centers for Disease Control and Prevention	93.263	NIOSH T42 CCT510420-10	8,178.05
Centers for Disease Control and Prevention	93.263	NIOSH T42 CCT510420-10	13,601.94
Centers for Disease Control and Prevention	93.263	T42/CCT510420-10 NORA	9,067.76
Centers for Disease Control and Prevention	93.263	T42 CCT510420-10 PILOT	13,358.47
Centers for Disease Control and Prevention	93.263	T42/CCT510420-10 HSAT	1,915.76
Centers for Disease Control and Prevention	93.263	T42/CCT510420-10 ADM.	0.07
Centers for Disease Control and Prevention	93.263	T42/CCT510420-10	243.54
Centers for Disease Control and Prevention	93.263	T42 CCT510420-10 PILOT	141.54
Centers for Disease Control and Prevention	93.263	T42 CCT510420-10 PILOT	(11.76)
Centers for Disease Control and Prevention	93.263	T42 CCT510420-10 PILOT	1,016.29
Centers for Disease Control and Prevention	93.263	T42 CCT510420-10	801.76
Centers for Disease Control and Prevention	93.263	NIOSH T42 CCT510420-10	(0.01)
Centers for Disease Control and Prevention	93.263	T42/CCT510420-10 WRKPLACE	162.66
Centers for Disease Control and Prevention	93.263	T42/CCT510420-10 PILOT	(589.07)
Centers for Disease Control and Prevention	93.263	T42 CCT510420-10 PILOT STUDY	4,261.33
Centers for Disease Control and Prevention	93.263	T42 CCT510420-10 ASSESS COMP	(150.39)
Centers for Disease Control and Prevention	93.263	T42/CCT510420-10 PILOT	231.61
Centers for Disease Control and Prevention	93.263	T42/CCT510420-10 STANDARD	5,413.67
Department of Health and Human Services	93	NIOSH PO# 211-2005-M-11454	12,757.13
Department of Health and Human Services	93	NIOSH PO# 211-2004-M-06604	48,424.52
Department of Health and Human Services	93	R34 NS049722 IMS III PLAN-RAD	17,156.17
Department of Health and Human Services	93	R34 NS049722 IMS III PLAN-EM	4,467.75
Department of Health and Human Services	93	NIOSH PO# 0000336596	2,449.38
Department of Health and Human Services	93	N01-WH-4-2126-8.9.10.11	773,754.04
Department of Health and Human Services	93	N01-AR-2-2264	783,323.96
Department of Health and Human Services	93	NIOSH PO# 0000158421 3	3,838.80
Department of Health and Human Services	93	NIOSH PO# 0000136763	(0.10)

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
Department of Health and Human Services	93	N01DA-9-8095/TO 4	\$ 427,345.31
Department of Health and Human Services	93	263-MD-501928 NIH HD	9,150.00
Department of Health and Human Services	93	N01-HD-4-3377 HHSN27500001	17,458.70
Department of Health and Human Services	93	N01-AI-25467	408,469.63
Department of Health and Human Services	93	CDC PO#2111-2004-M-09782	5,234.87
Department of Health and Human Services	93	N01DA-9-8095 RESERPINE	113,213.72
Department of Health and Human Services	93	N01DA-9-8095 TIAGABINE	321,538.41
Department of Health and Human Services	93	N01 HD-1-3315	77,944.69
Department of Health and Human Services	93	NIOSH #2111-2004-M-10217	18,322.20
Department of Health and Human Services	93	NIOSH PO# 212-2004-M-09440	15,874.28
Department of Health and Human Services	93	NIH/NCI PO#263-MQ-416264	17,836.08
Department of Health and Human Services	93	N01-HD-4-3377 HHSN27500002	152,085.93
Department of Health and Human Services	93	N01DA-9-8095	1,914.08
Department of Health and Human Services	93	NIOSH PO# 0000236223	11,631.23
Department of Health and Human Services	93	1 S10 RR19077-01	220,967.00
Department of Health and Human Services	93	NIOSH PO# 211-2004-M-08668	11,006.89
Environmental Protection Agency	93.061	1 R01 DP000113-01 SUCCOP	7,871.20
Environmental Protection Agency	93.061	1 R01 DP000113-01 D'ALESSIO	4,512.72
Environmental Protection Agency	93.061	1 R01 DP000113-01 GATES	60,033.76
Fogarty International Center	93.934	5 R03 TW006294-01.02.03	54,434.50
Food and Drug Administration	93.103	FD-R-00672-13,14	380,840.42
Health Resources and Services	93.11	90DD0546/03	167,157.33
Health Resources and Services	93.110TM	5 T73 MC 00032-13	126,220.82
Health Resources and Services	93.178	5 D19 HP40540-02-00	250,577.92
Health Resources and Services	93.178	1 D19 HP40540-01	255.21
Health Resources and Services	93.884	5 D12 HP 00168-03	30,142.42
Health Resources and Services	93.884	1 D55 HP 00236-02 SUPPLEMENT	87,171.23
Health Resources and Services	93.884	3 D16 HP00137-03-01 2ND SUPPL	84,314.16
Health Resources and Services	93.884	8 D56 HP00137-02 YR2	75,621.33
Health Resources and Services	93.884	1 D55 HP 00236-02	206,961.39
Health Resources and Services	93.884	1 D58 HP 00368-02	148,084.76
Health Resources and Services	93.884	8 D54 HP 00168-02	10,615.90
Health Resources and Services	93.884	8 D56 HP00137-02	(0.06)
Health Resources and Services	93.884	1 D58 HP 00368-01	(0.07)
Health Resources and Services	93.884	1 D55 HP 00236-01	(1,650.60)
Health Resources and Services	93.887	4 C76 HF00248-01-01 MSB	3,060,985.91
Health Resources and Services	93.925	6045109-04 SDS	62,470.00
Health Resources Services Administration	93.247	1 D09 HP00338-03	162,978.21
Health Resources Services Administration	93.247	1 D09 HP03559-01-00	165,959.55
Health Resources Services Administration	93.247	1 D09 HP00338-02	252.28
National Cancer Institute	93.393	3 U01 CA76293-05S1	101,300.51
National Cancer Institute	93.393	5 R01 CA50706-11,12,13,14,15	331,404.99
National Cancer Institute	93.393	5 U01 CA76293-05	43,976.15
National Cancer Institute	93.393	5 P01 CA096964-02 CORE D-	139,599.27
National Cancer Institute	93.393	5 P01 CA096964-02 CORE C-BCCA	620,965.58
National Cancer Institute	93.393	5 P01 CA096964-02 PROJ 4-UMINN	237,330.25
National Cancer Institute	93.393	5 P01 CA096964-02 PROJ 3-UMINN	293,573.50
National Cancer Institute	93.393	5 P01 CA096964-02 (CORE A)	115,162.01
National Cancer Institute	93.393	5 R01 CA097099-02.03	350,017.89
National Cancer Institute	93.393	5 P01 CA096964-02 CORE B	159,886.46
National Cancer Institute	93.393	5 P01 CA096964-02 PROJ 3	130,497.38
National Cancer Institute	93.393	5 P01 CA096964-02 PROJ 2-WASH	146,036.01
National Cancer Institute	93.393	5 P01 CA096964-03 (CORE A)	9,742.88
National Cancer Institute	93.393	1 P01 CA096964-01A1 (CORE A)	(29,915.77)
National Cancer Institute	93.393	1 P01 CA096964-01 PROJ 1-BCCA	(165,326.93)
National Cancer Institute	93.393	1 P01 CA096964-01 PROJ 3-UMINN	(29,134.50)
National Cancer Institute	93.393	1 P01 CA096964-01 PROJ 4-UMINN	(75,865.23)

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
National Cancer Institute	93.393	1 P01 CA096964-01 CORE C-BCCA	\$ (279,935.64)
National Cancer Institute	93.393	1 P01 CA096964-01 CORE D-	(34,223.50)
National Cancer Institute	93.393	1 P01 CA096964-01 PROJ 2-WASH	(54,891.46)
National Cancer Institute	93.393	5 P01 CA096964-03 PROJ 3 G SCI	51,392.60
National Cancer Institute	93.393	5 P01 CA096964-03 PROJ 3	20,915.54
National Cancer Institute	93.393	5 P01 CA096964-03 CORE B	27,673.85
National Cancer Institute	93.393	5 R03 CA10294-01,02	69,373.33
National Cancer Institute	93.393	5 R01 CA095925-01,02,03,04	193,356.68
National Cancer Institute	93.393	5 P01 CA096964-02 (REST FUNDS)	550.00
National Cancer Institute	93.393	5 R01 CA90934-01,02,03,04	200,547.73
National Cancer Institute	93.393	1 P01 CA096964-01 CORE B	(3.85)
National Cancer Institute	93.394	5 R24 CA095784-01,02,03,04	189,868.80
National Cancer Institute	93.395	5 R01 CA89748-01,02,03,04	173,611.52
National Cancer Institute	93.395	5 R01 CA10480-01,02	258,352.72
National Cancer Institute	93.395	5 R01 CA86025-01,02,03,04	31,920.43
National Cancer Institute	93.395	5 R01 CA72039-07	8,180.99
National Cancer Institute	93.395	5 R01 CA95074-01,02,03,04,05	277,722.79
National Cancer Institute	93.395	5 R01 CA099996-01,02,03	229,407.14
National Cancer Institute	93.395	5 R01 CA91878-01,02,03,04	209,672.61
National Cancer Institute	93.395	5 R01 CA095286-01A1,02,03	298,929.27
National Cancer Institute	93.395	5 R01 CA72039-05,06,07,08	274,214.70
National Cancer Institute	93.395	5 U10 CA76429E06	(0.01)
National Cancer Institute	93.396	5 R01 CA88041-03 (REST FUNDS)	3,935.10
National Cancer Institute	93.396	5 R01 CA84463-01,02,03,04	146,627.65
National Cancer Institute	93.396	5 R01 CA63507-06,07,08,09,10	247,651.13
National Cancer Institute	93.396	5 R01 CA93404-01,02,03,04	273,292.94
National Cancer Institute	93.396	5 R01 CA82525-01,02,03,04,05	65,880.62
National Cancer Institute	93.396	5 R01 CA78524-01,02,03,04,05	9,964.34
National Cancer Institute	93.396	5 R01 CA79531-02,03,04,05,06	(50.11)
National Cancer Institute	93.396	2 U01 CA084291-06	718,917.02
National Cancer Institute	93.396	5 U01 CA084291-07	119,546.30
National Cancer Institute	93.396	5 R01 CA096613-01A2,02	265,087.60
National Cancer Institute	93.396	1 R01 CA10647-01	189,828.85
National Cancer Institute	93.396	5 R01 CA82996-01,02,03,04,05	19,359.87
National Cancer Institute	93.396	5 R01 CA072597-06,07,08	377,060.03
National Cancer Institute	93.396	5 R21 CA106257-01,02	135,212.73
National Cancer Institute	93.396	3 R01 CA100002-01A1 S1-MINORITY	38,503.30
National Cancer Institute	93.396	3 R01 CA078524-05S1	79,814.29
National Cancer Institute	93.396	2 R01 CA084463-05A1	26,359.88
National Cancer Institute	93.396	5 R01 CA88041-04 (REST FUNDS)	31,345.98
National Cancer Institute	93.396	5 R01 CA82525-05S1	79,833.03
National Cancer Institute	93.396	5 R01 CA100002-01A1,02	132,291.56
National Cancer Institute	93.396	5 R01 CA104213-01,02	209,848.24
National Cancer Institute	93.396	5 R01 CA90522-01,02,03,04,05	357,727.93
National Cancer Institute	93.396	5 R01 CA88041-01,02,03,04,05	233,724.92
National Cancer Institute	93.396	5 U01 CA84291-05 MODELS	1,038.58
National Cancer Institute	93.397	5 R21 CA102497-01,02	225,593.56
National Cancer Institute	93.397	5 R21 CA102497-01,02 LINDSELL	19,726.86
National Cancer Institute	93.398	5 K01 CA098743-03,04	152,983.50
National Cancer Institute	93.398	5 K08 CA89403-05	135,699.58
National Cancer Institute	93.398	5 T32 CA59268-09	2,457.25
National Cancer Institute	93.398	5 T32 CA59268-10	35,013.21
National Cancer Institute	93.398	5 T32 CA59268-08	399.33
National Center for Complementary and	93.213	1 R21 AT002110-01A1	29,185.75
National Center for Complementary and	93.213	5 R21 AT00567-01A1,02	103,910.74
National Center for Complementary and	93.213	1 K01 AT002637-01	22,944.23
National Center for Complementary and	93.213	5 R01 AT001147-01,02,03,04	308,777.36

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
National Center for Complementary and	93.213	5 K24 AT001676-01.02.03	\$ 77,860.02
National Center for Research Resources	93.306	5 K26 RR17024-01A1.02.03	69,766.14
National Center for Research Resources	93.333	2 S07 RR18258-01.02	29,675.67
National Center for Research Resources	93.389	1 S10 RR021213-01	500,000.00
National Eye Institute	93.867	5 R01 EY11845-01A.02.03.04	23,998.12
National Eye Institute	93.867	5 R01 EY13168-04.05	413,526.81
National Eye Institute	93.867	2 R01 EY010556-05A2	277,452.59
National Eye Institute	93.867	5 R03 EY14207-01.02.03	135,376.02
National Eye Institute	93.867	3 R01 EY13755-02S1	96,482.69
National Eye Institute	93.867	5 R01 EY015227-01.02	304,694.70
National Eye Institute	93.867	5 R01 EY13755-01A1.02.03	386,125.07
National Heart, Lung, and Blood Institute	93.39	1 R15 GM067639-01	70,646.30
National Heart, Lung, and Blood Institute	93.837	5 R01 HL071952-01A1.02	615,164.97
National Heart, Lung, and Blood Institute	93.837	2 R01 HL62542-07	207,875.03
National Heart, Lung, and Blood Institute	93.837	1 K08 HL761939-01A1	128,447.22
National Heart, Lung, and Blood Institute	93.837	5 P50 HL52318-10 CORE C	59,254.39
National Heart, Lung, and Blood Institute	93.837	5 P50 HL52318-10 CORE B	65,250.76
National Heart, Lung, and Blood Institute	93.837	5 R01 HL75297-01.02	375,677.58
National Heart, Lung, and Blood Institute	93.837	5 P50 HL52318-10 CORE A	44,666.08
National Heart, Lung, and Blood Institute	93.837	5 P01 HL22619-25 CORE B	11,919.55
National Heart, Lung, and Blood Institute	93.837	5 P50 HL52318-10 PROJ 3	169,574.17
National Heart, Lung, and Blood Institute	93.837	5 R01 HL61974-06.07	122,662.91
National Heart, Lung, and Blood Institute	93.837	5 P50 HL52318-10 PROJ 1	200,717.46
National Heart, Lung, and Blood Institute	93.837	SCCOR-IP50 HL77101-01 PROJ 1	72,452.71
National Heart, Lung, and Blood Institute	93.837	5 P50 HL52318-10 PROJ 2	192,875.57
National Heart, Lung, and Blood Institute	93.837	5 P50 HL52318-10 PROJ 3	192,675.04
National Heart, Lung, and Blood Institute	93.837	5 R01 HL61974-06.07	299,442.81
National Heart, Lung, and Blood Institute	93.837	5 P50 HL52318-10 PROJ 5	307,239.00
National Heart, Lung, and Blood Institute	93.837	2 R01 HL64018-06	204,970.17
National Heart, Lung, and Blood Institute	93.837	5 P01 HL22619-25 CORE A	27,677.40
National Heart, Lung, and Blood Institute	93.837	7 F32 HL072550-02	43,064.15
National Heart, Lung, and Blood Institute	93.837	5 F32 HL073614-03	8,632.51
National Heart, Lung, and Blood Institute	93.837	1 R01 HL080686-01	61,732.31
National Heart, Lung, and Blood Institute	93.837	SCCOR-IP50 HL77101-01 CORE A	56,249.06
National Heart, Lung, and Blood Institute	93.837	SCCOR-IP50 HL77101-01 CORE B	102,730.63
National Heart, Lung, and Blood Institute	93.837	SCCOR-IP50 HL77101-01 CORE E	7,583.09
National Heart, Lung, and Blood Institute	93.837	SCCOR-IP50 HL77101-01 CORE D	171,432.80
National Heart, Lung, and Blood Institute	93.837	7 K08 HL068867-03	187,772.33
National Heart, Lung, and Blood Institute	93.837	HL 77101-01 SCCOR	168,350.28
National Heart, Lung, and Blood Institute	93.837	5 R01 HL61974-07	7,555.04
National Heart, Lung, and Blood Institute	93.837	2 R01 HL063034-06	296,890.77
National Heart, Lung, and Blood Institute	93.837	5 T32 HL007382-28	425,756.99
National Heart, Lung, and Blood Institute	93.837	5 R01 HL026057-25	396,125.02
National Heart, Lung, and Blood Institute	93.837	5 F32 HL073614-02	45,947.07
National Heart, Lung, and Blood Institute	93.837	SCCOR-IP50 HL77101-01 PROJ 2	142,979.94
National Heart, Lung, and Blood Institute	93.837	5 R01 HL65915-01.02.03.04.05	228,814.96
National Heart, Lung, and Blood Institute	93.837	5 R01 HL70174-01.02.03.04	416,646.63
National Heart, Lung, and Blood Institute	93.837	5 R01 HL70062-01.02.03	586,749.34
National Heart, Lung, and Blood Institute	93.837	5 P01 HL22619-25 PROJ 3	268,916.07
National Heart, Lung, and Blood Institute	93.837	5 R01 HL64018-04S1.05S1	28,217.06
National Heart, Lung, and Blood Institute	93.837	5 R01 HL59888-05.06	390,499.53
National Heart, Lung, and Blood Institute	93.837	1 R01 HL075633-01A	314,598.43
National Heart, Lung, and Blood Institute	93.837	5 R01 HL68171-01.02.03.04	278,646.53
National Heart, Lung, and Blood Institute	93.837	5 R01 HL66246-01A1.02.03.04	414,892.37
National Heart, Lung, and Blood Institute	93.837	5 P50 HL52318-09 PROJ 5	89,645.57
National Heart, Lung, and Blood Institute	93.837	5 R01 HL67965-01A1.02.03	369,687.86
National Heart, Lung, and Blood Institute	93.837	5 R01 HL67093-01A1.02.03.04	270,814.70

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
National Heart, Lung, and Blood Institute	93.837	5 R01 HL67186-01,02,03	\$ 180,437.88
National Heart, Lung, and Blood Institute	93.837	5 R01 HL66062-01,02,03,04	393,162.49
National Heart, Lung, and Blood Institute	93.837	5 R01 HL061332-05,06	355,535.97
National Heart, Lung, and Blood Institute	93.837	5 R01 HL062490-01,02,03,04	40,387.27
National Heart, Lung, and Blood Institute	93.837	5 R01 HL023597-17,18,19,20,21	215,329.38
National Heart, Lung, and Blood Institute	93.837	5 P01 HL22619-25 PROJ 2	(13,194.28)
National Heart, Lung, and Blood Institute	93.837	5 R01 HL59915-01,02,03,04,05	204,836.34
National Heart, Lung, and Blood Institute	93.837	5 R01 HL64018-01,02,03,04,05	302,060.71
National Heart, Lung, and Blood Institute	93.837	5 R01 HL66044-01,02,03,04	312,479.42
National Heart, Lung, and Blood Institute	93.837	5 R01 HL28573-18,19,20,21,22	378,366.76
National Heart, Lung, and Blood Institute	93.837	5 R01 HL67186-01,02,03	0.07
National Heart, Lung, and Blood Institute	93.837	5 R01 HL58010-05,06	546,082.66
National Heart, Lung, and Blood Institute	93.837	5 P01 HL22619-25 PROJ 1	(38,060.03)
National Heart, Lung, and Blood Institute	93.837	5 T32 HL07571-20	87,722.40
National Heart, Lung, and Blood Institute	93.837	5 R01 HL074272-01,02	662,983.42
National Heart, Lung, and Blood Institute	93.837	5 R37 HL26057-19,20,21,22,23	5,714.33
National Heart, Lung, and Blood Institute	93.837	5 R01 HL61781-02,03,04	940.29
National Heart, Lung, and Blood Institute	93.837	5 R01 HL63034-04S1,05S2	(0.27)
National Heart, Lung, and Blood Institute	93.837	5 R01 HL63034-01,02,03,04,05	(16.88)
National Heart, Lung, and Blood Institute	93.837	2 T32 HL007382-27	(26,470.65)
National Heart, Lung, and Blood Institute	93.837	7 R01 HL61285-05	(479.37)
National Heart, Lung, and Blood Institute	93.838	5 R21 HL72363-01,02,03	265,824.92
National Heart, Lung, and Blood Institute	93.838	1 R01 HL69428-01A2	30,953.35
National Heart, Lung, and Blood Institute	93.838	5 K02 HL072552-01,02,03	115,365.94
National Heart, Lung, and Blood Institute	93.838	1 R01 HL079193-01	77,436.78
National Heart, Lung, and Blood Institute	93.838	5 R01 HL68861-01,02,03	538,094.07
National Heart, Lung, and Blood Institute	93.838	5 R01 HL57281-05,06,07,08	366,480.18
National Heart, Lung, and Blood Institute	93.838	5 R01 HL058687,05,06,07,08,09	455,796.01
National Heart, Lung, and Blood Institute	93.838	5 R37 HL45967-11,12,13	269,049.20
National Heart, Lung, and Blood Institute	93.838	5 R01 HL065212-01,02,03,04,05	313,265.03
National Heart, Lung, and Blood Institute	93.838	5 R01 HL63793-01A1,02,03,04	284,561.04
National Heart, Lung, and Blood Institute	93.838	5 R01 HL64570-01,02,03,04,05	59,435.11
National Heart, Lung, and Blood Institute	93.838	5 R01 HL64570-01,02,03,04,05	238,382.57
National Heart, Lung, and Blood Institute	93.838	5 R37 HL33831-17,18,19,20,21	519,458.10
National Heart, Lung, and Blood Institute	93.838	5 R01 HL068725-05	184,746.43
National Heart, Lung, and Blood Institute	93.838	5 R01 HL071609-01,02	398,696.97
National Heart, Lung, and Blood Institute	93.838	5 R01 HL72068-01A1,02	366,192.62
National Heart, Lung, and Blood Institute	93.838	5 R01 HL059945-06A1,07	288,478.51
National Heart, Lung, and Blood Institute	93.838	5 R01 HL58399-05A2,06	307,757.38
National Heart, Lung, and Blood Institute	93.838	2 R01 HL066312-06	302,511.03
National Heart, Lung, and Blood Institute	93.838	5 R01 HL076955-01,02	381,650.01
National Heart, Lung, and Blood Institute	93.838	5 R01 HL66312-01,02,03,04	38,508.53
National Heart, Lung, and Blood Institute	93.838	5 K08 HL03986-01,02,03,04,05	(0.06)
National Heart, Lung, and Blood Institute	93.839	5 R01 HL072382-01A1,02,03	349,976.48
National Human Genome Research Institute	93.172	5 R21 HG002849-01,02	136,915.69
National Institute of Arthritis,	93.846	5 R01 AR46574-02,03,04,05	236,003.96
National Institute of Arthritis,	93.846	5 R01 AR46115-01A2,02,03	(1,510.94)
National Institute of Arthritis,	93.846	5 R01 AR46574-01A1,02,03,04	46,931.28
National Institute of Arthritis,	93.846	5 R01 AR050797-01,02	62,693.26
National Institute of Arthritis,	93.846	1 R21 AR051702-01	33,942.47
National Institute of Arthritis,	93.846	5 R01 AR47322-01A1,02,03,04	39,851.44
National Institute of Arthritis,	93.846	5 R01 AR45829-03,04	(65.20)
National Institute of Arthritis,	93.846	5 R01 AR45429-01,02,03,04	(5,988.28)
National Institute of Arthritis,	93.846	5 R21 AG24484-01,02	51,828.64
National Institute of Arthritis,	93.846	1 R21 AR051702-01-WATTS	5,567.29
National Institute of Child Health and	93.864	5 R01 HD29773-04A2,05,06,07,08	41,014.10
National Institute of Child Health and	93.864	5 K12 HD01256-07 RS II CARPNDR	150.00

(Continued)



# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
National Institute of Child Health and	93.864	5 R03 HD42441-01.02	\$ 55,264.27
National Institute of Child Health and	93.864	5 K12 HD01256-05 RS II CARPNDR	(165.43)
National Institute of Child Health and	93.864	5 K12 HD01256-07 RS III ROBINS	14,315.25
National Institute of Child Health and	93.864	5 K12 HD01256-07 RS CORE	10,736.54
National Institute of Child Health and	93.864	5 K12 HD01256-05 RS CORE	(806.89)
National Institute of Child Health and	93.864	5 K12 HD01256-05 RS I CHOI	(4.27)
National Institute of Child Health and	93.864	5 K12 HD01256-07 RS I CHOI	16,686.78
National Institute of Child Health and	93.864	2 K12 HD01256-06 RS III ROBINS	99,686.19
National Institute of Child Health and	93.864	2 K12 HD01256-06 RS II CARPNDR	73,574.03
National Institute of Child Health and	93.864	5 R01 HD39916-01.02.03.04	271,307.65
National Institute of Child Health and	93.864	2 K12 HD01256-06 RS I CHOI	87,750.04
National Institute of Child Health and	93.864	5 K12 HD01256-05 RS III ROBINS	0.03
National Institute of Child Health and	93.864	2 K12 HD01256-06 RS CORE	91,818.40
National Institute of Child Health and	93.865	5 U01 HD40565-04	341,606.52
National Institute of Child Health and	93.865	5 R01 HD40363-01.02.03.04	213,394.46
National Institute of Child Health and	93.865	5 U10 HD27853-14 BASE	121,469.73
National Institute of Child Health and	93.865	5 R01 HD39419-01A2.02.03.04	240,645.24
National Institute of Child Health and	93.865	5 U10 HD27853-15 CAPITATION	30,432.63
National Institute of Child Health and	93.865	5 U10 HD27853-15 BASE	51,111.48
National Institute of Child Health and	93.865	1 R21 HD048512-01	21,619.49
National Institute of Child Health and	93.865	5 U01 HD40565-03	(1,298.76)
National Institute of Child Health and	93.865	5 R01 HD31514-05.06.07.08.09	42,857.35
National Institute of Child Health and	93.865	2 R01 HD031514-10A1	58,249.42
National Institute of Child Health and	93.865	7 R01 HD36888-05	49,885.00
National Institute of Child Health and	93.865	1 K23 HD44556-01A1	84,367.62
National Institute of Child Health and	93.865	U10 NS43684-11 BEAM BASE	(278,378.30)
National Institute of Child Health and	93.865	5 U10 HD27853-14 CAPITATION	402,048.32
National Institute of Child Health and	93.865	5 U10 HD27853-13 BASE	76.59
National Institute of Child Health and	93.865	5 R01 HD34089-06.07.08.09.10	291,710.25
National Institute of Child Health and	93.865	5 R01 HD26471-11A1.12.13.14.15	346,161.76
National Institute of Child Health and	93.865	5 R21 HD40050-01A1.02.03	44,743.72
National Institute of Child Health and	93.865	MFMU BRIDGE FUNDING-BASE	(0.08)
National Institute of Child Health and	93.865	HD27905\CAPITATION ACCOUNT	305,183.06
National Institute of Child Health and	93.865	5 U01 HD40565-05	10,808.75
National Institute of Child Health and	93.865	5 U01 HD40565-02	(6,200.00)
National Institute of Child Health and	93.865	U10 HD27905-10 BEAM BASE	(26,779.16)
National Institute of Child Health and	93.865	U10 HD27905-10 PREECLAMPSIA	(25.64)
National Institute of Child Health and	93.865	5 R01 HD40285E01A1.02.03.04	263,437.49
National Institute of Child Health and	93.865	5 U10 HD27853-13 CAPITATION	(2,084.74)
National Institute of Child Health and	93.865	U10 HD27905-10 BEAM	0.24
National Institute of Diabetes and Digestive	93.847	5 R01 DK063907-01.02.03	245,379.11
National Institute of Diabetes and Digestive	93.847	1 F32 DK67820-01 ULRICH	35,945.55
National Institute of Diabetes and Digestive	93.847	5 R01 DK57900-04A1.05	270,779.72
National Institute of Diabetes and Digestive	93.847	5 U24 DK59630-04 (CORE B)	116,201.40
National Institute of Diabetes and Digestive	93.847	5 U24 DK59630-04 (CORE A)	299,675.08
National Institute of Diabetes and Digestive	93.847	5 R01 DK63088-01.02.03.04	297,686.66
National Institute of Diabetes and Digestive	93.847	5 R01 DK61689-01.02.03.04	269,756.79
National Institute of Diabetes and Digestive	93.847	5 U24 DK59630-04 (CORE D)	241,366.30
National Institute of Diabetes and Digestive	93.847	5 T35 DK60444-03	113,069.77
National Institute of Diabetes and Digestive	93.847	5 U24 DK59630-04 (CORE E)	149,884.27
National Institute of Diabetes and Digestive	93.847	5 R01 DK56029-04.05	47,705.29
National Institute of Diabetes and Digestive	93.847	5 R01 DK52134-05.06.07.08	332,627.07
National Institute of Diabetes and Digestive	93.847	5 R01 DK61689-01.02.03.04	84,198.38
National Institute of Diabetes and Digestive	93.847	5 R01 DK52134-05.06.07.08	25,256.17
National Institute of Diabetes and Digestive	93.847	5 U24 DK59630-04 (CORE C)PT A	238,431.06
National Institute of Diabetes and Digestive	93.847	1 R13 DK066609-01	19,000.00
National Institute of Diabetes and Digestive	93.847	3 R01 DK46433-06.07.08.09.10S1	335.69

(Continued)

**UNIVERSITY OF CINCINNATI**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2005**

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
National Institute of Diabetes and Digestive	93.847	5 R21 DK60904-01,02	S (2,082.29)
National Institute of Diabetes and Digestive	93.847	5 R01 DK48061-10	161,792.32
National Institute of Diabetes and Digestive	93.847	5 R01 DK46433-06,07,08,09,10	5,988.39
National Institute of Diabetes and Digestive	93.847	5 U24 DK59630-05 (CORE E)	4,036.77
National Institute of Diabetes and Digestive	93.847	5 U24 DK59630-05 (CORE B)	3,682.56
National Institute of Diabetes and Digestive	93.847	3 R01 DK52134-07S1	90,399.55
National Institute of Diabetes and Digestive	93.847	NIH R01 DK054966-07,08	126,634.64
National Institute of Diabetes and Digestive	93.847	5 F32 DK67820-02 DIET,OBS,STRS	7,437.84
National Institute of Diabetes and Digestive	93.847	3 T32 DK59803-02S1 H823	(531.67)
National Institute of Diabetes and Digestive	93.847	5 U24 DK59630-04 (PILOT PROJ)	346.58
National Institute of Diabetes and Digestive	93.847	2 R01 DK56029-06A1	210,198.84
National Institute of Diabetes and Digestive	93.847	5 U24 DK59630-04 (CORE C)PT B	6,693.46
National Institute of Diabetes and Digestive	93.847	5 R01 DK54216-06,07,08	393,263.48
National Institute of Diabetes and Digestive	93.847	5 R01 DK63088-03 J123	14,286.17
National Institute of Diabetes and Digestive	93.847	5 F32 DK65434-02	36,852.20
National Institute of Diabetes and Digestive	93.847	5 T32 DK59803-04	166,901.90
National Institute of Diabetes and Digestive	93.847	5 R01 DK48010-12,13	389,579.19
National Institute of Diabetes and Digestive	93.847	3 T32 DK59803-03S1 K522	2,749.28
National Institute of Diabetes and Digestive	93.847	1 F32 DK65434-01	10,387.47
National Institute of Diabetes and Digestive	93.847	5 U24 DK59630-03 SUPPLEMENT	88.45
National Institute of Diabetes and Digestive	93.847	5 T32 GM63483-03	164,218.98
National Institute of Diabetes and Digestive	93.847	5 U24 DK59630-03 (PILOT)	761.35
National Institute of Diabetes and Digestive	93.847	3 U24 DK59630-03S1	47,827.59
National Institute of Diabetes and Digestive	93.847	5 F32 DK61173-02	9,048.27
National Institute of Diabetes and Digestive	93.847	5 U24 DK59630-03 (PILOT)	(0.02)
National Institute of Diabetes and Digestive	93.847	5 U24 DK59630-03 (PILOT PROJ)	977.70
National Institute of Diabetes and Digestive	93.847	5 T32 DK59803-03	25,180.28
National Institute of Diabetes and Digestive	93.847	5 U24 DK59630-03 (CORE E)	(0.03)
National Institute of Diabetes and Digestive	93.847	5 U24 DK59630-03 (CORE D)	2,786.18
National Institute of Diabetes and Digestive	93.847	5 U24 DK59630-03 (CORE C)PT A	5,430.36
National Institute of Diabetes and Digestive	93.847	5 U24 DK59630 03 (CORE B)	(0.02)
National Institute of Diabetes and Digestive	93.847	5 U24 DK59630-03 (CORE F)	19,269.77
National Institute of Diabetes and Digestive	93.847	5 R01 DK48010-09,10,11	(5,143.42)
National Institute of Diabetes and Digestive	93.847	5 U24 DK59630-03 (CORE C)PT B	(2,970.80)
National Institute of Diabetes and Digestive	93.847	5 F32 DK61857-02	1,962.15
National Institute of Diabetes and Digestive	93.847	5 U24 DK59630-03 (CORE A)	27,088.68
National Institute of Diabetes and Digestive	93.848	1 R01 DK067416-01A1	36,684.08
National Institute of Diabetes and Digestive	93.848	5 P01 DK56863-05 PROJ 1	135,226.88
National Institute of Diabetes and Digestive	93.848	5 P01 DK56863-05-ASSAY CORE	67,713.02
National Institute of Diabetes and Digestive	93.848	5 P01 DK56863-05 ADM CORE	37,340.63
National Institute of Diabetes and Digestive	93.848	5 F32 DK063779-03	13,052.69
National Institute of Diabetes and Digestive	93.848	5 P01 DK56863-05 PROJ 2	115,752.88
National Institute of Diabetes and Digestive	93.848	5 P01 DK56863-05 ANIMAL CORE	111,114.96
National Institute of Diabetes and Digestive	93.848	5 P01 DK56863-05 PROJ 4	94,665.74
National Institute of Diabetes and Digestive	93.848	5 R01 DK053548-05,06	272,070.92
National Institute of Diabetes and Digestive	93.848	1 F32 DK67749-01	37,516.58
National Institute of Diabetes and Digestive	93.848	5 F32 DK67809-02	6,966.00
National Institute of Diabetes and Digestive	93.848	5 R01 DK42457-11,12	287,707.57
National Institute of Diabetes and Digestive	93.848	5 R01 DK56910-01,02,03,04,05	344,795.20
National Institute of Diabetes and Digestive	93.848	1 K24 DK070528-01	29,266.75
National Institute of Diabetes and Digestive	93.848	5 R01 DK54890-04,05,06,07,08	300,190.49
National Institute of Diabetes and Digestive	93.848	5 R01 DK17844-26,27,28,29,30	315,015.34
National Institute of Diabetes and Digestive	93.848	5 R01 DK43816-09,10,11,12,13	148,013.98
National Institute of Diabetes and Digestive	93.848	5 P01 DK56863-04 PROJ 2	117,543.19
National Institute of Diabetes and Digestive	93.848	5 P01 DK56863-04 PROJ 4	86,786.27
National Institute of Diabetes and Digestive	93.848	5 F32 DK67749-02	7,238.00
National Institute of Diabetes and Digestive	93.848	5 P01 DK56863-04 ANIMAL CORE	117,952.82

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
National Institute of Diabetes and Digestive	93.848	1 T32 DK64581-01	\$ 26,328.17
National Institute of Diabetes and Digestive	93.848	1 F32 DK67809-01	36,058.55
National Institute of Diabetes and Digestive	93.848	5 P01 DK54504-05 CORE A	7,170.04
National Institute of Diabetes and Digestive	93.848	5 P01 DK54504-05 PROJ 2	7,863.23
National Institute of Diabetes and Digestive	93.848	1 R01 DK66223-01A1	181,781.22
National Institute of Diabetes and Digestive	93.848	5 P01 DK56863-04 ADM CORE	41,469.88
National Institute of Diabetes and Digestive	93.848	5 R01 DK66596-01,02	348,397.46
National Institute of Diabetes and Digestive	93.848	5 R01 DK54080-05,06,07,08	235,023.31
National Institute of Diabetes and Digestive	93.848	5 P01 DK54504-05 CORE B	(0.01)
National Institute of Diabetes and Digestive	93.848	3 R01 DK017844-28,29,30S1	88,824.71
National Institute of Diabetes and Digestive	93.848	5 P01 DK54504-05 PROJ 1/CORE D	74,433.68
National Institute of Diabetes and Digestive	93.848	5 F32 DK063779-02	23,846.92
National Institute of Diabetes and Digestive	93.848	5 R01 DK51630-06,07,08,09	295,143.69
National Institute of Diabetes and Digestive	93.848	5 P01 DK54504-05 CORE C	2,076.84
National Institute of Diabetes and Digestive	93.848	1 R01 DK064885-01A1,02	216,896.69
National Institute of Diabetes and Digestive	93.848	5 P01 DK54504-05 PROJ 3	98,316.40
National Institute of Diabetes and Digestive	93.848	5 P01 DK56863-04 PROJ 1	315,033.58
National Institute of Diabetes and Digestive	93.848	5 P01 DK56863-04-ASSAY CORE	71,696.78
National Institute of Diabetes and Digestive	93.848	5 T32 DK64581-02	212,432.77
National Institute of Diabetes and Digestive	93.849	5 R01 DK54360-01,02,03,04,05	22,829.87
National Institute of Diabetes and Digestive	93.849	5 R37 DK50594-05,06,07,08,09	25,272.37
National Institute of Diabetes and Digestive	93.849	5 U24 DK58811-01,02,03	84,241.52
National Institute of Diabetes and Digestive	93.849	4 R37 DK50594-10	222,797.75
National Institute of Diabetes and Digestive	93.849	1 R21 DK069282-01	5,594.69
National Institute of Diabetes and Digestive	93.849	5 R37 DK50594-05,06,07,08,09	338,911.11
National Institute of Diabetes and Digestive	93.849	1 R21 DK066589-01,02	169,644.70
National Institute of Diabetes and Digestive	93.849	5 R01 DK062809-01A1,02	374,034.05
National Institute of Diabetes and Digestive	93.849	5 R01 DK57552-01,02,03,04	273,976.76
National Institute of Diabetes and Digestive	93.849	1 R21 DK0693954-01,02	158,324.38
National Institute of Diabetes and Digestive	93.849	4 R37 DK50594-10	22,171.20
National Institute for Occupational Safety	93.262	5 R01 OH007529-01,02,03,04	353,406.14
National Institute for Occupational Safety	93.262	NIOSH 5 R01 OH07679-01,02,03	174,070.33
National Institute for Occupational Safety	93.262	NIOSH 5 R01 OH04085-03	140,104.87
National Institute for Occupational Safety	93.262	NIOSH 5 R01 OH07364-01A1,02,03	123,973.14
National Institute for Occupational Safety	93.262	NIOSH 1 R01 OH007976-01,02	113,863.32
National Institute for Occupational Safety	93.262	NIOSH 5 R01 OH03888-01A2,02	77,170.19
National Institute for Occupational Safety	93.262	NIOSH 5 R01 OH03519-04	63,169.18
National Institute of Allergy and Infectious	93.855	5 R01 AI52175-01,02,03	304,480.06
National Institute of Allergy and Infectious	93.855	1 T32 AI060515-01	50,733.71
National Institute of Allergy and Infectious	93.855	5 R01 AI45766-01,02,03,04,05	66,192.49
National Institute of Allergy and Infectious	93.856	1 R01 AI061497-01A1	19,781.69
National Institute of Allergy and Infectious	93.856	1 F31 AI064121-01	3,333.34
National Institute of Allergy and Infectious	93.856	5 P01 AI061298-02(PROJ 1 OF 4)	11,048.54
National Institute of Allergy and Infectious	93.856	5 P01 AI061298-02(PROJ 3 OF 4)	8,536.43
National Institute of Allergy and Infectious	93.856	1 R01 AI58159-01A2	13,789.10
National Institute of Allergy and Infectious	93.856	5 R03 AI57915-01,02	77,538.41
National Institute of Allergy and Infectious	93.856	5 R01 AI23695-15,16,17,18,19	325,787.80
National Institute of Allergy and Infectious	93.856	1 T32 AI055406-01	52,982.72
National Institute of Allergy and Infectious	93.856	5 R01 AI50450-01A1,02,03,04	341,432.41
National Institute of Allergy and Infectious	93.856	5 R01 AI45715-01A1,02,03,04,05	260,046.23
National Institute of Allergy and Infectious	93.856	5 R01 AI49508-01,02,03,04 SURG	66,348.82
National Institute of Allergy and Infectious	93.856	5 R03 AI53184-01,02	24,471.86
National Institute of Allergy and Infectious	93.856	5 R01 AI34361-11,12,13	360,981.03
National Institute of Allergy and Infectious	93.856	5 R01 AI055848-01,02,03	336,902.87
National Institute of Allergy and Infectious	93.856	5 R01 AI49508-01,02,03,04	952,003.98
National Institute of Allergy and Infectious	93.856	1 R01 AI57036-01	61,343.90
National Institute of Allergy and Infectious	93.856	5 R01 AI49358-01,02,03,04	329,207.39

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
National Institute of Allergy and Infectious	93.856	5 R01 AI48406-01A2,02,03,04	\$ 274,646.83
National Institute of Allergy and Infectious	93.856	1 R21 AI061495-01A1	40,981.57
National Institute of Allergy and Infectious	93.856	5 R01 AI052099-01A1,02,03	275,977.42
National Institute of Allergy and Infectious	93.856	5 R03 AI53079-01,02	(583.30)
National Institute of Allergy and Infectious	93.856	5 U01 AI25897-17	965,394.57
National Institute of Allergy and Infectious	93.856	1 R21 AI055487-01	101,944.34
National Institute of Allergy and Infectious	93.856	5 R21 AI054762-01,02	132,586.28
National Institute of Allergy and Infectious	93.856	5 R01 AI48455-03,04,05,06	376,530.24
National Institute of Allergy and Infectious	93.856	5 R37 AI42747-06,07,08	324,343.41
National Institute of Allergy and Infectious	93.856	5 R01 AI35987-06,07,08,09,10	6,487.63
National Institute of Allergy and Infectious	93.856	3 U01 AI025897-17S1	842,311.03
National Institute of Allergy and Infectious	93.856	2 R01 AI44651-06	276,480.30
National Institute of Allergy and Infectious	93.856	5 R01 AI48746-01,02,03	150,859.06
National Institute of Allergy and Infectious	93.856	1 R21 AI49145-01A1	56,217.35
National Institute of Allergy and Infectious	93.856	5 R01 AI41119-05,06,07,08	246,491.84
National Institute of Allergy and Infectious	93.856	5 R01 AI36701-05A1,06,07,08,09	261,486.45
National Institute of Allergy and Infectious	93.856	1 R21 AI60770-01	64,891.52
National Institute of Allergy and Infectious	93.856	5 T32 AI055406-02	163,568.53
National Institute of Allergy and Infectious	93.856	1 P01 AI61298-01 (PROJ 4 OF 4)	131,610.15
National Institute of Allergy and Infectious	93.856	1 P01 AI61298-01 (PROJ 3 OF 4)	133,135.78
National Institute of Allergy and Infectious	93.856	1 P01 AI61298-01 (PROJ 2 OF 4)	97,758.40
National Institute of Allergy and Infectious	93.856	1 P01 AI61298-01 (PROJ 1 OF 4)	150,220.18
National Institute of Allergy and Infectious	93.856	PROGRAM INCOME 1 U01 ES12270-	1,943.83
National Institute of Allergy and Infectious	93.856	5 R03 TW01200-01,02,03	236.17
National Institute of Dental Research	93.121	5 R01 DE13823-01,02,03,04,05	262,076.47
National Institute of Environmental Health	93.113	1 U01 ES012770-01 PROJECT 1 #2	17,579.11
National Institute of Environmental Health	93.113	5 U01 ES11038-03 PROJECT 1	(0.05)
National Institute of Environmental Health	93.113	5 U01 ES11038-03MOUSE MDL	(6,910.22)
National Institute of Environmental Health	93.113	5 U01 ES11038-03BIOINFORMATIAC	161,834.00
National Institute of Environmental Health	93.113	1 U01 ES012770-01 ADMIN CORE	3,080.49
National Institute of Environmental Health	93.113	5 U01 ES11038-03 PROJECT 2	(210.44)
National Institute of Environmental Health	93.113	5 U01 ES11038-03 BIostatISTICS	(0.04)
National Institute of Environmental Health	93.113	5 U01 ES11038-03 ADMIN	286.68
National Institute of Environmental Health	93.113	1 U01 ES012770-01 (ADMIN-2EH)	6,058.55
National Institute of Environmental Health	93.113	1 U01 ES012770-01 CHRf	78,996.31
National Institute of Environmental Health	93.113	1 U01 ES012770-01 COTC	9,960.08
National Institute of Environmental Health	93.113	1 U01 ES012770-01 PROJECT 2	8,537.99
National Institute of Environmental Health	93.113	1 U01 ES012770-01 PROJECT 1	84,174.92
National Institute of Environmental Health	93.113	2 R01 ES06321-06,07,08,09,10	(121.28)
National Institute of Environmental Health	93.113	5 U01 ES11038-03 PROJECT 3	(54.46)
National Institute of Environmental Health	93.113	5 P42 ES04908-14 ANLYTCAL	(0.75)
National Institute of Environmental Health	93.113	5 U01 ES012770-02 CHRf	313,088.57
National Institute of Environmental Health	93.113	5 U01 ES11038-04 PROJECT 1	167,464.17
National Institute of Environmental Health	93.113	5 U01 ES11038-04 PROJECT 2	221,957.96
National Institute of Environmental Health	93.113	5 U01 ES11038-04 PROJECT 3	180,208.92
National Institute of Environmental Health	93.113	5 R01 ES09110-05A2,06	318,166.43
National Institute of Environmental Health	93.113	5 U01 ES012770-02 (ADMIN-PATH)	37,286.46
National Institute of Environmental Health	93.113	5 U01 ES012770-02 (ADMIN-PATH)	364,002.27
National Institute of Environmental Health	93.113	5 U01 ES012770-02 PROJECT 1 EH	92,964.88
National Institute of Environmental Health	93.113	5 U01 ES012770-02 PROJECT 2-EH	154,239.42
National Institute of Environmental Health	93.113	5 U01 ES012770-02 COTC-EH	114,083.56
National Institute of Environmental Health	93.113	5 U01 ES12770-02 ADMIN CORE	74,809.48
National Institute of Environmental Health	93.113	5 U01 ES11038-04 BIostatISTICS	5,753.76
National Institute of Environmental Health	93.113	5 U01 ES011038-04	35,082.23
National Institute of Environmental Health	93.113	5 U01 ES11038-04MOUSE MDL	288,580.69
National Institute of Environmental Health	93.113	1 R21 ES013524-01	31,003.13
National Institute of Environmental Health	93.113	5 U01 ES011038-04 RESTRICTED	14,113.15

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
National Institute of Environmental Health	93.113	5 U01 ES11038-05 BIOSTATISTICS	\$ 1,259.01
National Institute of Environmental Health	93.113	5 U01 ES11038-05 ADMIN	33,470.34
National Institute of Environmental Health	93.113	5 U01 ES11038-05 PROJECT 1	59,486.81
National Institute of Environmental Health	93.113	5 U01 ES11038-05 PROJECT 2	57,949.64
National Institute of Environmental Health	93.113	5 U01 ES11038-05 PROJECT 3	69,781.35
National Institute of Environmental Health	93.113	5 U01 ES11038-05MOUSE MDL	71,157.90
National Institute of Environmental Health	93.113	5 R01 ES08147-05,06,07,08,09	695,407.02
National Institute of Environmental Health	93.113	1 R21 ES013827-01	8,169.89
National Institute of Environmental Health	93.113	5 R01 ES10210-01A1,02,03	(3,432.03)
National Institute of Environmental Health	93.113	5 R01 ES06273-10,11	226,724.39
National Institute of Environmental Health	93.113	5 R01 ES10416-01,02,03,04,05	186,084.17
National Institute of Environmental Health	93.113	5 R01 ES10562-01A1,02,03,04,05	197,890.58
National Institute of Environmental Health	93.113	2 P42 ES04908-15S2(ANAL CORE)	26,290.24
National Institute of Environmental Health	93.113	2 P42 ES04908-15S2 (PROJECT 5)	24,658.05
National Institute of Environmental Health	93.113	5 P42 ES04908-15 ANLYTCAL	88,439.24
National Institute of Environmental Health	93.113	5 U01 ES11038-04BIOINFORMATIAC	69,107.00
National Institute of Environmental Health	93.113	5 R01 ES08799-01,02,03,04,05	7,416.91
National Institute of Environmental Health	93.113	5 R01 ES09555-01,02,03,04	138,453.51
National Institute of Environmental Health	93.113	5 R01 ES08799-03S,04S1,05S1	75,087.52
National Institute of Environmental Health	93.113	5 R01 ES012212-01,02,03	325,549.31
National Institute of Environmental Health	93.113	5 R01 ES004203-15,16	321,343.75
National Institute of Environmental Health	93.113	5 R01 ES10133-01,02,03,04	92,440.77
National Institute of Environmental Health	93.113	5 R01 ES06273-06,07,08,09	2,795.32
National Institute of Environmental Health	93.113	5 U01 ES11038-04 ADMIN	114,309.35
National Institute of Environmental Health	93.113	5 R01 ES10807-01,02,03,04,05	399,361.99
National Institute of Environmental Health	93.113	5 R01 ES11798-01,02	299,755.24
National Institute of Environmental Health	93.113	5 R01 ES12463-01,02,03	348,682.67
National Institute of Environmental Health	93.114	5 R21 ES11009-01,02	2,910.94
National Institute of Environmental Health	93.114	5 U01 ES09720-05 RESTRICTED	539,319.30
National Institute of Environmental Health	93.114	5 U01 ES09720-05	(168,540.46)
National Institute of Environmental Health	93.115	5 R01 ES011170-01,02,03,04	995,551.19
National Institute of Environmental Health	93.115	3 R01 ES011170-04S1 MINOR	49,072.25
National Institute of Environmental Health	93.115	5 R01 ES011170-01,02,03,04	409,120.11
National Institute of Environmental Health	93.115	5 R01 ES011170-01,02,03,04	117,385.35
National Institute of Environmental Health	93.142	5 U45 ES06184-12 RESTRICTED	10,794.90
National Institute of Environmental Health	93.142	3 U45 ES06184-12S1	99,945.56
National Institute of Environmental Health	93.142	5 U45 ES06184-12	671,353.13
National Institute of Environmental Health	93.142	5 U45 ES06184-OUTREACH CARRY	4,450.25
National Institute of Environmental Health	93.142	5 U45 ES06184-13	1,147,847.61
National Institute of Environmental Health	93.142	5 U45 ES06184-13 CARRYOVER	1,302.84
National Institute of Environmental Health	93.143	5 P42 ES04908-14 TRAINING CORE	0.02
National Institute of Environmental Health	93.143	5 P42 ES04908-13 (PROJ 3)	(6,337.92)
National Institute of Environmental Health	93.143	5 P42 ES04908-14 PROJECT 7	(0.06)
National Institute of Environmental Health	93.143	5 P42 ES04908-14 (PROJECT 5)	913.82
National Institute of Environmental Health	93.143	5 P42 ES04908-14 (PROJ 3)	(74.28)
National Institute of Environmental Health	93.143	5 P42 ES04908-14 (PROJ 1)	(0.14)
National Institute of Environmental Health	93.143	5 P42 ES04908-14 OUTREACH CORE	(0.02)
National Institute of Environmental Health	93.143	5 P42 ES04908-14(BIOSTAT	(0.02)
National Institute of Environmental Health	93.143	5 P42 ES04908-14 (ADMIN CORE)	(0.01)
National Institute of Environmental Health	93.143	5 P42 ES04908-14 (PROJECT 6)	(21.97)
National Institute of Environmental Health	93.143	5 P42 ES04908-14 (PROJ 2)	7.18
National Institute of Environmental Health	93.143	5 P42 ES04908-15 (PROJECT 6)	104,350.93
National Institute of Environmental Health	93.143	5 P42 ES04908-15 (PROJECT 5)	116,445.44
National Institute of Environmental Health	93.143	2 P42 ES04908-15S2 (PROJECT 7)	193.72
National Institute of Environmental Health	93.143	5 P42 ES04908-15 (PROJ 1)	49,581.32
National Institute of Environmental Health	93.143	2 P42 ES04908-15S2(PROJECT 6)	30,399.36
National Institute of Environmental Health	93.143	2 P42 ES04908-15S2 (PROJECT3)	23,510.98

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
National Institute of Environmental Health	93.143	2 P42 ES04908-15S2 (PROJECT 2)	\$ 37,413.61
National Institute of Environmental Health	93.143	2 P42 ES04908-15S2 OUTREACH	15,993.40
National Institute of Environmental Health	93.143	2 P42 ES04908-15S2 (BIOSTAT)	8,424.30
National Institute of Environmental Health	93.143	2 P42 ES04908-15S2(ADMIN	24,405.71
National Institute of Environmental Health	93.143	5 P42 ES04908-15 PROJECT 7	98,547.22
National Institute of Environmental Health	93.143	2 P42 ES04908-15S2(TRAIN CORE)	22,109.10
National Institute of Environmental Health	93.143	5 P42 ES04908-15 TRAINING CORE	90,988.32
National Institute of Environmental Health	93.143	5 P42 ES04908-15 OUTREACH CORE	34,197.14
National Institute of Environmental Health	93.143	5 P42 ES04908-15 (PROJ 2)	99,868.01
National Institute of Environmental Health	93.143	5 P42 ES04908-15 (PROJ 3)	76,334.13
National Institute of Environmental Health	93.143	5 P42 ES04908-15(BIOSTAT	33,942.91
National Institute of Environmental Health	93.143	5 P42 ES04908-15 (ADMIN CORE)	90,772.12
National Institute of Environmental Health	93.894	5 T32 ES07250-15	(8,350.39)
National Institute of Environmental Health	93.894	5 P30 ES06096-12 ADMIN	261.10
National Institute of Environmental Health	93.894	2 T32 ES10957-02	(30.24)
National Institute of Environmental Health	93.894	5 P30 ES06096-12 PILOT BORCHER	336.63
National Institute of Environmental Health	93.894	5 P30 ES06096-12 G EPI BIOSTAT	(686.97)
National Institute of Environmental Health	93.894	5 P30 ES06096-12 ECOGENETICS	(0.01)
National Institute of Environmental Health	93.894	2 T32 ES07250-16	4,700.52
National Institute of Environmental Health	93.894	5 P30 ES06096-12 COEP CORE	556.29
National Institute of Environmental Health	93.894	5 P30 ES06096-12 TMBFSC	0.10
National Institute of Environmental Health	93.894	5 P30 ES06096-12 PILOT	(332.34)
National Institute of Environmental Health	93.894	5 P30 ES06096-12 PILOT DIXON	(7,914.44)
National Institute of Environmental Health	93.894	5 P30 ES06096-12 PILOT NEBERT	0.01
National Institute of Environmental Health	93.894	5 P30 ES06096-12 PILOT SANCH	(833.36)
National Institute of Environmental Health	93.894	5 T32 ES10957-03	127,530.83
National Institute of Environmental Health	93.894	5 P30 ES06096-12 GTRC	0.03
National Institute of Environmental Health	93.894	5 P30 ES06096-14 BIOIMAGING FS	20,750.20
National Institute of Environmental Health	93.894	5 P30 ES06096-14 TMBFSC	15,507.71
National Institute of Environmental Health	93.894	5 P30 ES06096-14 ADMIN	58,923.95
National Institute of Environmental Health	93.894	5 P30 ES06096-13 HUMAN	36,562.08
National Institute of Environmental Health	93.894	5 P30 ES06096-13 COEP CORE	77,516.96
National Institute of Environmental Health	93.894	5 P30 ES06096-13 BIOINFORMATIC	136,917.13
National Institute of Environmental Health	93.894	5 P30 ES06096-13 PRO ANALYSIS	25,645.44
National Institute of Environmental Health	93.894	5 P30 ES06096-13 GTRC	27,208.75
National Institute of Environmental Health	93.894	5 P30 ES06096-14 BIOINFORMATIC	38,345.98
National Institute of Environmental Health	93.894	2 P30 ES06096-13/PILOT SHULL	35,030.94
National Institute of Environmental Health	93.894	5 P30 ES06096-14 GTRC	10,738.09
National Institute of Environmental Health	93.894	2 P30 ES06096-13/PILOT SUPP	32,176.92
National Institute of Environmental Health	93.894	2 P30 ES06096-13/PILOT WARREN	32,733.13
National Institute of Environmental Health	93.894	2 P30 ES06096-13/PILOT ZHANG	39,703.73
National Institute of Environmental Health	93.894	5 T32 ES10957-04	373,291.58
National Institute of Environmental Health	93.894	2 P30 ES06096-13/PILOT BAHASSI	35,933.13
National Institute of Environmental Health	93.894	5 P30 ES06096-14 RTC	11,519.43
National Institute of Environmental Health	93.894	2 P30 ES06096-14/PILOT HEFFELF	39.93
National Institute of Environmental Health	93.894	5 P30 ES06096-13 ADMIN	250,449.45
National Institute of Environmental Health	93.894	5 P30 ES06096-13 ECOGENETICS	36,307.49
National Institute of Environmental Health	93.894	5 P30 ES06096-13 RTC	38,372.36
National Institute of Environmental Health	93.894	5 P30 ES06096-13 RTC	34,149.90
National Institute of Environmental Health	93.894	5 P30 ES06096-13 BIOIMAGING FS	99,025.04
National Institute of Environmental Health	93.894	5 P30 ES06096-14 ECOGENETICS	12,145.50
National Institute of Environmental Health	93.894	5 P30 ES06096-13 GENOMICS F&S	157,991.32
National Institute of Environmental Health	93.894	5 P30 ES06096-14 COEP CORE	17,050.60
National Institute of Environmental Health	93.894	5 P30 ES06096-14 RTC	4,075.92
National Institute of Environmental Health	93.894	5 P30 ES06096-14 PRO ANALYSIS	19,930.32
National Institute of Environmental Health	93.894	5 P30 ES06096-14 HUMAN	12,236.98
National Institute of Environmental Health	93.894	5 P30 ES06096-13 GENOMICS F&S	33,788.22

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
National Institute of Environmental Health	93.894	5 P30 ES06096-13 TMBFSC	\$ 115,498.13
National Institute of Environmental Health	93.894	5 P30 ES06096-14 G EPI BIOSTAT	27,722.30
National Institute of Environmental Health	93.894	5 T32 ES07250-17	566,183.60
National Institute of Environmental Health	93.894	5 P30 ES06096-13 G EPI BIOSTAT	83,986.24
National Institute of General Medical	93.821	5 R01 GM 63855-01A1.02.03	187,538.35
National Institute of General Medical	93.821	2 R01 GM58843-05	184,593.12
National Institute of General Medical	93.821	5 R01 GM40089-12.13,14,15	65,710.96
National Institute of General Medical	93.821	5 R01 GM62153-01.02.03.04	149,460.73
National Institute of General Medical	93.859	1 R01 GM67991-01A2	63,470.68
National Institute of General Medical	93.859	5 R01 GM54775-06,07	111,291.91
National Institute of General Medical	93.859	5 R01 GM61194-01.02.03	85,043.02
National Institute of General Medical	93.859	5 R01 GM54775-04A1,04A2,07	12,813.82
National Institute of General Medical	93.859	5 R01 GM54775-04A1,04A2,06,07	324.44
National Institute of General Medical	93.859	1 R01 GM58637-01A2,03.04	196,166.77
National Institute of General Medical	93.859	5 R01 GM50509-09.10,11,12	386,187.98
National Institute of General Medical	93.859	1 R25 GM72834-01	16,556.40
National Institute of General Medical	93.859	2 R01 GM041399-13	205,031.58
National Institute of General Medical	93.859	5 T32 GM08478-11	85,958.02
National Institute of General Medical	93.859	5 T32 GM63483-02	(14,376.95)
National Institute of General Medical	93.859	5 R01 GM69845-01A1.02	229,511.36
National Institute of General Medical	93.859	1 R01 GM069547-01.02	80,023.79
National Institute of General Medical	93.859	1 R01 GM069547-01.02	322,490.02
National Institute of General Medical	93.859	1 K08 GM068816-01	(0.82)
National Institute of General Medical	93.859	2 R01 GM041803-14,15	299,808.05
National Institute of General Medical	93.859	5 T32 GM08478-12	195,298.08
National Institute of Mental Health	93.242	5 R01 MH63079-01A1,02	(0.02)
National Institute of Mental Health	93.242	5 R03 MH63964-01.02	40,104.01
National Institute of Mental Health	93.242	1 R01 MH069725-01A2	20,629.14
National Institute of Mental Health	93.242	1 R01 MH66626-01A2.02	476,127.74
National Institute of Mental Health	93.242	1 R01 MH71931-01	309,817.56
National Institute of Mental Health	93.242	5 R03 MH63776-01A1,02	37,097.42
National Institute of Mental Health	93.242	1 R01 MH69860-02	321,856.80
National Institute of Mental Health	93.242	5 R01 MH63079-01.02	(0.01)
National Institute of Mental Health	93.242	5 R01 MH60781-01,02,03,04,05	102,910.56
National Institute of Mental Health	93.242	5 R01 MH49698-11,12,13,14	304,870.60
National Institute of Mental Health	93.242	5 R03 MH63776-01.02	(0.01)
National Institute of Mental Health	93.242	5 R01 MH63798-01,02,03,04	319,529.44
National Institute of Mental Health	93.242	5 R01 MH58170-01,02,03,04,05	18,741.22
National Institute of Mental Health	93.242	NIEHS PO#273-MH-418535	2,060.00
National Institute of Mental Health	93.281	1 K23 MH67705-01A2,02	158,655.67
National Institute of Mental Health	93.281	5 K23 MH63373-01,02,03,04	198,523.51
National Institute of Mental Health	93.281	1 K23 MH70849-01	140,925.87
National Institute of Mental Health	93.282	5 K23 MH64086-01,02,03	177,875.63
National Institute of Mental Health	93.282	5 F32 MH65770-02	6,457.26
National Institute of Mental Health	93.282	5 F32 MH65770-03	39,129.12
National Institute of Neurological Disorders	93.853	5 R21 NS42697-01.02	8,455.24
National Institute of Neurological Disorders	93.853	5 R01 NS39160-03	(1,720.34)
National Institute of Neurological Disorders	93.853	5 K23 NS41325-01,02,03,04,05	138,026.81
National Institute of Neurological Disorders	93.853	3 R01 NS30678-09SI,10	(24.03)
National Institute of Neurological Disorders	93.853	5 R01 NS28840-11,12,13,14	9,840.07
National Institute of Neurological Disorders	93.853	5 K23 NS02170-01,02,03,04,05	104,642.19
National Institute of Neurological Disorders	93.853	5 R01 NS37795E04.05	(322.51)
National Institute of Neurological Disorders	93.853	5 R01 NS30678-06,07,08,09,10	(33.38)
National Institute of Neurological Disorders	93.853	5 R01 NS047603-01.02 (BIOMED)	337,985.58
National Institute of Neurological Disorders	93.853	5 R01 NS30652-08A1,09,10,11	245,486.65
National Institute of Neurological Disorders	93.853	5 R01 NS43252-01.02	6,570.65
National Institute of Neurological Disorders	93.853	5 R01 NS42774-01,02,03	2,836.44

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
National Institute of Neurological Disorders	93.853	5 R01 NS049172-01.02	\$ 59,618.57
National Institute of Neurological Disorders	93.853	1 F31 NS047791-01	19,837.27
National Institute of Neurological Disorders	93.853	P50 NS44283-	135,066.66
National Institute of Neurological Disorders	93.853	P50 NS44283-	212,469.91
National Institute of Neurological Disorders	93.853	5 R01 NS39087-06	341,351.89
National Institute of Neurological Disorders	93.853	5 R01 NS047603-01.02 (PATH)	14,718.93
National Institute of Neurological Disorders	93.853	1 F32 NS047841-01A1	41,956.58
National Institute of Neurological Disorders	93.853	5 T32 NS07453-07	265,190.78
National Institute of Neurological Disorders	93.853	P50 NS44283-03/PROJ1/EMERG MED	210,039.56
National Institute of Neurological Disorders	93.853	2 R01 NS030678-11A2	471,005.32
National Institute of Neurological Disorders	93.853	P50 NS44283-	30,583.48
National Institute of Neurological Disorders	93.853	7 R01 NS039087-05	601,816.61
National Institute of Neurological Disorders	93.853	R34 NS049722 IMS III PLANNING	120,295.47
National Institute of Neurological Disorders	93.853	5 R01 NS36695-07/DEKA	359,663.56
National Institute of Neurological Disorders	93.853	5 R01 NS36695-07/CHAKRABORTY	30,081.22
National Institute of Neurological Disorders	93.853	5 R01 NS36695-07	643,644.92
National Institute of Neurological Disorders	93.853	3 P50 NS44283-02S1	49,239.87
National Institute of Neurological Disorders	93.853	7 R21 NS45566-03.04	295,101.41
National Institute of Neurological Disorders	93.853	5 R01 NS046609-01A1.02	230,666.73
National Institute of Neurological Disorders	93.853	5 R01 NS39512-03	1,730,568.27
National Institute of Neurological Disorders	93.853	2 R01 NS030678-11A2 (IHPHSR)	58,641.60
National Institute of Neurological Disorders	93.853	5 R01 NS30652-08A1.09.11 PATH	22,901.60
National Institute of Neurological Disorders	93.853	5 R01 NS047603-01.02 (NEUR)	23,074.90
National Institute of Neurological Disorders	93.853	5 T32 NS07453-06	(3,079.17)
National Institute of Neurological Disorders	93.853	5 R01 NS047603-01S1.02	18,487.38
National Institute of Neurological Disorders	93.853	1 R01 NS049428-01A1 PHYSIOLOGY	22,769.40
National Institute of Neurological Disorders	93.853	1 R01 NS049428-01A1	38,498.86
National Institute of Neurological Disorders	93.853	2 R01 NS035313-05A2	58,028.29
National Institute of Neurological Disorders	93.853	P50 NS44283-03/CORE B/ENV	20,100.09
National Institute of Neurological Disorders	93.853	7 R01 NS040396-5	315,917.80
National Institute of Neurological Disorders	93.853	P50 NS44283-03/PROJ2/EMERG MED	165,304.58
National Institute of Neurological Disorders	93.853	NS44283-03S2/D&T SUPPL/EMR	58,870.65
National Institute of Neurological Disorders	93.853	NS44283-03S2/D&T SUPPL/NEUR	33,651.59
National Institute of Neurological Disorders	93.853	NS44283-03S1/TRAIN SUPPL/EMRG	41,463.83
National Institute of Neurological Disorders	93.853	NS44283-03S1/TRAIN SUPPL/	44,574.75
National Institute of Neurological Disorders	93.853	5 R01 NS39512-03 DEKA	183,405.00
National Institute of Neurological Disorders	93.853	2 R01 NS30678-11A2 (ENVR HLTH)	26,826.78
National Institute of Neurological Disorders	93.853	P50 NS44283-	180,833.76
National Institute of Neurological Disorders	93.853	5 T32 NS07453-05	1,673.17
National Institute of Neurological Disorders	93.853	5 F31 NS047791-02	16,324.56
National Institute of Neurological Disorders	93.853	5 P50 NS44283-02 C-B-EH	3,373.01
National Institute of Neurological Disorders	93.853	3 R01 NS042308-01A2S1	14,009.28
National Institute of Neurological Disorders	93.853	5 R01 NS36695-06 MOOMAW	(300.18)
National Institute of Neurological Disorders	93.853	5 R01 NS39512-02	1,054,655.47
National Institute of Neurological Disorders	93.853	5 R01 NS39512-02 DEKA	23,144.68
National Institute of Neurological Disorders	93.853	5 P50 NS44283-02 CORE	42,868.18
National Institute of Neurological Disorders	93.853	5 R01 NS36695-06 CHAKRABORTY	0.03
National Institute of Neurological Disorders	93.853	7 R01 NS039128-04	198,930.52
National Institute of Neurological Disorders	93.853	5 R01 NS36695-06	24,401.99
National Institute of Neurological Disorders	93.853	7 R01 NS38654-04 C/O	2,501.94
National Institute of Neurological Disorders	93.853	5 P50 NS44283-02 P1-EM	34,354.03
National Institute of Neurological Disorders	93.853	5 P50 NS44283-02 P2-EM	13,162.79
National Institute of Neurological Disorders	93.853	5 P50 NS44283-02 P1-RAD	4,958.35
National Institute of Neurological Disorders	93.853	5 P50 NS44283-02 P2-NE	11,434.04
National Institute of Neurological Disorders	93.853	5 P50 NS44283-02 P1-NE	94,795.91
National Institute of Neurological Disorders	93.853	5 P50 NS44283-02 P3-NE	98,717.56
National Institute of Neurological Disorders	93.853	5 K23 NS045054-01.02.03	120,149.77

(Continued)



# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
National Institute of Neurological Disorders	93.853	2 R01 NS028167-12A1	\$ 368.84
National Institute of Neurological Disorders	93.853	5 R01 NS042308-01A2,02,03	319,277.86
National Institute of Neurological Disorders	93.853	5 R01 NS044972-01,02	299,251.93
National Institute of Neurological Disorders	93.853	5 K23 NS045054-01,02 LINDSELL	7,896.48
National Institute of Neurological Disorders	93.853	5 R01 NS042798-01A1,02,03	200,944.38
National Institute of Neurological Disorders	93.853	1 R01 NS39512-01	12,228.84
National Institute of Neurological Disorders	93.853	P50 NS44283-	95,048.72
National Institute of Neurological Disorders	93.853	5 R01 NS36695-06 DEKA	16,190.81
National Institute of Neurological Disorders	93.854	5 R01 NS34782-04A1,05,06	(2,962.32)
National Institute of Nursing	93.361	1 R01 NR05352-01A1	213,041.48
National Institute of Nursing	93.361	5 K23 NR008716-01,02	96,833.11
National Institute on Aging	93.866	5 R01 AG12853-07A1,08,09,10	224,682.65
National Institute on Aging	93.866	5 R01 AG12962-06A2,07,08,09	261,857.45
National Institute on Aging	93.866	5 R01 AG17212-03,04,05	765.32
National Institute on Aging	93.866	3 R01 AG12962-09S1 H674	57,942.28
National Institute on Aging	93.866	5 R01 AG20249-02,03	494,649.03
National Institute on Alcohol Abuse and	93.271	5 K02 AA00319-02,02S1,03,04	68,826.14
National Institute on Alcohol Abuse and	93.273	1 R01 AA13307-01A1,02	273,321.57
National Institute on Alcohol Abuse and	93.273	5 R01 AA13957-01A1,02	174,542.00
National Institute on Alcohol Abuse and	93.273	5 R21 AA14014-01A1,02	120,706.27
National Institute on Deafness and Other	93.173	5 F31 DCO06121-03	25,791.38
National Institute on Deafness and Other	93.173	5 R01 DC03604-05,06,07	212,349.20
National Institute on Deafness and Other	93.173	3 R01 DC03604-06S1 GERMAN	16,796.55
National Institute on Deafness and Other	93.173	5 R01-DC04203-05/NIH-NIDCD	119,584.88
National Institute on Deafness and Other	93.173	5 R01 DC05250-01,02,03,04	276,618.79
National Institute on Deafness and Other	93.173	5-R01-DC04203-01,02,03,04,05	2,745.36
National Institute on Deafness and Other	93.173	1 R21 DC06953-01 KELCHNER	19,767.22
National Institute on Deafness and Other	93.173	1 R21 DC06953-01 GERMAN	65,115.04
National Institute on Deafness and Other	93.173	1 R15 DC04548-01A2	38,501.95
National Institute on Deafness and Other	93.173	5 F31 DCO06121-02	12,485.76
National Institute on Deafness and Other	93.173	5 R01 DC00926-08,09,10,11	239,805.86
National Institute on Deafness and Other	93.173	5 R21 DC006505-01,02	83,719.81
National Institute on Deafness and Other	93.173	5 R01 DC00926-10	10,177.74
National Institute on Deafness and Other	93.173	7 K08 DC005421-03	130,689.93
National Institute on Deafness and Other	93.173	1 F31 DCO06121-01	(336.00)
National Institute on Drug Abuse	93.278	5 F32 DA16466-02	42,812.25
National Institute on Drug Abuse	93.278	1 F32 DA16466-01	181.27
National Institute on Drug Abuse	93.278	5 F30 DA05988-03S1	1,833.00
National Institute on Drug Abuse	93.279	5 R01 DA13786-01,02,03	157,158.96
National Institute on Drug Abuse	93.279	5 U10 DA13732-05	1,959,991.32
National Institute on Drug Abuse	93.279	1 R01 DA16778-01A1,02	282,272.04
National Institute on Drug Abuse	93.279	5 U19 DA12043-05 (PROJECT 1)	7,120.31
National Institute on Drug Abuse	93.279	5 F32 DA16466-02	3,619.00
National Institute on Drug Abuse	93.279	1 R01 DA17399-01A2	29,821.00
National Institute on Drug Abuse	93.279	5 U19 DA12043-05 PROJECT 2	15,554.03
National Institute on Drug Abuse	93.279	5 U10 DA13732-05S1	571,914.30
National Institute on Drug Abuse	93.279	5 R01 DA14644-01,02,03,04	407,133.45
National Institute on Drug Abuse	93.279	5 R21 DA14189-01,02,03	66,202.76
National Institute on Drug Abuse	93.279	5 R01 DA14591-01,02,03,04	287,628.31
National Institute on Drug Abuse	93.279	5 R01 DA07427-07,08,09,10,11	238,467.46
National Institute on Drug Abuse	93.279	5 R01 DA13471-01,02,03,04,05	16,277.55
National Institute on Drug Abuse	93.279	5 R01 DA13471-01,02,03,04,05	339,432.28
National Institute on Drug Abuse	93.279	5 R01 DA09444-07S1,08S,09,10	162.04
National Institute on Drug Abuse	93.279	5 R01 DA09444-06,07,08,09,10	71,451.31
National Institute on Drug Abuse	93.279	5 U10 DA13732-04	872,591.14
National Institutes of Health	93.286	1 R21 EB003938-01	147,231.28
National Institutes of Health	93.286	1 R21 EB003979-01A1	33,880.82

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
National Institutes of Health	93.286	1 R21 EB003938-JONES	\$ 12,358.64
National Institutes of Health	93.286	1 R21 EB02361-01,02	208,654.49
National Library of Medicine	93.879	NLM PO# 467-MZ-301591 NIH	48,738.32
National Library of Medicine	93.879	1 R21 HG002849-02-SIVAGANESAN	12,095.18
National Library of Medicine	93.879	NLM PO# 467-MZ-500633 NIH	30,693.76
National Library of Medicine	93.879	5 G08 LM07853-03	44,729.18
National Library of Medicine	93.879	1 R03 LM08248-01,02	7,645.22
National Library of Medicine	93.879	1 K22 LM008534-01	89,447.88
National Library of Medicine	93.879	1 R03 LM08248-01,02	55,140.97
National Library of Medicine	93.879	1 G08 LM07853-02	323,444.68
Substance Abuse and Mental Health	93.23	1 H79 SP09949-01 OH	122,788.74
Substance Abuse and Mental Health	93.243	1 H79 SP10829-01	241,932.52
Total Department of Health and Human Services			<u>108,471,618.33</u>
Department of Housing and Urban Development:			
Community Planning and Development	14.246	HUD B-03-SP-OH-0607 MSB	306,081.00
Department of Housing and Urban	14	HUD OHLTS0093-02	(0.01)
Department of Housing and Urban	14	HUD OHLHT0103-04	119,106.99
Department of Housing and Urban	14	HUD OHLTS0094-02 CLEVELAND	65,842.06
Office of Healthy Homes and Lead Hazard	14.9	US HUD OHLTS0098-03	151,681.34
Office of Healthy Homes and Lead Hazard	14.9	HUD OHLHH0099E01	102,241.76
Total Department of Housing and Urban Development			<u>744,953.14</u>
Department of Interior—			
Department of Interior	15	DEPT OF INTERIOR	<u>11,720.81</u>
Total Department of Interior			<u>11,720.81</u>
Department of Justice:			
Bureau of Justice Assistance	16.609	DOJ 2002-GP-CX-0223	87,069.74
Department of Justice	16	PROJECT 3 MISC FEDERAL	131,355.48
Department of Justice	16	PROJECT 1 MISC FEDERAL	75,629.26
National Institute of Justice	16.56	NIJ 2001-IJ-CX-0011	9,317.45
Total Department of Justice			<u>303,371.93</u>
Department of State—			
Bureau of Intelligence and Research	19.3	NFSAT-CRDF AP1-03220	<u>5,900.28</u>
Total Department of State			<u>5,900.28</u>
Environmental Protection Agency:			
Environmental Protection Agency	66	EPA 68-C-00-159 TO# 73	20,973.06
Environmental Protection Agency	66	EPA 68-C-00-159 TO# 61 YR 4	470,046.82
Environmental Protection Agency	66	EPA 68-C-00-159 TO# 62	85,745.14
Environmental Protection Agency	66	EPA 68-C-00-159 TO# 81	1,300,661.59
Environmental Protection Agency	66	EPA 68-C-00-159 TO# 63	178,757.49
Environmental Protection Agency	66	EPA 68-C-00-159 TO # 71	12,277.16
Environmental Protection Agency	66	EPA 68-C-00-159 TO# 66	126,282.40
Environmental Protection Agency	66	EPA 68-C-00-159 TO # 64	33,192.41
Environmental Protection Agency	66	EPA 68-C-00-159 TO # 70	93,301.64
Environmental Protection Agency	66	EPA 68-C-00-159 TO # 69	67,762.79
Environmental Protection Agency	66	EPA 68-C-00-159 TO# 68	1,755.97

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
Environmental Protection Agency	66	EPA 68-C-00-159 TO# 67	\$ 4,245.11
Environmental Protection Agency	66	EPA 68-C-00-159 TO# 65	86,677.32
Environmental Protection Agency	66	EPA 68-C-00-159 TO# 72	8,539.33
Environmental Protection Agency	66	EPA 68-C-00-159 TO # 43	11,311.44
Environmental Protection Agency	66	EPA 68-C-00-159 TO # 45	1,408.83
Environmental Protection Agency	66	EPA EP05C000247	2,592.92
Environmental Protection Agency	66	EPA 4C-R119-NTEX	38,424.95
Environmental Protection Agency	66	EPA 2C-R322-NAEX	(23.25)
Environmental Protection Agency	66	EPA 68-C-00-159 TO#52	23,802.64
Environmental Protection Agency	66	EPA 68-C-00-159 TO#51	14,365.01
Environmental Protection Agency	66	EPA 68-C-00-159 TO#41 BASE YR3	82,744.58
Environmental Protection Agency	66	EPA 68-C-00-159 TO # 50	93,493.31
Environmental Protection Agency	66	EPA 68-C-00-159 TO # 49	15,635.59
Environmental Protection Agency	66	EPA 68-C-00-159 TO # 46	319.18
Environmental Protection Agency	66	EPA 68-C-00-159 TO # 44	(462.04)
Environmental Protection Agency	66	EPA 68-C-00-159 TO# 82	25,380.46
Environmental Protection Agency	66	EPA 68-C-00-159 TO # 42	1,356.23
Environmental Protection Agency	66	EPA 68-C-00-159 TO # 27	816.45
Environmental Protection Agency	66	EPA 68-C-00-159 TO# 89	16,376.78
Environmental Protection Agency	66	EPA 68-C-00-159 TO# 88	31,108.61
Environmental Protection Agency	66	EPA 68-C-00-159 TO# 87	3,535.24
Environmental Protection Agency	66	EPA 68-C-00-159 TO# 86	12,608.59
Environmental Protection Agency	66	EPA 68-C-00-159 TO# 85	115,577.79
Environmental Protection Agency	66	EPA 68-C-00-159 TO# 84	156,898.80
Environmental Protection Agency	66	EPA 68-C-00-159 TO# 83	53,752.88
Environmental Protection Agency	66	EPA 68-C-00-159 TO # 48	70,000.00
Environmental Protection Agency	66	EPA 68-C-00-159 TO # 47	119,635.39
Environmental Protection Agency	66.516	EPA SU-83181701	8,870.08
Environmental Protection Agency	66.516	EPA P3, SU-83182401	8,959.30
Office of Grants and Debarment	66.607	EPA T83056901	82,801.21
Office of Research and Development	66.5	EPA R 82936001-0	109,992.15
Office of Research and Development	66.505	EPA R82957901-0	94,739.71
<b>Total Environmental Protection Agency</b>			<b>3,686,241.06</b>
<b>National Aeronautics and Space Administration:</b>			
National Aeronautics and Space Administration	43	NASA NNC04GA11G	89,081.23
National Aeronautics and Space Administration	43	NASA NCC3-981	8,499.38
National Aeronautics and Space Administration	43	NASA GLENN NNC04CB44C	118,118.20
National Aeronautics and Space Administration	43.001	NASA NAG9-01475	92,858.42
National Aeronautics and Space Administration	43.001	NASA NAG2-1581	77,280.79
National Aeronautics and Space Administration	43.001	NASA NGT5-30453	10,124.00
National Aeronautics and Space Administration	43.001	NASA NAG3-2451	60,408.53
National Aeronautics and Space Administration	43.001	NASA NAG3-2669	139,660.84
National Aeronautics and Space Administration	43.001	NASA NAG5-13426	67,686.66
National Aeronautics and Space Administration	43.001	NASA NAG5-13242	9,928.86
National Aeronautics and Space Administration	43.001	NASA NNC04GB46G	15,553.53
National Aeronautics and Space Administration	43.002	NASA NAG5-11684	47,296.26
National Aeronautics and Space Administration	43.002	NASA NCC5-728	43,531.63
National Aeronautics and Space Administration	43.002	NASA NAG5-9475	31,780.39
National Aeronautics and Space Administration	43.002	NASA NAG5-10384	81,201.89
<b>Total National Aeronautics and Space Administration</b>			<b>893,010.61</b>

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
National Foundation on the Arts and the Humanities— National Endowment for the Humanities	45.16	NEH FA-50138-04 GUTZWILLER	\$ 52,880.01
Total National Foundation on the Arts and the Humanities			<u>52,880.01</u>
National Science Foundation:			
Directorate for Biological Sciences	47.074	NSF DEB-0317687-001 REU	6,974.99
Directorate for Biological Sciences	47.074	NSF IBN-0239164 REU J918	5,702.05
Directorate for Biological Sciences	47.074	NSF EEC-0120823 REU H361	5,924.33
Directorate for Biological Sciences	47.074	NSF IBN-9906446 REUF093	(679.93)
Directorate for Biological Sciences	47.074	NSF DEB-0326957	39,630.84
Directorate for Biological Sciences	47.074	NSF DBI-0137924	25,413.62
Directorate for Biological Sciences	47.074	NSF DEB-0345990	84,922.13
Directorate for Biological Sciences	47.074	NSF DEB-0345990-001 REU	12,014.74
Directorate for Biological Sciences	47.074	NSF MCB-9733303	63,157.17
Directorate for Biological Sciences	47.074	NSF IBN-0239164	33,240.32
Directorate for Biological Sciences	47.074	NSF IBN-9906446	(300.11)
Directorate for Biological Sciences	47.074	NSF DEB-0317687	112,309.18
Directorate for Biological Sciences	47.074	NSF IBN-9983003	4,191.74
Directorate for Biological Sciences	47.074	NSF IBN-0345752	86,366.49
Directorate for Biological Sciences	47.074	NSF IBN-0423963	103,388.64
Directorate for Biological Sciences	47.074	NSF DEB-0075306	16,465.13
Directorate for Biological Sciences	47.074	NSF MCB-0306927	401.88
Directorate for Biological Sciences	47.074	NSF IBN-0323066	107,922.37
Directorate for Biological Sciences	47.074	NSF DEB-0128999	(0.01)
Directorate for Biological Sciences	47.074	NSF DEB-0128999 REU (H597)	(246.62)
Directorate for Computer and Information	47.07	NSF IIS-0081434 (+G375)	17,289.14
Directorate for Computer and Information	47.07	NSF ACI-0305532	0.07
Directorate for Computer and Information	47.07	REU CAREER CCF-0404001	995.00
Directorate for Computer and Information	47.07	NSF CCR-0113361 REU H344	3,283.38
Directorate for Computer and Information	47.07	NSF CCR-0113361 REU H344	5,713.73
Directorate for Computer and Information	47.07	NSF CCR-0113361	17,411.71
Directorate for Computer and Information	47.07	NSF CNS-0439636	20,000.00
Directorate for Computer and Information	47.07	NSF IIS-0081434 (+G374)	34,982.17
Directorate for Computer and Information	47.07	NSF CCF-0429717	30,014.17
Directorate for Computer and Information	47.07	NSF CAREER CCF-0404001	43,846.87
Directorate for Computer and Information	47.07	NSF ACI-0232647	17,738.36
Directorate for Computer and Information	47.07	NSF CAREER AWARD CCR-9984852	14,172.59
Directorate for Education and Human	47.076	NSF DGE-0333377	64,648.97
Directorate for Education and Human	47.076	NSF DGE-0333377 PARTICIPANT	132.21
Directorate for Engineering	47.041	NSF EEC-0139438 PARTICIP P045	4,000.00
Directorate for Engineering	47.041	NSF CMS-0301463-002	57,560.44
Directorate for Engineering	47.041	NSF OCE-0304171	58,015.51
Directorate for Engineering	47.041	NSF CTS-0324303	36,327.67
Directorate for Engineering	47.041	NSF ECS 0233284	80,746.00
Directorate for Engineering	47.041	NSF CTS-0320695-001 REU L053	266.56
Directorate for Engineering	47.041	NSF CTS-0417636	10,770.00
Directorate for Engineering	47.041	NSF DMI-0400264	111,552.96
Directorate for Engineering	47.041	NSF CTS-0238962/001	14,004.27
Directorate for Engineering	47.041	NSF CTS-0403897	31,412.63
Directorate for Engineering	47.041	NSF CTS-0403897 (PINTO)	25,380.42
Directorate for Engineering	47.041	NSF CTS-0403897 (LIN)	163.52
Directorate for Engineering	47.041	NSF CMS-0432992	41,941.94
Directorate for Engineering	47.041	NSF BES-0428600	79,106.86
Directorate for Engineering	47.041	NSF CTS-0238962	81,902.30
Directorate for Engineering	47.041	NSF ECS-0439074	27,296.21
Directorate for Engineering	47.041	NSF BES-0448117	623.95

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
Directorate for Engineering	47.041	NSF EEC-0343171	\$ 51,641.40
Directorate for Engineering	47.041	NSF CTS-0457453	580.20
Directorate for Engineering	47.041	NSF EEC-0341842	23,835.59
Directorate for Engineering	47.041	NSF CTS-0320695	147,195.33
Directorate for Engineering	47.041	NSF CTS-0403897 (CAPERLLI)	43,660.79
Directorate for Engineering	47.041	NSF BES-0428600	29,397.60
Directorate for Engineering	47.041	NSF ECS-0070004 REU (G099)	1,994.30
Directorate for Engineering	47.041	NSF CTS-0209596	4,093.45
Directorate for Engineering	47.041	NSF CTS-0241159	428.01
Directorate for Engineering	47.041	NSF CTS-0078611 REU G284	(15.38)
Directorate for Engineering	47.041	NSF EEC-0139438 ETHICS	3,877.96
Directorate for Engineering	47.041	NSF EEC-0139438	9,287.75
Directorate for Engineering	47.041	NSF DMI-0220833-REU H390	5,033.57
Directorate for Engineering	47.041	NSF DMI-0099735	45,576.35
Directorate for Engineering	47.041	NSF EEC-0120823	1,345.46
Directorate for Engineering	47.041	NSF ECS-0210283	4,406.43
Directorate for Engineering	47.041	NSF EEC-0120823	33,916.96
Directorate for Engineering	47.041	NSF DMR-0200839	89,303.53
Directorate for Engineering	47.041	NSF ECS-0100199	32,430.15
Directorate for Engineering	47.041	NSF CTS-0078611	(17,378.06)
Directorate for Engineering	47.041	NSF CTS-0070214	(0.01)
Directorate for Engineering	47.041	NSF ECS-0070004	(10.62)
Directorate for Engineering	47.041	NSF CMS-0070213	240.85
Directorate for Engineering	47.041	NSF CMS-9978704	(91.98)
Directorate for Engineering	47.041	NSF CMS-9714860	2,368.28
Directorate for Engineering	47.041	NSF CTS-0132684	3,845.86
Directorate for Engineering	47.041	NSF EEC-0120823	(3.95)
Directorate for Engineering	47.041	NSF BES-0228603	3,442.50
Directorate for Engineering	47.041	NSF CTS-0237172	88,744.78
Directorate for Engineering	47.041	NSF CTS-0241159	(0.04)
Directorate for Engineering	47.041	NSF EEC-0139438 PARTICIP H586	92.95
Directorate for Engineering	47.041	NSF BES 0228603	(1,276.72)
Directorate for Engineering	47.041	NSF BES-0238858	36,743.60
Directorate for Engineering	47.041	NSF CMS-0210351	51,540.96
Directorate for Engineering	47.041	NSF BES-0229135	113,802.27
Directorate for Engineering	47.041	NSF CMS-0210351	128,471.94
Directorate for Engineering	47.041	NSF DMI-0231790	1,750.77
Directorate for Geosciences	47.05	NSF EAR-0001348	19,307.59
Directorate for Mathematical and Physical	47.049	NSF DMR-0073308	(9,669.43)
Directorate for Mathematical and Physical	47.049	NSF DMR-0305076	88,899.45
Directorate for Mathematical and Physical	47.049	NSF DMR-0113574	146,732.06
Directorate for Mathematical and Physical	47.049	NSF AST-0094050	73,705.16
Directorate for Mathematical and Physical	47.049	NSF DMR-0071797	(1,571.09)
Directorate for Mathematical and Physical	47.049	NSF DMR-0314760	132,166.21
Directorate for Mathematical and Physical	47.049	NSF CHE-0243731	117,229.27
Directorate for Mathematical and Physical	47.049	NSF DMS-0243355	20,957.84
Directorate for Mathematical and Physical	47.049	NSF CHE-0093622	84,616.86
Directorate for Mathematical and Physical	47.049	NSF DMR-0101808	7,465.80
Directorate for Mathematical and Physical	47.049	NSF PHY-0301918	1,846.74
Directorate for Mathematical and Physical	47.049	NSF CHE-0134975	27,520.32
Directorate for Mathematical and Physical	47.049	NSF CHE 0112322 QUANTUM	37,191.40
Directorate for Mathematical and Physical	47.049	NSF DMS-0207145	2,924.74
Directorate for Mathematical and Physical	47.049	NSF PHY-0244915	6,488.47
Directorate for Mathematical and Physical	47.049	NSF DMR-0312680	41,690.78
Directorate for Mathematical and Physical	47.049	NSF DMS-0305113	10,626.42
Directorate for Mathematical and Physical	47.049	NSF DMR-0216374	2,623.68
Directorate for Mathematical and Physical	47.049	NSF DMR-0244489	95,225.70

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
Directorate for Mathematical and Physical	47.049	NSF DMR-0315491	\$ 100,495.11
Directorate for Mathematical and Physical	47.049	NSF DMR-0200839	38,253.31
Directorate for Mathematical and Physical	47.049	NSF PHY-0203262	244,500.79
Directorate for Mathematical and Physical	47.049	NSF CHE-0134975 REU	2.26
Directorate for Mathematical and Physical	47.049	NSF PHY-0406400	93,277.49
Directorate for Mathematical and Physical	47.049	NSF 0400539	41,365.89
Directorate for Mathematical and Physical	47.049	NSF DMS-0355027	7,314.14
Directorate for Mathematical and Physical	47.049	NSF DMR-0456472	18,949.46
Directorate for Mathematical and Physical	47.049	NSF CHE-0449774	60,770.15
Directorate for Mathematical and Physical	47.049	NSF DMR-0407569	554.63
Directorate for Mathematical and Physical	47.049	NSF DMS-0071494	(0.06)
Directorate for Social, Behavioral and	47.075	NSF INT-0332062	7,590.25
Directorate for Social, Behavioral and	47.075	NSF INT-0138588	10,013.00
Directorate for Social, Behavioral and	47.075	NSF BCS-0241757	9,568.38
Directorate for Social, Behavioral and	47.075	NSF BCS-0213857	17,670.41
Directorate for Social, Behavioral and	47.075	NSF INT-0138707	7,638.85
Directorate for Social, Behavioral and	47.075	NSF INT-0111334	(222.73)
Office of the Director	47.078	NSF OPP-0094769	68,346.85
Office of the Director	47.078	NSF OPP-0240174	121,128.43
Total National Science Foundation			<u>4,331,565.97</u>
Total Research and Development—Direct Cluster			<u>125,130,467.68</u>
RESEARCH AND DEVELOPMENT—Pass-through:			
Department of Homeland Security—			
Department of Homeland Security	97.065	NANOLYTICS/ DOD SUB	<u>127,673.94</u>
Total Department of Homeland Security			<u>127,673.94</u>
Department of Agriculture—			
Cooperative State Research, Education,	10.206	WVU SUB USDA 10862UC	<u>22,345.40</u>
Total Department of Agriculture			<u>22,345.40</u>
Department of Commerce:			
National Oceanic and Atmospheric	11.417	OSURF RF00984052 SUB NOAA	10,079.94
National Oceanic and Atmospheric	11.419	U OF NH SUB NOAA	<u>14,082.72</u>
Total Department of Commerce			<u>24,162.66</u>
Department of Defense:			
Department of Army	12.42	UKRF 4-65385-04-131 SUB ARMY	47,704.84
Department of Army	12.42	UKRF #4-65192-04-135 SUB ARMY	23,877.34
Department of Defense	12	UNIV DAYTON RI RSC04041 SUB AF	47,500.01
Department of Defense	12	INTUITIVE SURGICAL SUB ARMY	3,197.61
Department of Defense	12	MCMASTER UNIVERSITY SUB ARMY	58,483.08
Department of Defense	12	UTC 05-S508-010-08-C1/SUB AF	10,335.26
Department of Defense	12	UES #S-709-009-003/ SUB AF	10,442.25
Department of Defense	12	UNIV DAYTON UDRI RSC03007-2-AF	90,809.20
Department of Defense	12	OSURF #742012—SUB AF	37,735.74
Department of Defense	12	OSURF #741712—SUB AF	(436.47)
Department of Defense	12	CHARLES STARK DRAPER (DARPA)	20,779.97
Department of Defense	12	HPTI #PET-2001-027 SUB ARMY	1,194.14
Department of Defense	12	GENERAL DYNAMICS #04474 SUB	29,240.87

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
Department of Defense	12	ANTEON #5408-05-SC-0010 SUB AF	\$ 4,026.64
Department of Defense	12	NOVA ENG #001145 SUB ARMY	25,895.69
Department of Defense	12	UES #S-709-009-003/ SUB AF	25,608.66
Department of Defense	12	OSURF #742012—SUB AF	12,072.34
Department of Defense	12	UNIV OF IOWA SUB ARMY	23,653.73
Department of Defense	12	ROLLS-ROYCE—SUB AF	50,045.88
Department of Defense	12	UTC 05-S508-010-07-C1/SUB AF	103,155.02
Department of Defense	12	THOR TECH #03161 SUB AF	93,842.44
Department of Defense	12	ISSI #SB03014 E SUB AF	62,215.84
Department of Defense	12	ISSI #2003289—SUB AF	47.53
Department of Defense	12	UES INC S710-001-002 SUB AF	66,865.06
Department of Defense	12	CARNEGIE MELLON #127455 SUB	57,989.61
Department of Defense	12	FOSTER MILLER SUB1-00167 -	37.35
Department of Defense	12	IOWA STATE 404-25-93 SUB AF	216,686.55
Department of Defense	12	UNIV DAYTON UDRI RSC03007—	620.02
Department of Defense	12	WRIGHT STATE SUB AF OSP04170	66,628.93
Department of Defense	12	ERAC #OSP03132—SUB AF	9,819.58
Department of Defense	12	UTC 04-S508-010-04-C1/SUB AF	93,999.99
Department of Defense	12	UNIV OF VA GG10306E113742 /	133,153.40
Department of Defense	12	UTC 05-S530-0002-34-C1/SUB AF	69,223.41
Department of Defense	12	BOEING #KN4172 SUB AF	20,130.09
Department of Defense	12	ANTEON #5403-26 SC-0005 AF	18,717.37
Department of the Air Force	12.8	VA TECH SUB AF CR-19275-430075	19,999.00
Department of the Air Force	12.8	VA TECH SUB ARMY	358,534.29
Total Department of Defense			<u>1,913,832.26</u>
Department of Education:			
Department of Education	84	UNC CHAPEL HILL #5-36231/USED	17,500.60
Department of Education	84	OSURF RF PROJ #743917/OBR/USED	(322.33)
Office of Elementary and Secondary	84.287A	LINCOLN HTS ELEMENTARY/USED	(1.53)
Office of Elementary and Secondary	84.367	ODE TCAS-TITLE IIA SUB USED	1,889.64
Office of Special Education and	84.323	OWENS COMM COLL/OBR 03-	9,959.76
Office of the Assistant Secretary for	84.215E	CPS/USED SUPPORT HLTHY	263,443.40
Office of the Assistant Secretary for	84.336	BOWLING GREEN STATE	5,685.59
Office of the Assistant Secretary for	84.336B	UTEP 99/03-319-01-UC SUB USED	4,100.33
Total Department of Education			<u>302,255.46</u>
Department of Energy:			
Department of Energy	81	UT BATTELLE/DOE	65,433.23
Department of Energy	81	UCAL-LANL #05265-001-04	28,527.48
Department of Energy	81	UT BATTELLE/DOE #4000026402	20,141.02
Department of Energy	81	UT-BATTELLE/DOE #4000029190	40,516.95
Department of Energy	81	UT-BATTELLE 4000031057 SUB	7,623.59
Department of Energy	81	UT-BATTELLE #4000035759 / DOE	20,114.08
Department of Energy	81	UT-BATTELLE 6400004836 SUB	15,438.70
Department of Energy	81	UT-BATTELLE #4000033991 / DOE	999.82
Department of Energy	81	SANDIA SUB DOE THERMAL	20,627.44
Department of Energy	81	FERNALD-01TP000527/DOE-TASK	36,304.13
Department of Energy	81	UT-BATTELLE/DOE #400011755	(1,696.96)
Department of Energy	81	SANDIA SUB DOE	79,567.57
Department of Energy	81	NC A&T / DOE	22,048.04
Department of Energy	81	CUMMINS SUB DOE	246.21
Department of Energy	81	CUMMINS SUB DOE PO#702923-	8,781.66
Office of Fossil Energy	81.089	BRIGHAM YOUNG UNIV SUB DOE	26,472.27

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
Office of Nuclear Energy	81.121	TU #30-22470-033-62112 SUB	\$ 11,704.68
Office of Science	81.049	CPWR/DOE-SAVANNA #97SF21514	16,543.90
Office of Science	81.049	OUNIV #12214/DEFG36-03-	5,000.46
Office of Science	81.049	CPWR/DOE-SAVANNA #97SF21514	7,214.16
Office of Science	81.049	CPWR/DOE-HANFORD #96SF21262	5,397.25
Total Department of Energy			437,005.68
Department of Health and Human Services:			
Administration for Children and Families	93.558	ODE CORE CURR-FED HEAD START	205,552.83
Administration for Children and Families	93.575	HCJFS/ODJFS SUB DHHS	67,118.28
Administration for Children and Families	93.575	HCDHS/ODHS/DHHS DAY CARE	97.46
Administration for Children and Families	93.6	CHCCAA SUB HHS/HEAD START '05	547,002.28
Administration for Children and Families	93.6	CHCCAA SUB HHS/HEAD START '04	266,595.70
Administration for Children and Families	93.6	CHCCAA SUB HHS/HEAD START '04	(2,515.75)
Administration for Children and Families	93.6	CCHS SUB DHHS HEAD START	500.58
Agency for Healthcare Research and Quality	93.226	UNIV ROCHESTER SUB DE13950-03	29,584.14
Agency for Healthcare Research and Quality	93.226	SUB ENTERTECH I R43 HL076917	43,109.56
Agency for Healthcare Research and Quality	93.226	AHRQ—KRESSEL	(11,427.06)
Agency for Healthcare Research and Quality	93.226	AHRQ—KRESSEL	23,329.44
Agency for Healthcare Research and Quality	93.226	AHRQ I UC I HS014237-01	32,138.57
Centers for Disease Control and Prevention	93.283	HFM-SUB CDC U27/CCU 513182-09	8,475.00
Centers for Disease Control and Prevention	93.283	CINTI FND BIOMED RSCH SUB CDC	172,474.76
Centers for Disease Control and Prevention	93.283	ODH 3140012AE05/BCCP/SUB-CDC	183,823.74
Centers for Disease Control and Prevention	93.283	NCHH SUB CDC U59 CCU323294-01	7,356.18
Centers for Disease Control and Prevention	93.283	HFM-SUB CDC U27/CCU 513182-08	4,072.18
Centers for Disease Control and Prevention	93.283	ODH 3140012AE04/BCCP/SUB-CDC	1,472.94
Centers for Disease Control and Prevention	93.94	CINTI BOH SUB CDC 55X9350	14,403.77
Centers for Disease Control and Prevention	93.94	CBOH 45X9252 SUB CDC	12,600.20
Centers for Disease Control and Prevention	93.94	CBOH 45X9252 SUB CDC	3,030.03
Centers for Disease Control and Prevention	93.94	CINTI BOH SUB CDC 45X9251	43,471.59
Centers for Disease Control and Prevention	93.94	CINTI BOH 35X9183 SUB CDC	(2,782.12)
Centers for Disease Control and Prevention	93.977	CBOH SUB CDC STD/HIVS	25,484.37
Centers for Disease Control and Prevention	93.977	CBOH SUB CDC STD/HIVS	38,356.54
Centers for Disease Control and Prevention	93.978	DALLAS SUB CDC STD/HIV YEAR 3	2,107.76
Centers for Disease Control and Prevention	93.991	ODH 3140012EE04 INJURY	18,175.57
Centers for Disease Control and Prevention	93.991	ODH 3140012ED05/HEART	60,873.09
Centers for Disease Control and Prevention	93.991	ODH 3140012ED04/HEART	34,290.39
Department of Health and Human Services	93	UNC-CH SUB N01 MH9001/CATIE II	7,445.28
Department of Health and Human Services	93	UTHSC SUB N01-AR02251	178,580.03
Department of Health and Human Services	93	UTHSC SUB N01-AR02251 0003381	138,786.28
Department of Health and Human Services	93	CWRU SUB N01 AR-9-2235	403.96
Department of Health and Human Services	93	ODMH SUB DHHS PSC	489.66
Department of Health and Human Services	93	ODMH SUB DHHS PSC	(1,016.43)
Department of Health and Human Services	93	RES TRI INST SUB N02-CP-91027	1,470.00
Department of Health and Human Services	93	ODH PO# WPOU9R/MCH BLOCK	25,527.78
Department of Health and Human Services	93	CWRU SUB N01-HC-95181-05	324,984.56
Department of Health and Human Services	93	UNC-CH SUB N01 MH9001	9,547.50
Department of Health and Human Services	93	RTI N01-CP-01004 CONT 21788S	16,051.79
Department of Health and Human Services	93	CHMC SUB N01 A125459	(0.01)
Department of Health and Human Services	93	UNIV OF AL-BIRMINGHAM/AI30025	1,102.50
Department of Health and Human Services	93	CHMC SUB DK07727-07	(4,379.16)
Department of Health and Human Services	93	OHIO DEP JOB & FAM SER	26,833.47
Food and Drug Administration	93.103	FD-R-001693-03.04.05 SUB JHU	1,165.50
Health Resources and Services	93.107	MODEL STATE SUPPORTED AHEC	67,980.92
Health Resources and Services	93.107	MODEL STATE SUPPORTED AHEC	33,710.37
Health Resources and Services	93.11	ODH SUB DHHS HEAD START	(1,535.25)

(Continued)



# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
Health Resources and Services	93.11	HFM SUB MC00015	\$ (95.73)
Health Resources and Services	93.11	HFM-6H30MC0015-15	9,928.00
Health Resources and Services	93.110RS	CHMC SUB MC00294—SHAW	46,981.71
Health Resources and Services	93.110RS	CHMC SUB MC00294—HORNUNG	21,902.00
Health Resources and Services	93.134	U PITT SUB HRSA R38 0T01243-02	21,244.34
Health Resources and Services	93.134	LIFELINE SUB 5 H39OT00096-03	98,688.99
Health Resources and Services	93.134	U PITT SUB HRSA R38 0T01243-01	38,469.80
Health Resources and Services	93.134	LIFELINE SUB 5 H39OT00096-02	27,709.95
Health Resources and Services	93.145	U PITT SUB 5 H4A HA00060-03	171,666.62
Health Resources and Services	93.145	U PITT SUB 5 H4A HA00060-02	11,734.99
Health Resources and Services	93.211	CASE WES SUB 1 D18 TH-00084-	250,534.04
Health Resources and Services	93.211	CASE WES SUB 1 D18 TH-00084-	42,167.13
Health Resources and Services	93.888	OBR 3RD FRONTIER NETWORK-	26,667.64
Health Resources and Services	93.969	UK SUB D31 HP70120-05-BIOTERR	84,998.80
Health Resources and Services	93.969	UKRF SUB D31 HP70120-05	50,731.38
Health Resources and Services	93.969	UKRF SUB D31HP70120-04-01	(1.10)
Health Resources and Services	93.969	UKRF SUB D31 HP7020-04	2,669.99
Health Resources and Services	93.994	ODH/WOMEN'S HEALTH MONTH	13,429.15
Health Resources and Services	93.994	ODH/WOMEN'S HEALTH MONTH	443.19
Health Resources and Services	93.996	OSU SUB T01HP01416-02-00	155.25
Health Resources and Services	93.996	OSU SUB T01HP01416-01-00	6,701.84
National Cancer Institute	93.393	WASH UNIV SUB CA93643-02,03,04	179,552.73
National Cancer Institute	93.393	YESHIVA UNIV SUB R01CA7729003	23,683.16
National Cancer Institute	93.394	USC SUB-CA105145-02	7,437.78
National Cancer Institute	93.394	ACRIN 6652 SUB CA080098-05	81,175.82
National Cancer Institute	93.394	ACRIN 6667 SUB CA080098-05	65,716.66
National Cancer Institute	93.394	BAYLOR SUB 5 R01 CA75432-07	61,900.67
National Cancer Institute	93.394	BAYLOR SUB 5 R01 CA75432-08	1,515.01
National Cancer Institute	93.394	USC SUB-CA105145-01	31,753.00
National Cancer Institute	93.394	ACRIN 6666 SUB CA080098-05	26,645.20
National Cancer Institute	93.395	CHMC SUB R21 CA103486	24,347.73
National Cancer Institute	93.395	NSAPB TFED 187	25,249.96
National Cancer Institute	93.395	GOG #27469-33 CA(04)	82,354.13
National Cancer Institute	93.395	NCCF SUB U10 CA98543-03	2,327.57
National Cancer Institute	93.395	NCCF SUB U10 CA98543-02	(2,747.89)
National Cancer Institute	93.395	SWOG/CA32102-25 GI COR SCI	7,172.64
National Cancer Institute	93.395	SWOG PCPT-9307 SUB	(14,266.25)
National Cancer Institute	93.395	UN MICH SUB SWOG CA32102 (CS)	2,862.37
National Cancer Institute	93.395	UN MICH SUB SWOGCA32102 (PC)	2,722.32
National Cancer Institute	93.395	RTOG SUB NIH CA21661 ACR	28,154.08
National Cancer Institute	93.395	CHMC SUB R21 CA103486-02	20,727.45
National Cancer Institute	93.395	SWOG00041/5U10CA32102-9340-	32,237.07
National Cancer Institute	93.395	SWOG/CA32102-24 GI COR SCI	19,531.00
National Cancer Institute	93.395	UN MICH SUB SWOGCA32102 GI	2,862.38
National Cancer Institute	93.395	SWOG 5 U10 CA32102-25 PATH	7,172.64
National Cancer Institute	93.395	SWOG04026/SU10CA32102-24	16,358.58
National Cancer Institute	93.395	SWOG 5 U10 CA32102-24 PATH	15,663.57
National Cancer Institute	93.395	SWOG04026 5 U10 CA32102-25	7,172.63
National Cancer Institute	93.395	CARDIOENERGETICS EB001579.01	1,759.90
National Cancer Institute	93.395	GOG #27469-33 SUB CA (03)	44,346.55
National Cancer Institute	93.395	SWOG00041/5U10CA32102-9340-	(0.01)
National Cancer Institute	93.396	SLOAN-KETTG INST SUB CA84292-1	127,218.01
National Cancer Institute	93.396	SLOAN-KETTG INST SUB CA84292-2	13,019.46
National Cancer Institute	93.396	UNIV OF MICH SUB U24 CA114748	117,422.20
National Cancer Institute	93.399	BC CANCER AGENCY SUB CA96109-03	11,523.62
National Cancer Institute	93.399	BC CANCER AGENCY SUB CA96109-02	5,289.34
National Cancer Institute	93.399	NSABP STAR PCAPITATION	1,239.50

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
National Cancer Institute	93.399	SWOG SUB CA 37429 SELECT	\$ 89.60
National Cancer Institute	93.399	NSABP STAR PFEDERAL	43,312.51
National Cancer Institute	93.399	NSABP TIND 187	14,597.54
National Center for Research Resources	93.306	CINCY ZOO SUB R24 RR015388-3	43,859.28
National Center for Research Resources	93.333	CHMC SUB NIH RR08084-11	120,558.23
National Center for Research Resources	93.333	CHMC SUB NIH RR08084-12	30,259.02
National Center for Research Resources	93.333	MIAMI UNIV SUB RR16301-01A1.02	35,523.30
National Center for Research Resources	93.389	CHMC SUB 1 U54 RR019498-01	2,405.89
National Center for Research Resources	93.389	CHMC SUB 5 U54 RR019498-02	27,454.93
National Eye Institute	93.867	U PITT SUB 2 R01 EY09368-12	137,860.41
National Heart, Lung, and Blood Institute	93.837	NRTHWSTRN UNIV SUB HL74002-	22,363.63
National Heart, Lung, and Blood Institute	93.837	NRTHWSTRN UNIV SUB HL74002-	157,795.62
National Heart, Lung, and Blood Institute	93.837	MOL DIAG LAB SUB HL68492-01A1	11,236.06
National Heart, Lung, and Blood Institute	93.837	CHMC SUB HL056370-07	67,067.91
National Heart, Lung, and Blood Institute	93.837	CHMC SUB HL056370-06	50,867.02
National Heart, Lung, and Blood Institute	93.837	NW UNIV SUB HL059586-04A2	84,955.82
National Heart, Lung, and Blood Institute	93.837	UNIV OF ALABAMA SUB NIH	32,113.84
National Heart, Lung, and Blood Institute	93.837	U OF ILL SUB HL64942-03,04,05	28,842.38
National Heart, Lung, and Blood Institute	93.837	DUKE SUB ACTION HL63747-01A2	95,560.88
National Heart, Lung, and Blood Institute	93.837	DUKE SUB HL67691-01	3,185.00
National Heart, Lung, and Blood Institute	93.838	CHMC SUB HL058795-07	9,172.57
National Heart, Lung, and Blood Institute	93.838	UNIV OF PITTSBURGH HL074111	(8,484.06)
National Heart, Lung, and Blood Institute	93.838	UNIV OF COLORADO SUB HL48013	6,268.72
National Heart, Lung, and Blood Institute	93.838	U. WIS-MAD SUB HL55949-10	67,269.74
National Heart, Lung, and Blood Institute	93.838	U. WIS-MAD SUB HL55949-09	25,799.81
National Heart, Lung, and Blood Institute	93.838	5 R01 HL074111-02 SUB PITT	15,746.78
National Heart, Lung, and Blood Institute	93.838	UNIV OF PITTSBURGH HL074111	76,379.82
National Heart, Lung, and Blood Institute	93.838	UNIV OF COLORADO SUB HL48013	80,153.48
National Heart, Lung, and Blood Institute	93.838	CHMC SUB HL058795-06A1	6,230.35
National Heart, Lung, and Blood Institute	93.838	CHMC SUB 1 R01 HL072987-02	38,832.65
National Heart, Lung, and Blood Institute	93.838	CHMC SUB HL56285-09	18,237.89
National Heart, Lung, and Blood Institute	93.838	BRIG&WMS HOSP SUB HL65899-05	341,759.24
National Heart, Lung, and Blood Institute	93.838	CHRF SUB HL65731-04	1,993.74
National Heart, Lung, and Blood Institute	93.838	CHMC SUB 1 R01 HL072987-01	3,706.69
National Heart, Lung, and Blood Institute	93.839	CHMC SUB HL70871-03	36,212.12
National Heart, Lung, and Blood Institute	93.839	CHMC SUB HL70871-02	133,716.42
National Heart, Lung, and Blood Institute	93.839	CHMC SUB U54-HL70871-03	26,189.48
National Heart, Lung, and Blood Institute	93.839	CHRF SUB HL69779-04	35,402.66
National Heart, Lung, and Blood Institute	93.839	CHRF SUB HL69779-03	363,429.57
National Heart, Lung, and Blood Institute	93.839	NWU SUB HL691717-AMENDMENT2	949.83
National Heart, Lung, and Blood Institute	93.839	CHMC SUB HL70871-02	194,355.92
National Heart, Lung, and Blood Institute	93.839	CHRF SUB HL69779-02	(16,709.77)
National Heart, Lung, and Blood Institute	93.839	CHMC SUB HL70871-01	345.47
National Heart, Lung, and Blood Institute	93.839	NRTHWSTRN UNIV SUB HL691717-	1,900.00
National Institute of Arthritis,	93.846	STANFORD SUB AR43584-07.08	17,809.25
National Institute of Arthritis,	93.846	CHMC NO.397/1 R01 AR50028-01A1	11,694.27
National Institute of Arthritis,	93.846	UTHSC SUB AR46208-05	171,327.73
National Institute of Arthritis,	93.846	UTHSC SUB AR44888-08	9,481.86
National Institute of Arthritis,	93.846	UTHSC SUB AR44888-07	2,897.43
National Institute of Child Health and	93.865	WVU SUB HD17864-17	(11,546.29)
National Institute of Child Health and	93.865	UTMB SUB HD40151-04	17,434.52
National Institute of Child Health and	93.865	CHMC SUB HD37249-06	16,738.02
National Institute of Child Health and	93.865	UNIV OF PENN / T32 HD40135-03	43,500.04
National Institute of Child Health and	93.865	UNIV AL-BIRMINGHAM/HD39939-03	9,865.06
National Institute of Child Health and	93.865	WVU SUB HD17864-18	69,096.10
National Institute of Child Health and	93.865	UTMB SUB HD40151-03	7,582.00
National Institute of Child Health and	93.865	CHMC SUB HD37249-07	8,522.74

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
National Institute of Diabetes and Digestive	93.847	CHMC SUB ROI DK59183-05	\$ 8,827.46
National Institute of Diabetes and Digestive	93.847	CHMC ROI DK59183-03	1,753.59
National Institute of Diabetes and Digestive	93.847	CHMC SUB DK58182-04	19,280.26
National Institute of Diabetes and Digestive	93.848	BROWN UNIV SUB DK59642-05	110,777.57
National Institute of Diabetes and Digestive	93.848	CHMC SUB DK61596	5,152.03
National Institute of Diabetes and Digestive	93.848	BROWN UNIV SUB DK59642-04	12,802.04
National Institute for Occupational Safety	93.262	OUST SUB R01 OH07787-01.02.03	103,182.22
National Institute for Occupational Safety	93.262	UKRF SUB 1 R01 OH07650-01A1	157.83
National Institute for Occupational Safety	93.262	MSU SUB 1 R01 OH07495-02	18,398.71
National Institute for Occupational Safety	93.262	MSU SUB 1R01OH07495-01A1	1,033.77
National Institute for Occupational Safety	93.262	UNIV MINN SUB 1 R01 OH07429-02	0.02
National Institute of Allergy and Infectious	93.856	UNIV OF TEXAS SUB A146556	(1,416.32)
National Institute of Allergy and Infectious	93.856	UNIV OF TEXAS / NIH A146556	17,458.09
National Institute of Allergy and Infectious	93.856	UCSF SUB A1052748	42,163.09
National Institute of Allergy and Infectious	93.856	UCSF SUB A1052748	5,340.27
National Institute of Allergy and Infectious	93.856	CHMC 430 SUB A1056927-01A2	14,374.46
National Institute of Allergy and Infectious	93.856	UOM SUB U56 A157164	12,589.75
National Institute of Allergy and Infectious	93.856	CHMC SUB A132121	(14,823.77)
National Institute of Allergy and Infectious	93.856	CHRF SUB A155338	11,797.79
National Institute of Allergy and Infectious	93.856	U OF M/U56 A157164-	30,000.02
National Institute of Allergy and Infectious	93.856	CHRF SUB A155338-02	66,670.80
National Institute of Allergy and Infectious	93.856	SSS SUB A138858 ACTG 301	(1,824.19)
National Institute of Allergy and Infectious	93.856	CHMC SUB A125459	32,813.99
National Institute of Allergy and Infectious	93.856	UOM SUBU56 A157164-02 (YADAV)	23,155.59
National Institute of Allergy and Infectious	93.856	IOWA/A140167 UC CAPITATION	109,841.92
National Institute of Allergy and Infectious	93.856	UNIV CHICAGO SUB U54 A157153	137,450.00
National Institute of Allergy and Infectious	93.856	CHMC SUB A132121-13	25,723.52
National Institute of Allergy and Infectious	93.856	IOWA / A140167 ADMIN	(234.00)
National Institute of Allergy and Infectious	93.856	CHMC SUB A132121-12	58,163.40
National Institute of Allergy and Infectious	93.856	CO STATE SUB A133706	(4,030.63)
National Institute of Allergy and Infectious	93.856	IOWA SUB 1 U56 A1057192-01	24,238.54
National Institute of Allergy and Infectious	93.856	UOM SUB U56 A157164 (YADAV)	8,929.32
National Institute of Environmental Health	93.113	UAC SUB 5 R25 ES07717-08	43,809.40
National Institute of Environmental Health	93.113	EMERGING CONCEPTS ES11891-01	(1,541.36)
National Institute of Environmental Health	93.113	ENTERA TECH INC ES11891-03	2,907.92
National Institute of Environmental Health	93.113	ENTERA TECH INC ES11891-03	38,554.93
National Institute of Environmental Health	93.113	EMERGING CONCEPTS ES11891-01	(1,064.41)
National Institute of Environmental Health	93.113	ENTERA TECH INC ES11891-03	8,893.91
National Institute of Environmental Health	93.113	UAC SUB 5 R25 ES07717-07	181.46
National Institute of Environmental Health	93.113	UAC SUB ES007717-07	11,151.63
National Institute of Environmental Health	93.114	CHRF SUB 3 P01 ES11261-01S2	9,620.80
National Institute of Environmental Health	93.115	CHMC SUB 5 P01 ES11261-03	9,046.78
National Institute of Environmental Health	93.115	CHMC SUB 1 R21 ES012952-01	28,233.00
National Institute of Environmental Health	93.115	CHMC SUB 1 R21 ES012952-02	4,753.77
National Institute of Environmental Health	93.115	CHRF SUB 1 R21 ES012952-02	10,433.31
National Institute of Environmental Health	93.115	GCOH SUB ES12093-01,02	56,492.91
National Institute of Environmental Health	93.115	CHRF SUB 1 R21 ES012952-01	36,079.53
National Institute of Environmental Health	93.115	CHRF/ES11261-04 LAB CORE	131,151.92
National Institute of Environmental Health	93.115	CHRF/ES11261-03 LAB CORE	27,316.11
National Institute of Environmental Health	93.115	CHCM SUB 2 P01 ES11261-04	52,879.37
National Institute of Environmental Health	93.115	CHCM SUB 5 P01 ES11261-04	17,229.70
National Institute of Environmental Health	93.115	CHMC SUB 2 P01 ES11261-03	15,240.26
National Institute of Environmental Health	93.142	ICWU SUB ES06162-12 HWWT	8,209.07
National Institute of Environmental Health	93.142	ICWU SUB ES09758-12 & DOE	305.73
National Institute of Environmental Health	93.142	ICWU SUB ES06162-13 HWWT	37,217.59
National Institute of Environmental Health	93.142	ICWU SUB ES09758-13 & DOE	1,716.61
National Institute of General Medical	93.821	NCSU SUB GM065156 01.02.03	94,666.93

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
National Institute of General Medical	93.821	PRINCETON UNI LEWIS SIGLER-NIH	\$ 25,037.94
National Institute of Mental Health	93.242	STANFORD SUB 5 R01 MH57471-03	5,103.88
National Institute of Mental Health	93.242	UCO SUB MH62456-01,02,03,04,05	41,610.42
National Institute of Mental Health	93.242	5 R01 SUB MH63632-04	3,454.08
National Institute of Neurological Disorders	93.853	PROG NS37167 UNV ROCHESTER	1,656.25
National Institute of Neurological Disorders	93.853	INDIANA UNIV/NS042078-02 YR2	1,123.53
National Institute of Neurological Disorders	93.853	CHMC SUB R01 NS45911-01A1/YR	11,908.31
National Institute of Neurological Disorders	93.853	UNIV ROCHESTER SUB NS37167	46.22
National Institute of Neurological Disorders	93.853	YALE UNIV #A05648 SUB	3,275.11
National Institute of Neurological Disorders	93.853	MAYO SUB NS039987 (SWISS)	4,539.78
National Institute of Neurological Disorders	93.853	OHSU SUB NS039550-04S1	15,688.00
National Institute of Neurological Disorders	93.853	U OF PENN / I R01 NS40396-03S1	4,000.00
National Institute of Neurological Disorders	93.853	MAYO SUB NS042759	6,297.21
National Institute of Neurological Disorders	93.853	UNIV TX SUB NS43353-02	(1,765.42)
National Institute of Neurological Disorders	93.853	CHMC SUB NS045752-01	(0.03)
National Institute of Neurological Disorders	93.853	MAYO ROCHESTER/NS42759-03	6,996.00
National Institute of Neurological Disorders	93.853	MAYO CLINIC ROCHSTR/NS42759-	38,234.01
National Institute of Neurological Disorders	93.853	WASHINGTON UNIV SUB NS42167-	104,305.00
National Institute of Neurological Disorders	93.853	UNIV OF TX SUB NS43353-03	57,393.34
National Institute of Neurological Disorders	93.854	MED COLL GA SUB NS38455	38,620.65
National Institute of Neurological Disorders	93.854	MONTANA ST UNIV SUB NS32507	22,086.84
National Institute of Nursing	93.361	FOX CHASE /2 R01 NR004573-	109,888.40
National Institute on Aging	93.866	UKRF SUB 2 P01 AG10836-11	3,066.87
National Institute on Deafness and Other	93.173	EMERGING CONCEPTS SUB	(1,422.66)
National Institute on Deafness and Other	93.173	COMPUSNIFF LLC SUB DC004139-	5,098.70
National Institute on Deafness and Other	93.173	BGSU SUB 5 R01 DC03577-02	89,538.77
National Institute on Drug Abuse	93.279	V A MED CTR SUB DA	(0.03)
National Institute on Drug Abuse	93.279	PHASE 2 DISC. INC SUB DA	49,787.78
National Institute on Drug Abuse	93.279	ROCKEFELLER UNIVSUB DA12848-05	(34,144.65)
National Institute on Drug Abuse	93.279	ROCKEFELLER UNIVSUB DA12848-04	(93.72)
National Institute on Drug Abuse	93.279	ROCKEFELLER UNIVSUB DA12848-03	0.01
Total Department of Health and Human Services			<u>9,641,490.65</u>
Department of Housing and Urban Development:			
Office of Healthy Homes and Lead Hazard	14.9	NCHH SUB HUD MDLTS0091-02	21,211.58
Office of Healthy Homes and Lead Hazard	14.9	CITY OF CINTI/HUD 279-2002	144,214.22
Office of Healthy Homes and Lead Hazard	14.9	CITY OF CINTI-HUD LEAD	<u>(421.31)</u>
Total Department of Housing and Urban Development			<u>165,004.49</u>
Department of Interior:			
Geological Survey	15.805	OSURF SUB USGS RF00985034	24,590.22
Geological Survey	15.807	USC SUB USGS	<u>10,116.74</u>
Total Department of Interior			<u>34,706.96</u>
Department of Justice:			
Executive Office for Weed and Seed	16.595	MADISONVILLE SUB DOJ W&S Y2	10,000.00
National Institute of Corrections	16.602	NIC 03C25CJ22 SUB DOJ	89,651.25
National Institute of Corrections	16.602	NIC 04C29GJD4 SUB DOJ	68,324.99
National Institute of Corrections	16.602	NIC 05V38GJF8 SUB DOJ	13,859.82
National Institute of Corrections	16.602	CITY OF CLEVELAND SUB DOJ	34,151.03
Office of Justice	16.585	IDAHO SUPREME COURT SUB DOJ	<u>3,429.49</u>
Total Department of Justice			<u>219,416.58</u>

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
Department of Labor— Department of Labor	17	CPWR J-9-E-3-0019 SUB DOL	\$ 54,449.01
Total Department of Labor			<u>54,449.01</u>
Department of Transportation:			
Department of Transportation	20	BAKER 11342 SUB ODOT	25,135.18
Department of Transportation	20	BAKER 11342 SUB ODOT	113,261.83
Federal Highway Administration	20.205	ODOT 9334 SUB FHWA	47,676.62
Federal Highway Administration	20.205	ODOT 9771 SUB FHWA	5,227.47
Federal Highway Administration	20.205	ODOT #11009 SUB FHWA	2,939.19
Federal Highway Administration	20.205	DELAWARE COUNTY SUB FHA	(1,164.15)
Federal Highway Administration	20.205	ODOT #9895 SUB FHWA	896.84
Federal Highway Administration	20.205	ODOT #9894 SUB FHWA	18,660.01
Federal Highway Administration	20.205	ODOT 9879 SUB FHWA	1,435.05
Federal Highway Administration	20.205	ODOT #9781 SUB FHWA	10,699.34
Federal Highway Administration	20.205	ODOT #10178 SUB FHWA	13,240.55
Federal Highway Administration	20.205	ODOT 20590, SUB FHWA	20,474.67
Federal Highway Administration	20.205	ODOT #10178 SUB FHWA	13,534.31
Federal Highway Administration	20.205	ODOT 9334 SUB FHWA	17,054.28
Federal Highway Administration	20.205	ODOT 11340 SUB FHWA	196.28
Federal Highway Administration	20.205	ODOT 11494 SUB FHWA	31,409.02
Federal Highway Administration	20.205	BURGESS & NIPLE #33857 SUB	9,580.15
Federal Highway Administration	20.205	ODOT 20589, SUB FHWA	28,245.62
Federal Highway Administration	20.205	ODOT #11569 SUB FHA	62,916.55
Federal Highway Administration	20.205	BURGESS & NIPLE #33857 SUB	18,228.63
Federal Highway Administration	20.205	ODOT 20397 SUB FHWA	80,118.14
Federal Highway Administration	20.205	ODOT 9771 SUB FHWA	9,888.98
Federal Highway Administration	20.205	ODOT #11855 SUB FHWA	52,515.46
Federal Highway Administration	20.205	ODOT 11859 SUB FHWA	3,316.23
Research and Special Programs	20.701	UNIV WIS A800295 SUB USDOT	43,315.22
Research and Special Programs	20.701	UNIV WIS A800295 SUB USDOT	<u>38,573.60</u>
Total Department of Transportation			<u>667,375.07</u>
Environmental Protection Agency:			
Environmental Protection Agency	66	AWWA RF 02852	154,666.24
Environmental Protection Agency	66	MALCOLM PIRNIE SUB AWWARF	19,349.75
Environmental Protection Agency	66	SHAW/SUB EPA P.O. 40433	34,241.17
Environmental Protection Agency	66	ODOD 96-38 SUB EPA	(0.03)
Environmental Protection Agency	66	HAMILTON COUNTY	64,698.46
Environmental Protection Agency	66	HEI 4701-RFA03-2/03-13 SUB EPA	100,173.60
Environmental Protection Agency	66	R82938901-0 EPA-PROJ4 SUB CHRFB	120,524.50
Environmental Protection Agency	66	R82938901-0 EPA-PROJ1 SUB CHRFB	22,167.38
Environmental Protection Agency	66	R82938901-0 EPA-PROJ3 SUB CHRFB	220,866.46
Environmental Protection Agency	66	AEROMET TECH EPA EP-D-04-052	38,268.83
Environmental Protection Agency	66.509	EMORY UNIV/EPA-RD-83162901	3,988.20
Environmental Protection Agency	66.509	EMORY UNIV/EPA-RD-83162901	21,885.45
Office of Research and Development	66.5	PURDUE/EPA 581-006-01(R001HAZ)	60,349.11
Office of Research and Development	66.5	EPA R82861101-0 SUB OHIO STATE	(0.01)
Office of Water	66.46	OHIO EPA C997550001-0 SUB EPA	<u>42,908.97</u>
Total Environmental Protection Agency			<u>904,088.08</u>
National Aeronautics and Space Administration:			
National Aeronautics and Space Administration	43	WRIGHT STATE SUB NASA-OAI	16,049.73

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
National Aeronautics and Space Administration	43	OSURF/NASA-GUTMARK-	\$ 54,942.30
National Aeronautics and Space Administration	43	OSURF/NASA-GUTMARK-JET NOISE	201,241.99
National Aeronautics and Space Administration	43	OSURF/NASA-GUTMARK-THERML	85,531.85
National Aeronautics and Space Administration	43	OSURF/NASA-ORKWIS-THERMAL	(8,446.42)
National Aeronautics and Space Administration	43	OSURF/NASA-JENG-PROPULSION	76,249.75
National Aeronautics and Space Administration	43	AP SOLUTIONS TASK #27 SUB	62,224.00
National Aeronautics and Space Administration	43	OAI/NASA MOD#3	1,793.45
National Aeronautics and Space Administration	43	OSURF/NASA-GUTMARK-ACOUSTIC	68,029.82
National Aeronautics and Space Administration	43	GE 200-IQ-14H45638 TASK 2/NASA	12,605.94
National Aeronautics and Space Administration	43	OAI/NASA MOD#2	41,921.71
National Aeronautics and Space Administration	43	OAI/NASA MOD#4	3,963.38
National Aeronautics and Space Administration	43	OAI/NASA MOD#2	286.20
National Aeronautics and Space Administration	43	AP SOLUTIONS TASK #31 SUB	67,207.16
National Aeronautics and Space Administration	43.001	DCES/NASA UGRAD RES SCHOL	2,041.56
National Aeronautics and Space Administration	43.002	TEES #66575 SUB NASA	33,055.21
Total National Aeronautics and Space Administration			<u>718,697.63</u>
National Science Foundation:			
Directorate for Engineering	47.041	ULRF SUB NSF BES-0330075	164,971.57
Directorate for Engineering	47.041	BRIGHTON SUB NSF SBIR PHASE II	58,940.99
Directorate for Geosciences	47.05	UKRF SUB NSF 4-67134-040102	6,248.65
Directorate for Geosciences	47.05	HARVARD SUB NSF DEB-0083983	40,325.82
Directorate for Mathematical and Physical	47.049	UNIV TENN SUB NSF DMR-0096505	21,905.02
Directorate for Social, Behavioral and	47.075	UNIV OF NEBRASKA SUB NSF	3,446.57
Directorate for Social, Behavioral and	47.075	WRIGHT ST SUB 1 R01 HL69319-	45,882.62
Directorate for Social, Behavioral and	47.075	NRC SUB NSF INT-0002341	2,934.52
Office of the Director	47.078	UNIV ALASKA SUB NSF OPP0120736	8,924.38
Total National Science Foundation			<u>353,580.14</u>
Total Research and Development—Pass-through Cluster			<u>15,586,084.01</u>
TOTAL RESEARCH AND DEVELOPMENT CLUSTER			<u>\$ 140,716,551.69</u>
<b>OTHER</b>			
OTHER—Direct:			
Department of Commerce—			
National Institute of Standards and	11.609	NIST SURF 70NANB4H1004	\$ 3,295.00
Total Department of Commerce			<u>3,295.00</u>
Department of Defense:			
Department of Army	12.42	ARMY-W81XWH-04-1-0329	34,320.00
Department of Defense	12	FED BUREAU OF PRISONS LATESSA	14,268.65
Department of Defense	12	AF COMMUTATION COM04F665	12,765.73
Total Department of Defense			<u>61,354.38</u>
Department of Education:			
Trio Cluster			
Office of Assistant Secretary for	84.066A	USED EOC PROG P066A030044	265,263.53
Office of the Assistant Secretary for	84.042A	USED P042A011227B SSS PROG	260,801.29

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
Office of the Assistant Secretary for	84.044A	USED P044A020499 ED TALNT	\$ 293,968.50
Office of the Assistant Secretary for	84.047A	USED P047A040244A UPWARD	611,037.83
Office of the Assistant Secretary for	84.047A	USED P047A990485 UPWARD	(16,292.87)
Office of the Assistant Secretary for	84.047A	USED UPWARD BOUND	<u>273,399.24</u>
Total Trio Cluster			<u>1,688,177.52</u>
Other Department of Education:			
Office of the Assistant Secretary for	84.116B	USED FIPSE P116B040276	167,430.34
Office of English Language Acquisition	84.195A	USED T195A980067 UC ESL	(23,309.39)
Office of Special Education and	84.325D	USED H325D030059	165,954.86
Office of the Assistant Secretary for	84.116J	USED P116J020017	51,873.58
Office of the Assistant Secretary for	84.116N	USDE FIPSE	9,022.52
Office of the Assistant Secretary for	84.153	USED P153A010062	6,697.42
Office of the Assistant Secretary for	84.2	USED #P200A010440	121,971.40
Office of the Assistant Secretary for	84.217A	USED P217A030205 R. E. MCNAIR	217,018.72
Office of the Assistant Secretary for	84.334A	USED P334A020113 GEAR-UP	1,925,537.96
Office of the Assistant Secretary for	84.334A	USED P334A990179 GEAR-UP	434,120.27
Office of the Assistant Secretary for	84.335A	USED P335A010130 CCAMPIS	91,715.43
Office of the Assistant Secretary for	84.342A	USED P342A000010/TOMORROW	<u>14,662.56</u>
Total Other Department of Education			<u>3,182,695.67</u>
Total Department of Education			<u>4,870,873.19</u>
Department of Energy—			
Office of Science	81.049	CHI DE-FG02-84ER40153-TASK B	<u>39,599.71</u>
Total Department of Energy			<u>39,599.71</u>
Department of Housing and Urban Development:			
Policy Development and Research	14.512	HUD CDWS OH-02-039	1,696.30
Policy Development and Research	14.512	HUD CDWS OH-04-120	<u>27,143.32</u>
Total Department of Housing and Urban Development			<u>28,839.62</u>
Environmental Protection Agency:			
Office of Grants and Debarment	66.607	EPA T82916201 PROGRAM INC-J134	34,386.00
Office of Grants and Debarment	66.607	EPA T83056901 (PARTICIPANT)	184,485.99
Office of Grants and Debarment	66.607	EPA STUDENT APPRENTICE PROG	71,578.57
Office of Grants and Debarment	66.607	EPA T82953801-0	187.87
Office of Grants and Debarment	66.607	EPA T-83041001	<u>39,312.21</u>
Total Environmental Protection Agency			<u>329,950.64</u>
National Aeronautics and Space Administration—			
National Aeronautics and Space Administration	43.001	NASA NGT5-30453	<u>14,882.00</u>
Total National Aeronautics and Space Administration			<u>14,882.00</u>
National Foundation on the Arts and the Humanities:			
Division of Educational Programs	45.167	NEH EE-50122-04 RIORDEN	74,133.05
National Endowment for the Humanities	45.129	OHC-R04-214 SUB NEH	2,700.00
National Endowment for the Humanities	45.129	OHC 04-048 SUB NEH	11,965.22

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
National Endowment for the Humanities	45.162	NEH-ED-50311-03 SMITH	\$ 23,432.54
National Endowment for the Humanities	45.163	NEH-EZ-50065-04 SMITH	48,249.15
National Endowment for the Humanities	45.164	NEH #GM-50103-03	3,740.60
National Endowment for the Humanities	45.164	NEH GM-50299-04 HANCOCK	<u>120,564.41</u>
Total National Foundation on the Arts and the Humanities			<u>284,784.97</u>
National Science Foundation:			
Directorate for Biological Sciences	47.074	NSF IBN-9983003 REU F636	(150.04)
Directorate for Computer and Information	47.07	REU CAREER CCF-0404001	2,500.00
Directorate for Computer and Information	47.07	NSF DUE-9950029	(0.09)
Directorate for Education and Human	47.076	NSF DUE-0126919	42,740.00
Directorate for Education and Human	47.076	NSF DGE-9911188/GRAD	10,825.00
Directorate for Education and Human	47.076	NSF DUE-0434086	9,436.35
Directorate for Education and Human	47.076	NSF DGE-0139312	120,051.77
Directorate for Education and Human	47.076	NSF DUE-0202994	42,165.06
Directorate for Education and Human	47.076	NSF DGE-9554527	1,386.65
Directorate for Education and Human	47.076	NSF DUE-0202994	194,081.11
Directorate for Education and Human	47.076	NSF DGE-0509201 GRAD	29,675.00
Directorate for Education and Human	47.076	NSF DGE-0139312	327,780.42
Directorate for Education and Human	47.076	NSF DUE-0094875 CSEMS	8,550.00
Directorate for Education and Human	47.076	NSF DUE-0202994	40,166.03
Directorate for Engineering	47.041	NSF BES-0229135 REU J938	11,293.27
Directorate for Engineering	47.041	NSF EEC-0196371 REU	552.49
Directorate for Engineering	47.041	NSF CMS-9714860 REU E168	(65.39)
Directorate for Engineering	47.041	NSF EEC-0230535	13,098.68
Directorate for Engineering	47.041	NSF EEC-0196371 REU	(0.03)
Directorate for Engineering	47.041	NSF CTS-0320695-001 REU L053	10,514.29
Directorate for Engineering	47.041	NSF EEC-0139438 PARTICIP H586	1,655.75
Directorate for Engineering	47.041	NSF EEC-0227801	265,882.84
Directorate for Engineering	47.041	NSF EEC-0139438 PARTICIP P045	49,209.88
Directorate for Mathematical and Physical	47.049	NSF 0452387	46,081.58
Directorate for Mathematical and Physical	47.049	NSF DMS-9974276	<u>8,639.59</u>
Total National Science Foundation			<u>1,236,070.21</u>
Total Other—Direct			<u>6,869,649.72</u>
OTHER—PASS THROUGH:			
Department of Agriculture:			
Food and Nutrition Service	10.558	ODE CACFP SUB USDA FY04	2,610.70
Food and Nutrition Service	10.558	ODE CACFP SUB USDA FY05	<u>30,576.84</u>
Total Department of Agriculture			<u>33,187.54</u>
Department of Defense:			
Army Research Office	12.431	ACAD APPL SCI #04-070,1 ARMY	4,553.12
Department of Defense	12	UDRI PO#R0402981 / SUB AF	2,891.34
Department of Defense	12	MICROPHASE #100504TBC SUB AF	<u>171.11</u>
Total Department of Defense			<u>7,615.57</u>
Department of Education:			
Department of Education	84.314	ODE CORE CURR-FED EVEN START	98,797.32
Office of Elementary and Secondary	84.186	ODE/USED ORN TITLE IV FY04	<u>27,158.94</u>

(Continued)



# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
Office of Elementary and Secondary	84.186A	ODE SUB USED TITLE IV FY05	\$ 605,828.77
Office of Elementary and Secondary	84.186A	ODE SUB USED BASE	816,736.46
Office of Elementary and Secondary	84.186A	ODADAS/ODE SUB USED FY2004	(1.02)
Office of Elementary and Secondary	84.213	CHILD FOCUS (CLERMONT ES)/USED	4,001.50
Office of Elementary and Secondary	84.213C	CHILDREN HOME CINTI/ED-AMEND 1	7,009.25
Office of Elementary and Secondary	84.213C	CHILDREN'S HOME OF CINTI/USED	(22.50)
Office of Elementary and Secondary	84.276	EECAP S.I.- DARKE CTY/OBR/USED	1,656.66
Office of Elementary and Secondary	84.281	OBR 02-14 IMPRV TCHR QUAL/USED	(16.58)
Office of Elementary and Secondary	84.281	OBR 02-13 IMPRV TCHR QUAL/USED	1,049.77
Office of Elementary and Secondary	84.282	EAST END COMM HERITG	1,755.76
Office of Elementary and Secondary	84.35	CPS-DIVERSIFY TEACH	125,223.05
Office of Elementary and Secondary	84.35	CPS/USED—TRANS TO TEACHING	69,887.00
Office of Elementary and Secondary	84.367	OBR 03-14 IMPRV TCHR QUAL/USED	55,155.80
Office of Elementary and Secondary	84.367	OBR 04-08 ITQ GRANT SUB USED	8,416.06
Office of Elementary and Secondary	84.367	OBR 04-09 ITQ GRANT SUB USED	4,349.36
Office of Elementary and Secondary	84.367	OBR 03-13 IMPRV TCHR QUAL/USED	71,637.67
Office of Special Education and	84.173	ODE CORE CURR-FED PRESCHL SPED	264,247.66
Office of Special Education and	84.323A	ODE/USED SIG 062927-ST-S1-04	84,393.63
Office of Special Education and	84.323A	ODE/USED SIG 062927-ST-S1-05	38,507.60
Office of the Assistant Secretary for	84.215K	GCUF UWM-2/FIE SUB USED	798.23
Office of the Assistant Secretary for	84.215K	GTR CINTI ARTS & EDUC	5,000.05
Office of the Assistant Secretary for	84.116	UWM PO# K012779/GCUF/USED	91,016.92
Office of the Assistant Secretary for	84.334	OBR/USED GEAR UP	42,219.39
Office of Vocational and Adult Education	84.243	TECH PREP FED 062927-3ETC-	218,657.10
Office of Vocational and Adult Education	84.243	ODE/USED TECH PREP VETP04-	22,480.73
Office of Vocational and Adult Education	84.346	ODE VEACRN-05-CINN-04 SUB	29,720.95
Total Department of Education			<u>2,695,665.53</u>
Department of Energy:			
Department of Energy	81	FERNALD PO# 05FF0079-0000-000	14,588.06
Office of Science	81.049	SC STATE/DOE ID14013	103,054.18
Total Department of Energy			<u>117,642.24</u>
Department of Housing and Urban Development:			
Community Planning and Development	14.244	CINTI EMPOWERMENT SUB HUD	(5.23)
Department of Housing and Urban	14	CMHA-2004 SUB HUD	24,595.75
Total Department of Housing and Urban Development			<u>24,590.52</u>
Department of Justice:			
Department of Justice	16	ODE SUB FEMA/HOMELAND	54,838.42
Office of Juvenile Justice and Delinquency	16.523	ODYS SUB 203-JC-C00-6019	20,579.81
Office of Juvenile Justice and Delinquency	16.523	ODYS SUB OJJD B-1016	334,757.59
Total Department of Justice			<u>410,175.82</u>
Department of State:			
Bureau of Educational and Cultural Affairs	19.401	CIES SUB US DEPT STATE	33.10
Bureau of Educational and Cultural Affairs	19.42	NAFSA/SUB US DEPT OF STATE	1,800.00
Total Department of State			<u>1,833.10</u>

(Continued)

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency	Federal CFDA	Federal Grant Number	Federal Expenditures
Department of Transportation:			
National Highway Traffic Safety	20.6	BROWN CTY SAFE COMM SUB DOT	\$ 13,203.99
National Highway Traffic Safety	20.6	BROWN CTY SAFE COMM SUB DOT	<u>10,392.68</u>
Total Department of Transportation			<u>23,596.67</u>
Federal Emergency Management Agency—			
Federal Emergency Management Agency	83	FEMA-2003-CA-0307 SUB DHS	<u>30,489.82</u>
Total Federal Emergency Management Agency			<u>30,489.82</u>
National Aeronautics and Space Administration:			
National Aeronautics and Space Administration	43	OSGC/NASA-OAJ SCHOLARSHIP	28,820.56
National Aeronautics and Space Administration	43.001	DCES/NASA UGRAD RES SCHOL	<u>28,958.00</u>
Total National Aeronautics And Space Administration			<u>57,778.56</u>
National Foundation on the Arts and the Humanities:			
National Endowment for the Humanities	45.129	OHC 02-009 SUB NEH	13,784.52
National Endowment for the Humanities	45.162	U OF MICH SUB NEH	<u>0.01</u>
Total National Foundation on the Arts and the Humanities			<u>13,784.53</u>
National Science Foundation:			
Directorate for Education and Human	47.076	OSURF SUB NSF HRD-0331560	2,580.41
Directorate for Education and Human	47.076	UNIV TOLEDO SUB NSF	18,754.50
Directorate for Education and Human	47.076	AACU/SENCER SUB NSF	1,031.50
Directorate for Education and Human	47.076	AACU SENCER 2003 SUB NSF	(2,534.04)
Directorate for Mathematical and Physical	47.049	IAS SUB NSF EHR-0314808	101,193.06
Directorate for Mathematical and Physical	47.049	INST ADV STU/NSF DMS-9900969	<u>167.81</u>
Total National Science Foundation			<u>121,193.24</u>
Small Business Administration:			
Small Business Administration	59.037	SBDC/CCCC/ODOD SUB SBA	105,763.70
Small Business Administration	59.037	SBDC/CCCC/ODOD SUB SBA	<u>176,633.20</u>
Total Small Business Administration			<u>282,396.90</u>
Total Other—Pass Through			<u>3,819,950.04</u>
TOTAL OTHER			<u>\$ 10,689,599.76</u>
TOTAL FEDERAL AWARDS			<u>\$ 172,509,428.18</u>

(Concluded)

# UNIVERSITY OF CINCINNATI

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Basis of Presentation*—The accompanying schedule of expenditures of federal awards includes the federal grant transactions of the University of Cincinnati (“University”) and is recorded on the accrual basis of accounting.

*Subrecipients*—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 subjected to testing and are reported as expenditures and listed as federal pass-through funds.

*Negative Expenditures*—Certain grant expenditures are negative as a result of various adjustments made during the year.

### 2. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBERS

Catalog of Federal Domestic Assistance (“CFDA”) numbers are presented for those programs for which such numbers are available.

### 3. FEDERAL FAMILY EDUCATION LOAN PROGRAM

The University also participates in the Federal Family Education Loan Program. Loan awards under the Federal Family Education Loan Program for the year ended June 30, 2005 approximated \$198,223,700.

### 4. FEDERAL LOAN PROGRAMS

The University administers the Federal Perkins, Health Professions Student and Nursing Student Federal Loan Programs. Total loan expenditures and disbursements of the Department of Education and Department of Health and Human Services student financial assistance programs for the year ended June 30, 2005 are as follows:

Federal Perkins Loan Program (CFDA 84.038)	\$7,178,868
Health Professions Student Loan Program (CFDA 93.342)	42,200
Nursing Student Loan Program (CFDA 93.364)	<u>31,200</u>
Total	<u>\$7,252,268</u>

The above expenditures include disbursements and expenditures such as loans to students and administrative expenditures. The schedule of expenditures of federal awards only includes administrative costs of the loan programs.

Outstanding loans at June 30, 2005 include the following:

Federal Perkins Loans	\$26,518,159
Health Professions Student Loans	1,229,394
Nursing Student Loans	<u>559,754</u>
Total	<u>\$28,307,307</u>

## 5. INDIRECT COSTS

The University recovers indirect costs by means of predetermined indirect cost rates. The predetermined rates are a result of negotiated agreements with the U.S. Department of Health and Human Services ("HHS"). On July 16, 2002, the University received approval for indirect cost recovery rate effective from July 1, 2002 through June 30, 2005. The indirect cost rates structure is as follows:

Rate Type	Effective July 1, 2002 through June 30, 2005
Organized research:	
On-campus	53.5 %
Off-campus	26.0 %
Instruction:	
On-campus	53.5 %
Off-campus	26.0 %
Public Service:	
On-campus	30%
Off-campus	26%



Deloitte & Touche LLP  
250 East Fifth Street  
Suite 1900  
P.O. Box 5340  
Cincinnati, OH 45201-5340  
USA  
Tel: +1 513 784 7100  
www.deloitte.com

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

To the Board of Trustees of  
the University of Cincinnati:

We have audited the financial statements of the University of Cincinnati ("University"), a component unit of the State of Ohio, as of and for the year ended June 30, 2005, and have issued our report thereon dated October 28, 2005, which included a reference on our reliance on the other auditors' report that related to their audit of the University of Cincinnati Foundation. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the University's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion 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 reportable 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 caused by error or fraud 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. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the University, in a separate letter dated October 28, 2005.

**Compliance and Other Matters**

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

This report is intended solely for the information and use of the Board of Trustees of the University of Cincinnati, management, federal awarding 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 28, 2005

Member of  
Deloitte Touche Tohmatsu



Deloitte & Touche LLP  
250 East Fifth Street  
Suite 1900  
P.O. Box 5340  
Cincinnati, OH 45201-5340  
USA  
Tel: +1 513 784 7100  
[www.deloitte.com](http://www.deloitte.com)

## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO EACH MAJOR FEDERAL AWARD PROGRAM**

To the Board of Trustees of  
the University of Cincinnati:

### **Compliance**

We have audited the compliance of the University of Cincinnati ("University"), a component unit of the State of Ohio, 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, 2005. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grant agreements 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 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 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, 2005. 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 05-1 through 05-4.

### **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 grant agreements 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 University's 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 grant agreements 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.

This report is intended solely for the information and use of the Board of Trustees of the University of Cincinnati, management, federal awarding 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 28, 2005

# UNIVERSITY OF CINCINNATI

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2005

---

### PART I - SUMMARY OF AUDITORS' RESULTS

#### Financial Statements

Type of auditors' report issued:	Unqualified	
Internal control over financial reporting:		
Material weakness(es) identified?	_____yes	___ <u>X</u> ___no
Reportable condition(s) identified not considered to be material weaknesses?	_____yes	___ <u>X</u> ___N/A
Noncompliance material to financial statements noted?	_____yes	___ <u>X</u> ___no

#### Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	_____yes	___ <u>X</u> ___no
Reportable condition(s) identified not considered to be material weakness(es)?	_____yes	___ <u>X</u> ___N/A
Type of auditors' report issued on compliance for major programs:	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (Section .510(a))?	___ <u>X</u> ___yes	_____no
Identification of major programs:	Student Financial Aid-Cluster Research and Development- Cluster	
Dollar threshold used to distinguish between Type A and Type B programs	<u>\$3,000,000</u>	
Auditee qualified as low-risk auditee?	_____yes	___ <u>X</u> ___no



# UNIVERSITY OF CINCINNATI

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2005 (Continued)

---

### PART II – FINANCIAL STATEMENT FINDINGS SECTION

No matters are reportable.

### PART III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

**05-01 Federal Program**—Student Financial Assistance Cluster CFDA Numbers 84.007, 84.032 and 84.063

**Requirement**—When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV aid earned by the student as of the student's withdrawal date. If the total amount of Title IV assistance earned by the student is less than the amount that was disbursed to the student or on his or her behalf as of the date of determination that the student withdrew, the difference must be returned to the Title IV programs as outlined and no additional disbursements may be made to the student for the payment period or period of enrollment. If the amount the student earned is greater than the amount disbursed, the difference between the amounts must be treated as a post-withdrawal disbursement (34 CFR sections 668.22(a) (1)-(3)).

The amount of earned Title IV grant or loan assistance is calculated by determining the percentage of Title IV grant or loan assistance that has been earned by the student and applying that percentage to the total amount of Title IV grant or loan assistance that was or could have been disbursed to the student for the payment period or period of enrollment as of the student's withdrawal date. A student earns 100 percent if his or her withdrawal date is after the completion of 60 percent of: (1) the payment period or period of enrollment for a program measured in credit hours; or (2) the clock hours scheduled to be completed for the payment period or period of enrollment for a program measured in clock hours. Otherwise, the percentage earned by the student is equal to the percentage of the payment period or period of enrollment that was completed as of the student's withdrawal date. The percentage of Title IV grant or loan assistance that has not been earned by the student is the complement of one of these calculations. Standard term-based institutions must always use the payment period as the basis for the determinations.

The unearned amount of Title IV assistance to be returned is calculated by subtracting the amount of Title IV assistance earned by the student from the amount of Title IV aid that was disbursed to the student as of the date of the institution's determination that the student withdrew (34 CFR section 668.22(e)).

**Condition**—The University does not correctly calculate the amount of Title IV assistance to be returned when students withdraw during the quarter.

**Context**—There were 58 errors noted in the calculations of the 60 returns selected for testing. Students did not receive the correct amount that they earned as of their withdrawal date.

**Cause**—The University does not calculate the amount to be returned to the lender by using the percentage earned method. The University gives the student 100% refund for the first week of attendance and a 50% reduction the second and 25% the third week.

**Recommendation**—The University needs to calculate returns by using the percentage of Title IV grant or loan assistance earned method.

**Management's Response**—The University's student accounts department is working with the University's information technology department to correct and automate the return of Title IV process. Until the programming is completed, reviewed and tested, the University's student accounts department is using a pc-based Return of Title IV Funds FSA software download from the U.S. Department of Education to manually calculate returns in accordance with federal regulations.

**05-2 Federal Program**—Student Financial Assistance Cluster CFDA Numbers 84.007, 84.032 and 84.063

**Requirement**—When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV aid earned by the student as of the student's withdrawal date. If the total amount of Title IV assistance earned by the student is less than the amount that was disbursed to the student or on his or her behalf as of the date of determination that the student withdrew, the difference must be returned to the Title IV programs as outlined and no additional disbursements may be made to the student for the payment period or period of enrollment. If the amount the student earned is greater than the amount disbursed, the difference between the amounts must be treated as a post-withdrawal disbursement (34 CFR sections 668.22(a) (1)-(3)).

The amount of earned Title IV grant or loan assistance is calculated by determining the percentage of Title IV grant or loan assistance that has been earned by the student and applying that percentage to the total amount of Title IV grant or loan assistance that was or could have been disbursed to the student for the payment period or period of enrollment as of the student's withdrawal date. A student earns 100 percent if his or her withdrawal date is after the completion of 60 percent of: (1) the payment period or period of enrollment for a program measured in credit hours; or (2) the clock hours scheduled to be completed for the payment period or period of enrollment for a program measured in clock hours. Otherwise, the percentage earned by the student is equal to the percentage of the payment period or period of enrollment that was completed as of the student's withdrawal date. The percentage of Title IV grant or loan assistance that has not been earned by the student is the complement of one of these calculations. Standard term-based institutions must always use the payment period as the basis for the determinations.

The unearned amount of Title IV assistance to be returned is calculated by subtracting the amount of Title IV assistance earned by the student from the amount of Title IV aid that was disbursed to the student as of the date of the institution's determination that the student withdrew (34 CFR section 668.22(e)).

**Condition**—When calculating the amount of returns, the University gives the student 100% refund for the first week of attendance, a 50% reduction the second and 25% the third week. The institutional charges originally billed to the student are reversed when the student withdraws and if the student is in his/her second or third week the University adds "forfeited tuition refund" charges to the account. After the third week, the student is responsible for all charges.

**Context**—There were 27 out of 60 students who were charged the "forfeited tuition refunds" resulting in students being undercharged for institutional charges by \$1,061.13.

**Cause**—The University does not use the Department of Education's guidelines, as specified in 34 CFR section 668.22, to determine what are institutional charges nor do they use the percentage of completion method to determine the amount of institutional charges that the student must pay.

**Recommendation**—The University should use the Department of Education’s general guidelines for defining institutional charges which include all charges for tuition, fees, and room and board and use the percentage earned calculations in determining the amount of institutional charges that the student owes.

**Management’s Response**-The University’s student accounts department is working with the University’s information technology department to correct and automate the return of Title IV process. Until the programming is completed, reviewed and tested, the University’s student accounts department is using a pc-based Return of Title IV Funds FSA software download from the U.S. Department of Education to manually calculate returns in accordance with federal regulations.

**05-3 Federal Program**—Student Financial Assistance Cluster CFDA Numbers 84.007, 84.032 and 84.063

**Requirements**—Returns of Title IV funds must be disbursed in the order prescribed below. The prescribed order must be followed regardless of the school’s agreements with other State agencies or private agencies (34 CFR section 668.22 (i)).

- a. Unsubsidized Federal Stafford Loan
- b. Subsidized Federal Stafford Loan
- c. Unsubsidized Federal Direct Stafford Loan
- d. Subsidized Federal Direct Stafford Loan
- e. Federal Perkins Loan
- f. Federal PLUS
- g. Federal Direct PLUS
- h. Federal Pell Grant
- i. FSEOG
- j. Other SFA Programs

**Condition**—Pell funds were reversed out of the students’ accounts first leaving the students being responsible for paying back their loans instead of reversing out the loans first and allowing the students to keep the grant funds. Return of Title IV funds is not being performed in the order described above.

**Context**—There were 21 out of 60 students who had their funds returned in the wrong order.

**Cause**—The University sends back funds in the reverse order of the prescribed order.

**Recommendation**—The return of Title IV funds should be disbursed in the proper order.

**Management’s Response**-The University’s student accounts department is working with the University’s information technology department to correct and automate the return of Title IV process. Until the programming is completed, reviewed and tested, the University’s student accounts department is using a pc-based Return of Title IV Funds FSA software download from the U.S. Department of Education to manually calculate returns in accordance with federal regulations.

**05-4 Federal Program**—Student Financial Assistance Cluster CFDA Numbers 84.007, 84.032 and 84.063

**Requirement**—Returns of Title IV funds are required to be deposited or transferred into the SFA account or electronic fund transfers initiated to ED or the appropriate FFEL lender as soon as possible, but no later than 30 days after the date the institution determines that the student withdrew. Returns by check are late if the check is issued more than 30 days after the institution determined the

student withdrew or the date on the canceled check shows the check was endorsed more than 45 days after the date the institution determined that the student withdrew (Federal Register, November 1, 2002 (67 FR 67074)).

**Condition**—In comparing the date of determination to the date that the funds were actually returned to the lender, the funds were not deposited within 30 days.

**Context**—There were 19 out of 60 students whose funds were not returned to the lender within 30 days.

**Cause**—The University's student accounts department is not being notified of when students have withdrawn.

**Recommendation**—The University's process for returns of Title IV funds should be modified such that the University's student accounts department is notified timely when students have withdrawn so that returns can be made timely.

**Management's Response**-The University's student accounts department is working with the University's information technology department to correct and automate the return of Title IV process. Until the programming is completed, reviewed and tested, the University's student accounts department is using a pc-based Return of Title IV Funds FSA software download from the U.S. Department of Education to manually calculate returns in accordance with federal regulations.

# UNIVERSITY OF CINCINNATI

## SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

---

The summary below was provided by management of the University of Cincinnati and constitutes a summary of the current status of the findings reported in the Schedule of Findings and Questioned Costs from the Independent Auditors' Single Audit Reports for the years ended June 30, 2004 and 2003.

### **Conditions 04-2 and 03-1 (Student Financial Assistance Cluster, CFDA Numbers 84.007, 84.032 and 84.063)**

Errors were noted in the calculation of student financial assistance returns due to the University not utilizing proper charges in their calculation of refunds.

*Management's Response*—Similar errors were noted during the current year audit. The finding has been repeated in the current year audit report. The University agrees that proper charges may not have been used in the calculation of refunds. The University's student accounts department is working with the University's information technology department to correct and automate the return to Title IV process. Until the programming is completed, reviewed and tested, the University's student accounts department is using a pc-based Return of Title IV Funds FSA software download from the U.S. Department of Education to manually calculate returns in accordance with federal regulations.

### **Conditions 04-1 and 03-2 (Student Financial Assistance, CFDA Numbers 84.007, 84.032 and 84.063)**

The University does not calculate student returns based upon the percentage of days attended.

*Management's Response*—Similar errors are noted during the current year audit and the finding has been repeated. The University's student accounts department is working with the University's information technology department to correct and automate the return to Title IV process. Until the programming is completed, reviewed and tested, the University's student accounts department is using a pc-based Return of Title IV Funds FSA software download from the U.S. Department of Education to manually calculate returns in accordance with federal regulations.

### **Condition 04-3 (Student Financial Assistance, CFDA Numbers 84.007, 84.032 and 84.063)**

Errors were noted in the return of Title IV funds that did not follow the prescribed order for applying the funds against the outstanding loans or grants.

*Management's Response*— Similar errors are noted during the current year audit and the finding has been repeated. The University's student accounts department is working with the University's information technology department to correct and automate the return to Title IV process. Until the programming is completed, reviewed and tested, the University's student accounts department is using a pc-based Return of Title IV Funds FSA software download from the U.S. Department of Education to manually calculate returns in accordance with federal regulations.

**Condition 04-4 (Student Financial Assistance, CFDA Numbers 84.007, 84.032 and 84.063)**

Returns of Title IV funds were not deposited or transferred to the lender within the required 30 days.

*Management's Response*—Similar errors are noted during the current year audit and the finding has been repeated. The University's student accounts department is working with the University's information technology department to correct and automate the return to Title IV process. Until the programming is completed, reviewed and tested, the University's student accounts department is using a pc-based Return of Title IV Funds FSA software download from the U.S. Department of Education to manually calculate returns in accordance with federal regulations.

**Condition 04-5 (Student Financial Assistance, CFDA Numbers 84.007, 84.032 and 84.063)**

Multiple dates of withdrawal were listed on the student's withdrawal slip due to the University not having a defined policy as to how the official withdrawal date is determined.

*Management's Response*—In the current year the University established an official Title IV withdrawal policy to adhere to Title IV guidelines.

# *University of Cincinnati*

*Financial Statements for the Years  
Ended June 30, 2005 and 2004 and  
Independent Auditors' Report*

# UNIVERSITY OF CINCINNATI

---

## FINANCIAL REPORT

For the Years Ended June 30, 2005 and 2004

---



This page intentionally left blank

---

## BOARD OF TRUSTEES\*

<b>George A. Schaefer, Jr.</b>		(2006)
<b>Thomas H. Humes</b>		(2007)
<b>Phillip R. Cox</b>	Chair	(2008)
<b>Anant R. Bhati</b>	Secretary	(2009)
<b>Jeffrey L. Wyler</b>	Vice Chair	(2010)
<b>H. C. Buck Niehoff</b>		(2011)
<b>Sandra W. Heimann</b>		(2012)
<b>Gary Heiman</b>		(2013)
<b>Candace Kendle</b>		(2014)
<b>James R. Masterson</b>	Student Member	(2006)
<b>Nicholas M. Furtwengler</b>	Student Member	(2007)

## OFFICERS OF THE UNIVERSITY

<b>Nancy L. Zimpher</b>	President
<b>Anthony J. Perzigan</b>	Senior Vice President and Provost for Baccalaureate and Graduate Education
<b>Jane E. Henney</b>	Senior Vice President and Provost for Health Affairs
<b>Dale L. McGirr</b>	Senior Vice President for Planning, Finance, and Community Development
<b>Sandra Degen</b>	Acting Vice President for Research
<b>Mitchel D. Livingston</b>	Vice President for Student Affairs and Services
<b>James D. Plummer</b>	Chief Financial Officer
<b>Frederick H. Siff</b>	Vice President for Information Technology
<b>James R. Tucker</b>	Vice President for Administrative and Business Services
<b>Gregory J. Vehr</b>	Vice President for Governmental Relations and University Communications
<b>James E. Wesner</b>	General Counsel and Vice President for Legal Affairs
<b>Daniel L. Grafner</b>	Vice President for Development and Executive Director, The University of Cincinnati Foundation

---

*\*The expiration date of each trustee's term is shown in parentheses.*

This page intentionally left blank

## TABLE OF CONTENTS

---

Report of Independent Accountants .....	7
Management Discussion and Analysis .....	9
Statements of Net Assets .....	18
Statements of Revenues, Expenses and Changes in Net Assets .....	19
Statements of Cash Flows .....	20
Notes to Financial Statements .....	22

---

This page intentionally left blank

## INDEPENDENT AUDITORS' REPORT

The Board of Trustees of  
The University of Cincinnati

We have audited the accompanying statements of net assets of the University of Cincinnati (the "University"), a component unit of the State of Ohio, as of June 30, 2005 and 2004 and the related statements of revenues, expenses and changes in net assets and of cash flows for the years then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of the University of Cincinnati Foundation, a discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the University of Cincinnati Foundation, is based solely on the report of such other auditors.

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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we express no such opinion. An audit also 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 and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the other auditors, such financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2005 and 2004, and the results of its operations and its cash flows (where applicable) for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis on pages 9-17 is not a required part of the basic financial statements but are supplementary information required by Governmental Accounting Standards Board. The supplementary information is the responsibility of the University's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

*Deloitte & Touche LLP*

October 28, 2005

This page intentionally left blank

---

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### INTRODUCTION

The following discussion and analysis provides an overview of the financial position and activities of the University of Cincinnati (the "University") for the year ended June 30, 2005, with selected comparative information for the years ended June 30, 2004 and 2003. Comments relate only to the University and do not pertain to the University of Cincinnati Foundation, a component unit of the University. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

The University was founded in 1819 and was city owned until becoming a state university in 1977. The University is composed of 14 colleges, one division and one school and operates on five campuses in southwest Ohio. It has an enrollment of approximately 34,000 students. There are approximately 2,000 full-time faculty members and a total faculty of 3,300. The University has been designated in long-range planning by the Ohio Board of Regents as one of only two comprehensive graduate public universities in the state. In total, the University employs more than 14,000 people and is the largest employer in the City of Cincinnati.

The University and its Board of Trustees are declared by statute to be a public body performing essential governmental functions serving public purposes and an instrumentality of the State of Ohio.

The University is affiliated with a number of health-care, educational, cultural and governmental institutions. Through such affiliations, the University is able to broaden its curricular offerings.

### USING THE FINANCIAL STATEMENTS

The University's financial report includes three financial statements: the Statement of Net Assets; the Statement of Revenues, Expenses and Changes in Net Assets; and the Statement of Cash Flows. These financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) Statement 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*, as amended by GASB Statements 37 and 38. These statements establish standards for external financial reporting for public colleges and universities and require that financial statements focus on the University as a whole, with resources classified for accounting and reporting purposes into three net asset categories.

Revenues and expenses are categorized as either operating or non operating. Significant recurring sources of the University's revenues, including state appropriations, gifts and investment income are considered non operating.

Scholarship allowances applied to student accounts are shown as a reduction of student tuition and fee revenues, while stipends and other payments made directly to students are presented as scholarship and fellowship expense.

Capital assets, including general infrastructure assets, are shown net of depreciation. However, there is no requirement to fund the accumulated depreciation. Instead, capital assets are largely funded by state capital appropriations, issuance of debt, and by major gifts that support the academic, research and student services missions of the institution. Gifts and capital appropriations are reflected on the financial statements as non operating revenue and other revenue, respectively. The corresponding annual depreciation expense is reflected as an operating expense.

Accounts of the University of Cincinnati Foundation have been consolidated in the accompanying financial statements in a discrete columnar format.

### FINANCIAL HIGHLIGHTS

The University's financial position remained strong at June 30, 2005, with total assets of \$ 2.9 billion and liabilities of \$ 1.1 billion. Net assets, which represent the residual interest in the University's assets after liabilities are deducted, increased by \$61 million in fiscal 2005 to \$1.8 billion, or 62% of total assets as a result of the following:



- Total assets increased by \$59 million, or 2%, primarily due to increases in the value of endowment investments and the addition of capital assets.
- Total liabilities decreased by \$2 million, remaining essentially flat with 2004, primarily due to the retirement of outstanding debt.

Income before other revenues, expenses, gains or losses includes the effect of several significant transactions, including fluctuations in the market value of investments; non cash depreciation; losses on the disposal of assets; and a major adjustment to the reserve for uncollectible receivables. The net effect of these significant transactions on income (loss) before other revenues, expenses, gains or losses is shown below.

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Change in investment value	\$ 65	\$ 152	\$ (26)
Depreciation	(72)	(62)	(57)
Loss on asset disposal	(15)	(6)	(14)
Uncollectible receivables	<u>-</u>	<u>(7)</u>	<u>-</u>
	<u>\$ (22)</u>	<u>\$ 77</u>	<u>\$ (97)</u>

Because of a flat level of state appropriations, increases in tuition ranging from 7% to 15% were implemented in 2005 and 2004. The effects of the flat level of state appropriations were also partially offset by 2% increases in enrollment in 2005, the continued expansion of self sustaining revenue driven programs which complimented the standard curriculum and the use of over \$5 million in internal working capital reserves. The continued renovation and addition of research facilities in accordance with implementation of the Millennium Research Institute was reflected in a \$7 million increase in revenues from sponsored research in 2005. A similar increase of \$17 million in sponsored research revenue was realized in 2004.

Operating expenses increased by \$60 million in 2005, including \$12 million in research related activity; \$10 million for increased depreciation expense; and \$5 million in increased utilities fuel costs. The balance of the increase was the result of inflation, costs related to new capital facilities brought on line and increased health care benefits. The increase in operating expenses occurred despite over \$8 million in operating expense budget reductions that were necessitated by the lack of increased state appropriations. In 2004, operating expenses increased by \$53 million, mostly due to increases in research activities, increased depreciation and new capital facilities, despite a similar \$10 million operating budget reduction.

The University continues to implement its Master Plan through several major capital initiatives that will provide facilities for advancing research, improve the quality of student life, upgrade residence halls, improve infrastructure, and enhance the ability to be self-sustaining with respect to energy production. Several of these projects are being financed through the issuance of tax-exempt bonds. The operating revenues to sustain payments on this local debt come from a variety of sources. Additional residents in the housing system, increased parking rates, increased food sales with profit sharing income, savings on locally generated electric compared to commercial prices, new overhead income from expanding research holdings, and dedicated student fees approved by the student body are examples of new revenues being used to service this debt.

Finally, in 2005 the University joined an elite group of institutions whose endowment valuations exceed \$1 billion. The value of the endowment ranks in the top 10% of all US institutions of higher education, both public and private.

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

The statement of revenues, expenses and changes in net assets presents the University's results of operations. A summarized comparison for the years ended June 30 follows (*in thousands*):

	<u>2005</u>	<u>2004</u>	<u>2003</u>
<i>Operating revenues:</i>			
Student tuition and fees, net	\$202,036	\$169,993	\$ 154,807
Grants and contracts	193,877	186,738	169,524
Auxiliary enterprises, net	90,151	81,716	81,944
Other	60,375	52,540	46,719
	<u>546,439</u>	<u>490,987</u>	<u>452,994</u>
<i>Operating expenses:</i>			
Instruction	264,736	243,226	234,615
Research	143,848	131,637	119,596
Auxiliary enterprises	83,167	74,041	70,611
Depreciation	71,708	61,685	57,112
Other	288,281	280,717	255,728
	<u>851,740</u>	<u>791,306</u>	<u>737,662</u>
Operating loss	(305,301)	(300,319)	(284,668)
<i>Non-operating revenues (expenses):</i>			
State appropriations	179,007	181,139	181,179
Gifts	37,686	29,157	16,673
Investment income, net	53,448	52,816	55,825
Increase (decrease) in fair value of investments	65,480	152,363	(26,351)
Interest expense, net	(25,115)	(22,780)	(16,995)
Other	(15,026)	(3,643)	(15,886)
	<u>295,480</u>	<u>389,052</u>	<u>194,445</u>
Income (loss) before other revenues, expenses, gains or losses	(9,821)	88,733	(90,223)
Capital appropriations	44,024	13,006	38,084
Capital grants and gifts	12,026	8,263	7,609
Additions to permanent endowments	15,203	12,442	12,774
Increase (decrease) in net assets before extraordinary item	61,432	122,444	(31,756)
Transfer of liability to the state	0	0	8,137
Increase (decrease) in net assets after extraordinary item	<u>\$ 61,432</u>	<u>\$ 122,444</u>	<u>\$ (23,619)</u>

One of the University's greatest strengths is the diverse stream of revenues that supplement its student tuition and fees, including voluntary private support from individuals, foundations and corporations along with government and other sponsored programs; state appropriations and investment income. The University has aggressively sought, and will continue to seek, funding from all possible sources consistent with its mission to supplement student tuition, and will prudently manage the financial resources realized from these efforts to fund its operating activities.

Tuition and state appropriations are the primary sources of funding for the University. During 2005, tuition rate increases ranged from 7% to 15%, depending upon the category of student. These increases were in response to a flat level of state appropriations. In addition, a 2% increase in overall enrollment was achieved by increased recruitment and retention efforts. These increases, as well as changes in the mix of students, resulted in increases in tuition and fee income in 2005 of \$32 million, or 19%, over 2004. Similar tuition increases were implemented in 2004, supplemented by minor increases in enrollment that resulted in increases in tuition and fee revenue of \$15 million, or 10%, in 2004 compared to 2003.

Although state appropriations for higher education were flat in 2005 and 2004, they represented an improvement over the trend toward decreasing state support in prior years. Consequently, state appropriations now contribute a significantly lower percentage of the overall funding of University operations. Nonetheless, such resources remain a vital source of funding for academic programs and administrative costs. If future tuition increases are to be minimized, the level of state appropriation support will need to be increased.

Revenues from grants and contracts with governmental and private entities provide for the recovery of direct and indirect costs. Such revenues increased by \$7 million, or 4%, in 2005 and by \$17 million, or 10% in 2004 primarily due to the conduct of research. The increases were generated by various colleges and research units across the University, with the largest increase being in the College of Medicine reflecting continued gradual implementation of the Millennium Research Institute.

The results of fund raising efforts have been an important component of financial resources during the past two fiscal years. Expendable gifts to the University totaled \$50 million and \$37 million in 2005 and 2004, respectively. It will be extremely difficult to sustain the current level of operations without continued increases in donor support. Accordingly, plans are being implemented for increasing the number of substantial recurring gifts that are available for operations.

Increases in interest rates were partially offset by lower operating cash balances in 2005. These factors and reductions in distributions of income under the University's endowment spending policy resulted in investment income in 2005 being flat compared to 2004 when lower rates, lower cash balances and similar reductions in spendable endowment income combined to reduce investment income by \$3 million, or 5% compared to 2003.

Although higher education must compete with secondary education for increased state capital appropriations, the University has been able to borrow the funds needed to complete state funded capital projects on schedule. The increase in capital appropriations in 2005 reflects a return to somewhat normal biennial draws of state funds. Capital appropriations in 2004 were unusually low because funds for the 2003-2004 biennium were drawn prior to 2004 in order to complete projects on schedule.

## STATEMENT OF NET ASSETS

The statement of net assets presents the financial position of the University at the end of the fiscal year. Net assets represent the difference between total assets and total liabilities. Net assets are one indicator of the overall financial condition of the University, while the change in net assets is an indicator of whether the overall financial condition has improved or worsened during the year. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost less an allowance for depreciation. A summarized comparison of the University's assets, liabilities and net assets at June 30 follows (*in thousands*):

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Current assets	\$ 192,641	\$ 254,908	\$ 201,044
Noncurrent assets:			
Endowment, life income and other investments	1,341,637	1,328,224	1,140,963
Capital assets, net	1,330,172	1,216,525	1,080,404
Other	<u>57,519</u>	<u>63,579</u>	<u>67,089</u>
Total assets	2,921,969	2,863,236	2,489,500
Current liabilities	209,951	214,849	186,465
Noncurrent liabilities	<u>890,847</u>	<u>888,648</u>	<u>665,740</u>
Net assets	<u>\$ 1,821,171</u>	<u>\$ 1,759,739</u>	<u>\$ 1,637,295</u>

### Current Assets

Current assets consist primarily of cash, short-term investments and receivables. Normally, cash balances are low at the end of the fiscal year relative to other assets. However, during 2004, additional debt was issued and resulted in an increased level of cash and short term investments at June 30, 2004. These borrowed resources were expended during 2005 on a variety of capital projects. In addition, operating cash balances also decreased in 2005, contributing to a decrease of \$62 million, or 24%, in total current assets.

In 2004, a total of \$5.3 million in receivables from students admitted under open access programs were determined to be uncollectible. In addition, changes in the University's athletic conference were estimated to result in the loss of \$1.4 million of receivables for prior years' post season tournament appearances. Accordingly, reserves were provided in 2004 for these amounts. In 2005, the University successfully negotiated the reinstatement of the athletic conference receivables and the reserve for those receivables has been reversed and the revenue was recognized.

### Endowment, Life Income and Other Investments

The University invests its endowment to maximize total return over the long term with an appropriate level of risk. The success of this long-term investment strategy is evidenced by strong returns sustained over long periods of time and the University's ability, in the face of current challenging markets, to limit losses. Changes in the fair value of the endowment portfolio will not have a meaningful immediate impact on the portion of investment income available to support current-year operating expenses since the University makes such distributions pursuant to its spending rate policy.

The assets of the University's endowment increased by \$44 million in 2005. This increase resulted from investment gains of \$82 million, the establishment of new endowments of \$15 million and distributions of \$53 million to beneficiary units within the University. In 2004, investment gains, new funds and distributions were \$152 million, \$12 million and \$50 million respectively. Under its endowment spending policy, the University uses its endowment to support current operations in a way that generates a predictable stream of support, while at the same time maintaining the purchasing power of endowment funds adjusted for inflation. The spending policy provides for annual distributions of five percent of the three-year quarterly moving-average market value of assets in the investment pool. Due to the changes in valuation of these assets over the last three years, actual distributions to beneficiary units were 4.4 % and 5.4% of the beginning market value of these assets in 2005 and 2004, respectively.

Non current investments decreased by \$62 million in 2005 reflecting the expenditure of prior years' debt proceeds for capital projects during fiscal year 2005. The investment of these proceeds in 2004 resulted in a \$21 million increase in non current investments compared to 2003.

### Capital Assets

Development and renewal of capital assets are critical factors in continuing the quality of the University's academic mission, research programs and student life. Capital asset additions are acquired with University funds, state capital appropriations, gifts and federal grants. The University continues to implement its long-range Master Plan that was designed to modernize older teaching and research facilities balanced with new construction. Capital additions totaled \$201 million in 2005, \$204 million 2004 and \$222 million during 2003, before depreciation expense of \$72 million in 2005, \$62 million in 2004 and \$57 million in 2003, respectively. Total capital additions are comprised primarily of capital projects that were either completed during the fiscal year or in either the construction or the design phase at June 30 of each fiscal year, respectively. Major projects completed during 2005 include the Calhoun Street Garage and the Gettler Stadium.

**Major projects in the construction phase** at June 30, 2005, will be completed in stages from 2005 through 2007 and include the following:

- Clermont College expansion will add academic space to accommodate future growth.
- MainStreet includes completion of a recreation center and the creation of green space as the final phases of a multi-stage project.

- Millennium Research Institute includes the creation of state-of-the-art instructional and research space for the College of Medicine, as well as open space for the academic medical campus.
- Van Wormer Rehabilitation will accommodate new users of the Van Wormer administration building, restore historically significant features and upgrade surrounding landscaping.
- Varsity Village will provide indoor practice facilities and increased space for intercollegiate athletics and student intramurals, an auditorium, and facilities for athletic administrators and coaching staff.
- Raymond Walters College Veterinary Technology Building will provide space for this program.
- Zimmer Gardens will provide enhancements to the open air Zimmer Plaza

**Major projects in the design phase**, described below, have undefined completion dates.

- Chemical Storage, High Density Storage and Crosley Dock will provide increased and improved materials receiving, storage and distribution facilities.
- Jefferson Grid is a campus beautification and infrastructure improvement project that is integrated with the Varsity Village athletic complex.
- Medical Science Building Rehabilitation is a major renovation of this key academic and research building.
- Sawyer Hall Rehabilitation is a major renovation of the Sawyer residence hall.
- Social & Behavioral Sciences Center will provide new and expanded academic space for the McMicken College of Arts and Sciences.
- Teacher's College/Dyer Rehabilitation will continue the major rehabilitation of these buildings begun in 1997.
- Zimmer Rehabilitation is a renovation of auditorium facilities and surrounding academic space.

## **Debt**

Total debt, representing bonds, notes and certificates of participation, decreased by \$15 million in 2005 as a result of issuing \$204 million of new debt and decreasing outstanding debt by \$219 million. The new debt was issued to fund various capital projects and to refund \$121 million of existing debt. As a result of refunding the existing debt, the University will realize a net economic gain of \$6.4 million over 20 years. Debt also increased by \$247 million in 2004 due to the issuance of \$305 million of new debt and the reduction of outstanding debt by \$58 million. That new debt was also used to fund capital projects and to refund \$18 million of existing debt. As a result of that refunding, the University will realize a net economic gain of \$1.4 million over 14 years.

Subsequent to June 30, 2005, the University issued an additional \$20 million of debt in order to refund \$20 million of outstanding debt. This refunding will result in the University realizing a net economic gain of \$.9 million over 14 years.

Ratings of University bonds by Standard & Poors (S&P) were maintained at AA- in 2005 and 2004. The note rating of SP-1+ was also maintained through 2005 and 2004. In 2004 S&P revised the outlook for the University from stable to negative and maintained this outlook in 2005. Moody's ratings of A1 for bonds and MIG 1 for notes were maintained during 2005. The bond rating was decreased to A1 during 2004 and the note rating was maintained. Moody's outlook for the University was revised from negative to stable in 2004 and was maintained during 2005. Debt issued subsequent to 2005 received the same ratings and outlook as existed during 2005.

The decline in debt rating in 2004 was predicted and modeled by management. The repositioning of student activity facilities, expansion of research facilities without State capital appropriations, cogeneration facilities, and restructured parking system all result in a higher debt ratio. Both new revenue streams and costs savings have been secured against this new debt. State budgets across the country are fragile and include a great deal of temporary revenue, thus making their own debt and that of State-created entities subject to negative comment. Most auxiliary facilities date from the last major student expansion 30 years ago and must be improved or replaced.

The responsibility to finance research facility expansion has fallen to institutions, as both state and federal governments have stopped doing so. Yet those same levels of government encourage and fund the operating costs

of new research, assuming local construction of the research facilities. While a negative trend in ratings may become more common, it does not have a serious effect on our access to capital markets or our cost of capital. We and others in the upper tier of higher education can still finance these critical capital investments.

### Net Assets

Net assets represent the residual interest in the University's assets after liabilities are deducted. The University's net assets at June 30 are summarized below (*in thousands*):

	2005	2004	2003
Invested in capital assets, net of related debt	\$ 541,205	\$ 546,659	\$ 584,706
Restricted:			
Nonexpendable	997,531	932,258	796,155
Expendable	400,182	356,745	331,469
Unrestricted:			
Designated	(105,535)	(73,256)	(75,090)
Undesignated	<u>(12,212)</u>	<u>(2,667)</u>	<u>55</u>
Total net assets	<u>\$1,821,171</u>	<u>\$1,759,739</u>	<u>\$1,637,295</u>

Capital assets, net of related debt, represent the University's depreciated buildings, equipment and infrastructure less the outstanding principal balances of debt attributable to the acquisition, construction and improvement of those assets. The decreases of \$5 million in 2005 and \$38 million in 2004, respectively, reflect the University's continued development and renewal of its capital assets in accordance with the Master Plan, net of depreciation expense and reductions in long term debt.

Restricted nonexpendable net assets include, as a primary component, the University's permanently invested endowment funds. It also includes the University's equity interest in The Health Alliance of Greater Cincinnati. The \$65 million increase in restricted nonexpendable net assets in 2005 and the \$136 million increase in 2004 reflect the changes in the fair value of investments, net of gifts.

Restricted expendable net assets are subject to externally imposed provisions governing their use. This category of net assets includes restricted gifts of \$286 million in 2005 and \$273 million in 2004 that were temporarily invested in the endowment.

Although unrestricted net assets are not subject to externally imposed stipulations, substantially all of the University's unrestricted net assets have been designated for various academic and research programs and initiatives, as well as capital projects. In addition, unrestricted net assets include \$6 million invested in the endowment at the direction of the Board of Trustees.

The deficit position of the unrestricted designated net assets is being addressed through implementation of a multi-year funding program, using a combination of departmental and central budget sources that have been established for the purpose of resolving these fund deficits over time.

Three types of funds significantly contribute to the net deficit position.

First, the liability for compensated absences, which is the future cost of unused sick and vacation days for employees, had been only partially funded. During 2004, \$12 million of funding provided in prior years was transferred for operating purposes and to restore undesignated operating reserves. As a result, the negative fund balance of \$30 million at June 30, 2003 increased to \$44 million at June 30, 2004 and 2005.

Second, overdrafts on special projects and deficit debt-service accounts will be covered as part of multi-year and blended funding programs that will provide resources from future undesignated and auxiliary budgets. These deficits total \$48 million and \$40 million in 2005 and 2004, respectively.

The third category consists of deficits caused by the growth in health benefit costs, which have risen at increasing rates over the past four years. These rising costs, combined with severe decreases in state funding, result in the amounts budgeted for health benefit costs being substantially below the actual costs incurred. Aggressive

management of health care costs and the use of a portion of the funds transferred from compensated absence reserves, as described above, have helped to minimize the growth of these deficits. Significant increases in the amounts budgeted for health benefit costs are planned to match these increasing costs on an annual basis and to eliminate the accumulated deficit of \$24 million within approximately four years.

### STATEMENT OF CASH FLOWS

The Statement of Cash Flows provides additional information about the University's financial results by reporting the major sources and uses of cash. A comparative summary of the statement of cash flows for the years ended June 30 follows (*in thousands*):

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Cash received from operations	\$ 549,726	\$ 500,528	\$ 458,526
Cash expended for operations	<u>785,417</u>	<u>729,117</u>	<u>683,926</u>
Net cash used in operating activities	(235,691)	(228,589)	(225,400)
Net cash provided by non-capital financing activities	231,699	222,391	200,608
Net cash from (used for ) capital and related financing activities	(181,077)	35,382	(90,423)
Net cash from (used for) investing activities	<u>179,125</u>	<u>(2,008)</u>	<u>123,132</u>
Net increase (decrease) in cash and cash equivalents	<u>\$ (5,944)</u>	<u>\$ 27,176</u>	<u>\$ 7,917</u>

The disparity between cash used in operating activities and cash provided by non capital financing activities results from the required financial reporting classification of state appropriations. Although state appropriations are used primarily for operating expenses of the University, GASB Statement 35 requires that they be reported as non operating revenues. Had these resources been reported as operating revenue, the net cash used in operating activities would have been deficits of \$57 million 2005 and \$47 million in 2004.

### ECONOMIC FACTORS AFFECTING THE FUTURE

For a numbers of years, the impact of the weak U. S. economy on the economy of Ohio has resulted in reductions in state support to the University which flattened in 2005. Even though the University is a state-supported institution, such appropriations account for only 24% and 21% of the total revenues of the University in 2005 and 2004, respectively. This has resulted in an increasing reliance on tuition and fees as a primary funding source. There is a direct relationship between the level of state appropriations and the ability of the University to manage tuition growth. Unless the mechanism for providing funding for statewide services can be modified to recognize the priority of funding higher education, the scope of statewide academic activities will be adversely impacted further.

In response, and to provide additional revenue, the University has implemented its "50 in 5" initiative, which includes a plan to increase the level of general funds revenue by 50% over the five years 2005 through 2009, primarily via the recruitment of 5,000 new students on the Uptown campus. This initiative is part of an institutional strategic plan titled "UC 21" that lays out ambitious goals and an action plan to define the role of an urban research university in the new century. The plan defines a set of core values to guide the institution in its rapid transformation and enable it to compete for students from a diverse cohort of learners, as it deals with an escalating need to bring intellectual capital to bear on societal issues and to meet the rising call to serve as the economic engine in a knowledge-based environment.

The University has long maintained a position of national prominence among leading research institutions. While federal support to the University for Sponsored Research has increased, various initiatives are underway to develop state support for the expansion of research and the development of technology. In response to these opportunities, the University has created its Millennium Research Institute. It will forge partnerships with commercial and other local institutional researchers. Implementation of the plan will provide the University and its partners with the ability to employ a large number of additional researchers and will significantly increase the University's research potential.

The focus of capital projects is to upgrade and add educational and research facilities, improve the quality of student life, provide additional residence halls, and upgrade infrastructure and utilities. These initiatives are an effort to remain competitive, provide the best possible educational experience for the students and promote the quality of student life. The University is now in its second decade of an ambitious Master Plan to achieve these goals. Over the next two years, the University will complete construction of the MainStreet complex, Varsity Village and various other projects currently under construction. The Millennium Research Institute projects will be completed over the next decade and will enable the University to remain a leader in biotechnology medical research for the region. In the next decade, many college-based academic projects are scheduled, but the traditional source of capital for such projects—the State of Ohio Capital Bill—is declining in both value and absolute level with each new biennium. This trend must be reversed if we are to sustain the needed academic investments that cannot come from new business revenues like the auxiliary and research facilities.

Considering the increasing reliance on tuition revenue to fund operations, it is of vital importance to the future of the University to increase the current levels of student enrollment and student retention. In order to enhance this effort, and to provide essential services to students, the MainStreet initiative will be supplemented by an extensive partnership among the University and various neighborhood residential and business groups. The resulting entities will seek to upgrade and enhance residential and commercial facilities on the borders of the campus. The anticipated improvements to the nearby neighborhoods should result in a more enjoyable and more convenient environment that will supplement the on-campus educational experience and serve as a magnet for prospective students. The University has supported these efforts by making approximately \$ 75 million in loans from its endowment to these neighborhood partnerships.

Private gifts will continue to be a critically important financial resource and a significant factor in the growth of both academic and research activities. The University's fund-raising strategy, as well as economic factors affecting donors' ability to contribute, will have a significant impact on the ability to tap this important financial resource. In this regard, fundraising budgets have been increased in order to support an aggressive program that includes a national fundraising network focused on increasing the level of private gifts to the University.

The University will continue to employ its long-term investment strategy to maximize total return at a reasonable level of risk. The ability to sustain a level of investment return which is compatible with the endowment spending policy will be strained given the anticipated performance of national and international financial markets. As a result, such investment strategies will be continually reviewed in order to insure the most efficient use of these important financial resources. In this regard, an expansion of professional investment management staff will be implemented during the coming year.

This effort will be extended to all phases of cash management. Therefore, cash collection and investment policies and procedures will be evaluated and reengineered as necessary. Internal administrative reorganizations have been implemented to achieve this goal.

A significant component of both graduate and undergraduate enrollment consists of international students. International visitors also hold numerous teaching and research positions. The ability of these individuals to achieve or maintain international visitor status in the face of increased scrutiny by the Immigration and Naturalization Service will be a key factor in maintaining this cross section of the academic community.

The University is in the midst of a major project to replace core information systems, including financial and human resources. This replacement is necessary not only to improve dated technology but also to increase effective interaction between central systems and to increase productivity.

Under the guidance of the first new president in almost 20 years, the University will soon begin a new all University fund raising campaign.

The University exists in an increasingly competitive higher education environment. Colleges and universities throughout the region and across the country are investing heavily in marketing and public relations programs to establish or maintain favorable reputations and to build enrollment to optimum levels. With this in mind, the University continues to develop strategies that will achieve a reputation commensurate with the University's excellence and increase enrollment where appropriate.

Looking forward, the University is well positioned to maintain its financial condition, its high standards of service to students and its stature in the national research community. In order to enable the University to support this level of excellence, the University is committed to obtaining new financial resources, to maintaining revenue diversification and to successfully containing costs.



**University of Cincinnati**  
**Statement of Net Assets**  
**As of June 30, 2005 and 2004**  
**(in thousands)**

	University		University Related Foundation	
	2005	2004	2005	2004
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 72,821	\$ 78,765	\$ 7,625	\$ 8,590
Investments	43,586	104,006		
Accounts and pledges receivable, net	53,072	45,878	29,366	26,608
Inventories	4,294	4,938		
Deposits with bond trustees	5,689	12,039		
Notes receivable, net	3,224	3,201		
Other assets	9,955	6,081	144	582
<b>Total current assets</b>	<b>192,641</b>	<b>254,908</b>	<b>37,135</b>	<b>35,780</b>
<b>Noncurrent assets:</b>				
Investments	51,531	114,012		
Pledges receivable, net	14,851	15,774	18,889	16,205
Deposits with bond trustees	12,373	18,626		
Endowment investments	1,027,850	985,922	26,939	25,762
Notes receivable, net	30,295	29,179		
Other long-term investments	262,256	228,290		
Capital assets, net	1,330,172	1,216,525	665	843
<b>Total noncurrent assets</b>	<b>2,729,328</b>	<b>2,608,328</b>	<b>46,493</b>	<b>42,810</b>
<b>Total assets</b>	<b>2,921,969</b>	<b>2,863,236</b>	<b>83,628</b>	<b>78,590</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities	139,912	136,725	10,732	10,255
Deferred revenue	19,644	12,945		
Long-term liabilities - current portion	50,306	65,179		
<b>Total current liabilities</b>	<b>209,862</b>	<b>214,849</b>	<b>10,732</b>	<b>10,255</b>
<b>Noncurrent liabilities:</b>				
Deposits	4,768	5,672	733	718
Accrued liabilities	31,322	28,433	232	248
Refundable advances for federal loans	25,895	25,126		
Long-term liabilities	828,951	829,417		
<b>Total noncurrent liabilities</b>	<b>890,936</b>	<b>888,648</b>	<b>965</b>	<b>966</b>
<b>Total liabilities</b>	<b>1,100,798</b>	<b>1,103,497</b>	<b>11,697</b>	<b>11,221</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	541,205	546,659	665	843
Restricted for:				
Nonexpendable	997,531	932,258	28,185	26,338
Expendable	400,182	356,745	39,395	36,344
Unrestricted	(117,747)	(75,923)	3,686	3,844
<b>Total net assets</b>	<b>\$ 1,821,171</b>	<b>\$ 1,759,739</b>	<b>\$ 71,931</b>	<b>\$ 67,369</b>

See accompanying notes to financial statements.

**University of Cincinnati**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**For the Years Ended June 30, 2005 and 2004**  
**(in thousands)**

	University		University Related Foundation	
	2005	2004	2005	2004
<b>REVENUES</b>				
<b>Operating revenues:</b>				
Student tuition and fees, net	\$ 202,036	\$ 169,993	\$	\$
Federal grants and contracts	169,971	164,026		
State and local grants and contracts	13,379	12,925		
Nongovernmental grants and contracts	10,527	9,787		
Sales and services of educational departments	53,635	48,196		
Auxiliary enterprises:				
Residential life	25,985	25,033		
Athletics, net	10,594	7,221		
Other Auxiliary enterprises	53,572	49,462		
Other operating revenues	6,740	4,344	104	96
<b>Total operating revenues</b>	<b>546,439</b>	<b>490,987</b>	<b>104</b>	<b>96</b>
<b>EXPENSES</b>				
<b>Operating expenses:</b>				
Instruction	264,736	243,226		
Research	143,848	131,637		
Public Service	52,656	46,068		
Academic Support	63,165	57,919		
Student Services	36,577	35,264		
Institutional Support	59,613	61,896	7,146	7,354
Operation Maintenance and Plant	56,156	64,310		
Scholarships and Fellowships	20,114	15,260		
Auxiliary Expenses	83,167	74,041		
Depreciation	71,708	61,685	295	282
<b>Total operating expenses</b>	<b>851,740</b>	<b>791,306</b>	<b>7,441</b>	<b>7,636</b>
<b>Operating loss</b>	<b>(305,301)</b>	<b>(300,319)</b>	<b>(7,337)</b>	<b>(7,540)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
State appropriations	179,007	181,139		
Gifts	37,686	29,157	4,679	12,559
Investment income	53,448	52,816	3,097	2,620
Increase in fair value of investments	65,480	152,363	2,365	4,594
Interest on capital asset-related debt	(25,115)	(22,780)		
Loss on disposal of assets	(15,461)	(5,985)		
Other nonoperating revenues (expenses)	435	2,342	1,758	1,210
Net nonoperating revenue	295,480	389,052	11,899	20,983
<b>Income (loss) before other revenues, expenses, gains or losses</b>	<b>(9,821)</b>	<b>88,733</b>	<b>4,562</b>	<b>13,443</b>
Capital appropriations	44,024	13,006		
Capital grants and gifts	12,026	8,263		
Additions to permanent endowments	15,203	12,442		
<b>Increase (decrease) in net assets</b>	<b>61,432</b>	<b>122,444</b>	<b>4,562</b>	<b>13,443</b>
<b>NET ASSETS</b>				
Net assets - beginning of year	1,759,739	1,637,295	67,369	53,926
Net assets - end of year	<b>\$ 1,821,171</b>	<b>\$ 1,759,739</b>	<b>\$ 71,931</b>	<b>\$ 67,369</b>

See accompanying notes to financial statements.

**University of Cincinnati**  
**Statements of Cash Flows**  
**Years Ended June 30, 2005 and 2004**  
**(in thousands)**

	2005	2004
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition & fees	\$ 209,118	\$ 182,539
Grants & contracts	183,912	169,791
Sales and services	143,212	133,518
Expenditures and other deductions:		
Compensation	(554,695)	(497,793)
Other	(222,324)	(222,893)
Loans issued	(8,398)	(8,431)
Loan principal collected	7,330	7,461
Other revenue	6,154	7,219
<b>Cash used for operating activities</b>	<b>(235,691)</b>	<b>(228,589)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State appropriations	179,007	181,321
Gifts for other than capital purposes	52,575	40,978
Interest on loans receivable	117	92
<b>Cash from noncapital financing activities</b>	<b>231,699</b>	<b>222,391</b>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
State appropriations	43,804	12,336
Private gifts for capital purposes	13,341	9,291
Other	4,669	1,007
Proceeds from capital debt	203,749	306,531
Purchases of capital assets	(190,845)	(207,963)
Principal paid on capital debt	(219,085)	(56,796)
Interest paid on capital debt	(36,710)	(29,024)
<b>Cash from (used for) capital financing activities</b>	<b>(181,077)</b>	<b>35,382</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Endowment income	38,694	69,238
Income from deposits with trustees	27,132	7,928
Other endowment expenditures	(207)	(45)
Realized gains(losses) on investments	7,951	62,959
Purchase of investments	(904,230)	(1,115,565)
Sale of investments	1,004,541	970,261
Investment income	5,244	3,216
<b>Cash from (used for) investing activities</b>	<b>179,125</b>	<b>(2,008)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		
	(5,944)	27,176
Cash and cash equivalents - beginning of the year	78,765	51,589
Cash and cash equivalents - end of the year	<b>\$ 72,821</b>	<b>\$ 78,765</b>

**University of Cincinnati**  
**Statements of Cash Flows - continued**  
**Years Ended June 30, 2005 and 2004**  
**(in thousands)**

	2005	2004
<b>RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:</b>		
<b>Operating loss</b>	\$ (305,301)	\$ (300,319)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation expense	71,708	61,685
Changes in assets and liabilities:		
Receivables, net	(5,181)	2,136
Inventories	644	(166)
Other assets	(3,871)	78
Accounts payable and accrued liabilities	317	3,470
Deferred revenue	4,062	210
Compensated absences	2,834	3,990
Deposits	(903)	327
<b>Net cash used for operating activities</b>	<u>\$ (235,691)</u>	<u>\$ (228,589)</u>

---

## NOTES TO FINANCIAL STATEMENTS

### For the Years Ended June 30, 2005 and 2004

#### 1. Organization and Summary of Significant Accounting Policies

##### A) Organization

The University of Cincinnati (the University) was founded in 1819 with the first charter granted by the State of Ohio in 1870. The University, formerly city owned, became a State University on July 1, 1977. As such, it is a component unit of the State of Ohio. Under provisions of the Internal Revenue Code, Section 115, and the applicable income tax regulations of the State of Ohio, the University, as a state institution, is exempt from taxes on income other than unrelated business income. Since the University has no material net unrelated business income during the year ended June 30, 2005, no provision for income taxes has been made.

The accompanying financial statements consist of the accounts of the University and the accounts of the University of Cincinnati Foundation (the Foundation). The Foundation, which is a component unit of the University in accordance with the provisions of the Governmental Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity*, is described more fully in Note 17. The Foundation is exempt from Federal income taxes under the provisions of Internal Revenue Code Section 501(c)(3).

##### B) Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the GASB. The University has elected not to apply those Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989.

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

**Invested in Capital Assets Net of Related Debt**—Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

**Restricted—Nonexpendable** restricted net assets are subject to externally imposed stipulations that they be maintained permanently by the University. Such assets include the University's permanent endowment funds. **Expendable** restricted net assets are subject to externally imposed stipulations that can be fulfilled by actions of the University pursuant to those stipulations or that expire by the passage of time.

**Unrestricted**—Net assets that are not subject to externally imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net assets are designated for academic and research programs and initiatives and for capital programs.

##### C) Summary of Significant Accounting Policies

The accompanying financial statements have been prepared on the accrual basis. The University reports as a Business Type Activity as defined by GASB Statement No. 35. A Business Type Activity is financed in whole or in part by fees charged to external parties for goods or services.

**Investments** in marketable securities are carried at fair value as established by the major securities markets. Investment income is recorded on the accrual basis. Realized and unrealized gains and losses are reported as nonoperating revenues (expenses).

The majority of alternative investments, such as limited partnerships, are carried at estimated fair value provided by the management of the alternative investment funds as of March 31, 2005 and 2004, as

adjusted by cash receipts, cash disbursements and securities distributions through June 30, 2005 and 2004. The University believes that the carrying amount of its alternative instruments is a reasonable estimate of fair value as of June 30, 2005 and 2004. Because alternative investments are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed. The amount of gain or loss associated with these investments is reflected in the accompanying financial statements using the equity method of accounting.

The University considers all highly liquid investments purchased with an original maturity of three months or fewer to be cash equivalents.

**Inventories** are held primarily by the bookstore and general stores and are stated at the lower of cost or net realizable market value. The retail basis for bookstores and the moving-average basis for all other inventories are used to determine inventory cost.

**Capital Assets**—Land, land improvements, infrastructure, buildings and equipment are recorded at cost at date of acquisition, or market value at date of donation. The University's capitalization threshold is \$100,000 for major capital projects and \$5,000 for all other capitalized items. Interest on related borrowing, net of interest earnings on invested proceeds, is capitalized during the period of construction. University and Foundation property and equipment are depreciated using the straight-line method over the estimated useful lives (from five to fifty years) of the respective assets. When plant assets are sold or disposed of, the carrying value of such assets and the associated depreciation are removed from the University's records.

The University does not capitalize works of art or historical treasures that are held for public exhibition, education or research in furtherance of public service. These collections are neither disposed of for financial gain nor encumbered in any way. In addition, the University requires the proceeds from the sale of collection items be used to acquire other collection items. Accordingly, such collections are not recognized or capitalized for financial statement purposes. All other works of art or historical treasures are capitalized at historical or fair value at date of donation.

**Gift Pledges**—The University receives pledges and bequests of financial support from corporations, foundations and individuals. Revenue is recognized when a pledge representing an unconditional promise to pay is received and all eligibility requirements, including time requirements, have been met. In the absence of such promise, revenue is recognized when the gift is received.

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows. The discounts on these amounts are computed using a discount rate commensurate with the risks involved. An allowance for uncollectible pledges receivable is provided based on management's judgment of potential uncollectible amounts. The determination includes such factors as prior collection history, type of gift and nature of fundraising.

**Deferred Revenue** includes amounts received in advance of an event.

**Endowment Spending Policy**—For donor restricted endowments, the Uniform Management of Institutional Funds Act permits the University to distribute an amount of realized and unrealized endowment appreciation as the Board of Trustees determines to be prudent. The University's policy is to accumulate the undistributed realized and unrealized appreciation within the endowment, which is discussed in Note 2.

**Student Tuition and Residence Fees** are presented net of scholarship and fellowship allowances of \$77,341,000 in 2005 and \$71,550,000 in 2004 and bad debt provisions of \$1,959,000 in 2005 and \$5,754,000 in 2004. Payments made directly to students are presented as scholarship and fellowship expenses.

**Auxiliary Enterprise Revenues** primarily represent revenues generated by bookstores, parking, the conference center, athletics, housing, and dining, net of bad debt provisions of \$1,445,000 in 2004. In 2005 these amounts were determined to be collectible and the revenue was recognized.

**Operating Activities**, as reported on the Statement of Revenues, Expenses, and Changes in Net Assets are those that generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Nearly all of the University's expenses are from exchange transactions. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB Statement 35, including state appropriations, gifts and investment income.

**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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates. The use of management's estimates relate most significantly to self-insurance reserves.

**Reclassifications**—Certain prior-year amounts have been reclassified to conform to current-year presentations.

## 2. Cash and Investments

**Summary**—The University maintains centralized management for substantially all of its cash and investments. With the exception of insurance reserves, charitable remainder trusts, and other trust funds the terms of which require separate management, the University invests its reserves and relatively short-duration assets in its Temporary Investment Pool, and invests substantially all of the assets of the University endowment in its Endowment Investment Pool.

Distributions are made from the University endowment to University entities that benefit from those funds. The endowment spending policy provides for an annual distribution of five percent of the twelve-quarter moving-average market value of endowment units.

**Authorizations**—The Temporary Investment Pool is invested principally in investment-grade money-market and fixed-income securities. Balances in the Temporary Investment Pool are primarily for operating expenses or for funding capital projects.

The University investment policies are governed and authorized by University rules. The approved asset allocation policy for the endowment investments sets a general target of 85 percent equities and 15 percent fixed-income securities within broader ranges set at the discretion of the Administrative Investment Committee.

Diversification is a fundamental risk-management strategy for the endowment portfolio. Accordingly, the portfolio includes investments in domestic and non-U.S. stocks, bonds and bond-like loans; real estate; and limited partnerships consisting of venture capital, private equity and real estate.

**Off-Balance-Sheet Risk**—The University's investment strategy incorporates certain financial instruments which involve, to varying degrees, elements of market risk and credit risk in excess of amounts recorded in the financial statements. Market risk is the potential for changes in the value of financial instruments due to market changes, including interest and foreign exchange rate movements and fluctuations embodied in forward, futures, and commodity or security prices. Market risk is directly impacted by the volatility and liquidity of the markets in which the related underlying assets are traded. Credit risk is the possibility that a loss may occur due to the failure of a counterparty to perform according to the terms of the contract. The University's risk of loss in the event of counterparty default is typically limited to the amounts recognized in the Statement of Net Assets and is not represented by the contract or notional amounts of the instruments.

**Cash and Cash Equivalents**—At June 30, 2005, the carrying amount of the University's cash and cash equivalents for all funds is \$72,821,000 as compared to bank balances of \$87,091,000. The difference between the carrying amount and the bank balances is caused primarily by deposits in transit and outstanding checks.

Of the University's bank balances, \$300,000 is covered by federal depository insurance; mutual funds hold cash equivalents of \$15,261,000; \$53,858,000 is in public funds collateralized pools; and the balance of \$17,672,000 is uncollateralized. The University does not have a policy for custodial credit risk.

**Investments**—The fair value of University investments at June 30 is (in thousands):

	<u>2005</u>	<u>2004</u>
U. S. government securities	\$ 87,693	\$126,762
Corporate notes and bonds	55,803	138,877
Corporate stocks	311,916	323,597
Mutual funds	345,649	323,069
Other securities	79,351	50,753
Real estate	<u>18,067</u>	<u>15,934</u>
Total investments	898,479	978,992
Less current investments	<u>43,586</u>	<u>104,006</u>
Non current investments	<u>\$854,893</u>	<u>\$874,986</u>

At June 30, 2005 and 2004, other securities included \$74,711,000 and \$45,774,000, respectively, of loans made to certain nonprofit entities for the purpose of developing residential and commercial facilities on the borders of the campus. Currently, these loans are secured primarily by mortgages on parcels of land purchased by these nonprofit entities. Some of these mortgages are subordinated to external financing arranged by these entities. These loans bear interest at 6%. The University expects repayment once the residential and commercial facilities have streams of rental income.

The University has recorded the investments in the table above in the following categories: \$95,117,000 of investments and \$803,362,000 of endowment investments. Also, included in endowment investments as reported on the Statement of Net Assets are \$224,488,000 invested predominately in equities held in donor-stipulated irrevocable trusts.

GASB Statement 40 requires government entities to categorize investments by interest rate risk, credit risk and custodial credit risk.

**Interest Rate Risk** – The University's investments total \$898,479,000. The segmented time distribution method is used to portray interest rate risk for \$252,911,000 of bond and other fixed income investments.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
US Treasury Obligations	\$ 21,499,000	\$ 3,027,000	\$10,441,000	\$ 3,059,000	\$ 4,972,000
US Government Agencies	60,522,000	19,429,000	28,884,000	2,861,000	9,348,000
US Treasury STRIPS	5,672,000	\$839,000	3,063,000	1,770,000	-
Corporate Bonds and Notes	55,803,000	34,352,000	16,554,000	4,897,000	-
Bond Mutual Funds	30,384,000	-	-	30,384,000	-
Local mortgage secured loans	75,251,000	-	\$540,000	-	74,711,000
Other	<u>3,780,000</u>	<u>367,000</u>	<u>1,468,000</u>	<u>1,652,000</u>	<u>293,000</u>
Total	<u>\$252,911,000</u>	<u>\$58,014,000</u>	<u>\$60,950,000</u>	<u>\$44,623,000</u>	<u>\$89,324,000</u>

The University's investment policy stipulates that the weighted average of investments in the Temporary Investment Pool shall be no longer than 5 years. The weighted average of fixed income maturities in the Endowment portfolio shall not exceed 20 years.

**Credit Risk** – The Temporary Investment Pool permits investments in securities rated A or higher at the time of purchase. Securities which are downgraded below an A rating after purchase are permitted to be retained. Endowment investment grade bonds are limited to those in the first four grades of any rating system. Below investment grade high yield bond investments and certain unrated investments having strategic value to the



University are permitted. In accordance with the University's investment policy, the University's \$252,911,000 of bond and other fixed income investments are rated by nationally recognized rating organizations as follows:

<u>Rating</u>	<u>Amount</u>
US Treasury Obligations	\$ 21,499,000
AAA	85,944,000
AA	12,679,000
A	31,979,000
BBB	16,755,000
BB	5,024,000
Not Rated	<u>79,031,000</u>
Total	<u>\$252,911,000</u>

**Custodial Credit Risk** – Of the University's \$898,479,000 of total investments, \$455,731,000 are uninsured, not registered in the name of the University, and are held by trust departments or agents in the University's name, and thus are not exposed to custodial credit risk. The University does not have a policy for custodial credit risk.

**University Investment Pools**—Of the University investments, approximately \$66,000,000 are separately invested by donor stipulation. The remaining funds are invested in one of three pools. The Temporary Investment Pool represents the investment of substantially all University cash not otherwise invested in the endowment.

The Endowment Investment Pool A is the principal investment pool for the University endowments that may be pooled legally or by donor concurrence. The University employs the share method of accounting for the Endowment Investment Pool A investments and for proportionate distribution of income to each fund that participates in the pool. At June 30, 2005, the Endowment Investment Pool A consisted of 7,257,000 shares. Effective July 1, 2002, substantially all endowments held in trust, by donor stipulation, by the University of Cincinnati Foundation were invested in the University's Endowment Investment Pool A. At June 30, 2005, such endowments own 1,446,000 pool shares with a market value of \$147,934,000, equating to approximately 20% of the Endowment Investment Pool A. The Endowment Investment Pool B comprises real estate holdings received by bequest.

The following tabulation summarizes the changes in relationships between cost and fair values of the Endowment Investment Pool A assets for the year (*in thousands*):

	<u>Net Cost</u>	<u>Fair Value</u>	<u>Net Gains/ (Losses)</u>	<u>Fair Value Gain/(Loss) Per Share</u>
End of year	\$660,952	\$742,360	\$ 81,408	\$102.30
Beginning of year	644,212	705,424	<u>61,212</u>	98.95
Unrealized net gain for year			20,196	
Realized net gain for year			<u>1,330</u>	
Total net gain for year			<u>\$ 21,526</u>	\$ 3.35

The University has adopted a spending rate policy which limits the distribution of endowment income earned in the investment pool to five percent of the moving-average market value for the twelve-quarter period ending each December. During 2005, income earned was approximately \$ 18,319,000 less than the amount allocated for spending. In accordance with the Ohio Uniform Management of Institutional Funds Act, the cumulative shortfall of \$110,536,000 as of June 30, 2005, is funded by capital appreciation of the investment pool.

Income allocated for spending during 2005 amounted to \$4.35 per share of the Endowment Investment Pool A. The average annual earnings per share, exclusive of capital appreciation, amounted to \$2.43.

### 3. Accounts, Pledges and Notes Receivable

Accounts, pledges and notes receivable as of June 30, are as follows (*in thousands*):

	<u>2005</u>	<u>2004</u>
Accounts receivable	\$40,522	\$36,057
Pledges receivable	18,331	17,828
Notes receivable	33,519	32,381
Accrued interest receivable	<u>9,070</u>	<u>7,766</u>
Total	101,442	94,032
Less current receivables	<u>56,296</u>	<u>49,079</u>
Noncurrent receivables	<u>\$45,146</u>	<u>\$44,953</u>

Allowances for uncollectible receivables have been provided in the amount of approximately \$8,923,000 and \$7,946,000 for accounts receivable, \$576,000 and \$185,000 for pledges receivable, and \$4,407,000 for notes receivable as of June 30, 2005 and 2004, respectively.

Pledges have been discounted at a rate of four percent to net present value, which approximates the fair value of the receivables as follows (*in thousands*):

	<u>2005</u>	<u>2004</u>
Less than one year	\$ 3,481	\$ 2,055
One to five years	8,441	7,047
More than five years	<u>6,985</u>	<u>8,911</u>
Subtotal	18,907	18,013
Less allowance for uncollectible pledges	<u>576</u>	<u>185</u>
Total	<u>\$18,331</u>	<u>\$17,828</u>

### 4. Capital Assets

Capital assets activity for the years ended June 30, 2005 and 2004, is summarized as follows (*in thousands*):

	Balance July 1, 2004	Additions	Retirements/ Transfers	Balance June 30, 2005
Land	\$ 19,976	\$1,329	\$ -	\$ 21,305
Land improvement	27,927	3,184	3,641	34,752
Buildings	1,276,318	22,222	15,348	1,313,888
Construction in progress	199,798	146,482	(50,655)	295,625
Infrastructure	76,801	868	730	78,399
Building equipment	15,167	-	-	15,167
Moveable equipment	129,577	16,739	(9,287)	137,029
Books	125,588	9,931	(1,801)	133,718
Art objects	<u>4,408</u>	<u>61</u>	<u>-</u>	<u>4,469</u>
	1,875,560	200,816	(42,024)	2,034,352
Less accumulated depreciation	<u>659,035</u>	<u>71,708</u>	<u>(26,563)</u>	<u>704,180</u>
Net assets	<u>\$ 1,216,525</u>	<u>\$129,108</u>	<u>\$(15,461)</u>	<u>\$1,330,172</u>

	Balance July 1, 2003	Additions	Retirements/ Transfers	Balance June 30, 2004
Land	\$ 17,962	\$ 2,014	\$ -	\$ 19,976
Land improvement	21,806	780	5,341	27,927
Buildings	1,077,708	53,413	145,197	1,276,318
Construction in progress	256,317	119,488	(176,007)	199,798
Infrastructure	54,839	4,861	17,101	76,801
Building equipment	15,029	138	-	15,167
Moveable equipment	124,479	13,764	(8,666)	129,577
Books	117,674	9,333	(1,419)	125,588
Art objects	4,579	-	(171)	4,408
	<u>1,690,393</u>	<u>203,791</u>	<u>(18,624)</u>	<u>1,875,560</u>
Less accumulated depreciation	<u>609,989</u>	<u>61,685</u>	<u>(12,639)</u>	<u>659,035</u>
Net assets	<u>\$1,080,404</u>	<u>\$142,106</u>	<u>\$ (5,985)</u>	<u>\$1,216,525</u>

## 5. Accounts Payable and Accrued Liabilities

Accounts payable and the current portion of accrued liabilities as of June 30, 2005 and 2004 are as follows (in thousands):

	2005	2004
Compensated absences	\$35,550	\$ 33,790
Compensation	56,299	53,921
Accrued liabilities	16,147	14,011
Vendors payable	<u>31,916</u>	<u>35,003</u>
Total	<u>\$139,912</u>	<u>\$136,725</u>

## 6. Compensated Absences

University employees earn vacation and sick leave on a monthly basis. Vacation benefits may be accrued up to a maximum of three years' credit, and earned but unused days are payable upon termination. Sick leave may be accrued without limit; however, earned but unused days are payable only upon retirement from the University, subject to 30- or 60-day limits depending upon the date of hire. The liability for the costs of such benefits approximated \$65,057,000 and \$62,223,000 as of June 30, 2005 and 2004, respectively.

**7. Bonds and Notes Payable**

Bonds and notes payable at June 30, comprise the following (*in thousands*):

<u>Bond Series – Fixed Rate Debt</u>	<u>Issue Date</u>	<u>Maturity Dates Through</u>	<u>Interest Rate</u>	<u>Outstanding Debt</u>	
				<u>2005</u>	<u>2004</u>
R-11,T,X,Y,AA,AG,AH,AI	1998	2018	3.70-5.50%	\$ 36,745	\$ 39,190
R-12	1998	2005	5.19-5.73%	-	1,670
U,V	1995	2005	3.90-5.60%	-	640
Z, AC	1997	2017	4.15-5.375%	4,995	11,845
AB	1997	2007	4.40-5.10%	225	21,335
AD	1997	2010	4.65-5.05%	2,665	14,870
AL,AM,AN	1998	2018	3.45-4.75%	5,250	5,575
AL-1,AO	1999	2019	4.20-5.75%	12,365	12,965
AQ,AT,AU,AV,AZ	2000	2020	4.60-5.75%	5,595	6,025
2001A	2001	2031	3.60-5.50%	151,575	184,625
2002A	2002	2022	2.25-4.875%	5,150	5,360
2002D	2002	2022	2.40-5.00%	4,275	4,570
2002F	2003	2024	2.50-5.375%	44,560	46,090
2002G	2003	2031	1.80-5.00%	15,510	17,565
2003C	2003	2026	3.00-5.00%	82,660	85,390
2004A	2004	2031	2.00-5.00%	64,620	64,620
2004D	2004	2026	2.00-5.00%	50,985	50,985
2004E	2005	2021	2.25-5.00%	23,740	-
2005A	2005	2020	3.10-5.00%	<u>69,410</u>	<u>-</u>
Total bonds payable – fixed rate debt				<u>580,325</u>	<u>573,320</u>
			<u>Weighted Average Interest Rate</u>		
<u>Bond Series – Variable Rate Debt</u>					
2004B – Auction Mode	2004	2031	1.66%	40,000	40,000
2004B – Weekly Mode	2004	2031	1.55%	<u>103,755</u>	<u>103,755</u>
Total bonds payable – variable rate debt				<u>143,755</u>	<u>143,755</u>
Total bonds payable				<u>\$ 724,080</u>	<u>\$ 717,075</u>

Note Series	Issue Date	Maturity Dates Through	Interest Rate	Outstanding Debt	
				2005	2004
General Receipts Bond Anticipation Notes:					
2004C	March 2004	March 2005	2.00%	\$ -	\$ 42,122
2005C	March 2005	March 2006	4.00%	23,980	-
Certificates of Participation—Center					
For Information Technology	1993	2013	2.40-5.50%	270	840
Ohio Board of Regents					
Notes Payable	1994	2006	0.00%	\$ 141	\$ 282
Capital Lease Obligations					
University Center	1996	2011	4.125-5.10%	18,530	73,120
Edwards Center	1998	2011	4.00-5.75%	13,910	15,525
Residence Halls	2000	2028	4.40-5.50%	41,540	42,490
University Center Refunding	2005	2024	3.50-5.00%	52,815	-
Loans Payable—Equipment	2003	2011	2.86-4.19%	2,182	1,534
Other		2006	1.40-8.00%	<u>5</u>	<u>16</u>
Total notes payable				<u>153,373</u>	<u>175,929</u>
Total bonds and notes payable				877,453	893,004
Plus discounts/premiums/loss on refunding				<u>1,804</u>	<u>1,592</u>
Total bonds and notes payable, net				<u>\$879,257</u>	<u>\$894,596</u>

#### A) Debt Issuances and Permanent Fundings

**General Receipt Bonds-Fixed Rate Debt**—During the year ended June 30, 2005, the University issued two general receipt fixed rate bonds totaling \$93,150,000 that bear interest at rates ranging from 2.25% to 5.00% and mature in years 2020 and 2021. The proceeds were used to refund portions of Series 2001A, AB, AD, and Z bonds, to finance a portion of the costs of the UC FLEX system, and to pay associated bond issue costs and capitalized interest.

The refunded Series 2001A bonds had been issued to finance a portion of the MainStreet project and several large utility projects and will be called June 2011; the refunded Series AB bonds had been issued to finance a portion of the Eden Avenue Garage, South Addition, the upgrade of the existing Eden Avenue Garage and pedestrian bridge and associated site work and will be called June 2007; the refunded Series AD bonds had been issued to finance a portion of the College Conservatory of Music Garage and will be called June 2007; the refunded Series Z bonds had been issued to finance the construction and installation of chillers and a thermal storage tank and will be called June 2007.

**General Receipt Bonds-Variable Rate Debt**—The University issued general receipt variable rate bonds, Series 2004B in 2004.

The initial interest rate for the Series 2004B – auction rate reset mode was .85%. Auction rate bonds call for the interest rate to be reset and paid every 35 days. Interest paid to date has been based on rates that have fluctuated from a low of .85% to a high of 2.85%. The maximum interest rate on the auction rate bonds is 12%. Series 2004B auction rate bonds do not have a permanent put feature. The University does not have an obligation to purchase any Series 2004B auction rate bonds that a holder wishes to sell on an auction date, or to purchase any Series 2004B auction rate bonds that a holder has tendered for purchase on a mandatory tender date in connection with a change in mode. Accordingly, the University has classified the total outstanding principal balance on its auction rate bonds as a long-term liability.

The initial interest rate for the Series 2004B – weekly reset mode bonds was .92%. The interest rate for the weekly mode bonds resets every week, with interest due the first business day of each calendar month.

Interest paid to date has been based on weekly rates that have fluctuated from a low of .87% to a high of 3.01%. The maximum interest rate on the weekly reset mode bonds is 12%. The University has entered into a standby bond purchase agreement with a liquidity provider for Series 2004B weekly reset mode bonds. Series 2004B weekly rate bondholders may tender any of these bonds for repurchase every seven days. Any bonds so tendered will be purchased either by the proceeds of the remarketing of such bonds or, if not successfully remarketed, by the liquidity provider. Accordingly, the University has classified the total outstanding principal balance on its weekly reset mode bonds as a long-term liability. As of June 30, 2005, there has not been a failed remarketing for the weekly reset mode variable rate bonds.

The University has the option to convert the variable rate bonds from one rate mode to another, as well as the option to redeem these bonds in whole or in part. The University's variable rate bonds mature at various dates, beginning in fiscal year 2007 through 2031. It is the University's intent to repay its variable rate bonds in accordance with the maturities set forth in the bond offering circulars.

**Bond Anticipation Notes**—During the year ended June 30, 2005, the University issued the following Bond Anticipation Notes: Series 2004F for \$7,460,000, issued to fund various new construction and renovation projects; Series 2005B for \$25,087,000, issued to refinance existing bond anticipation notes (a portion of Series 2004C and 2004F); and Series 2005C for \$23,980,000, issued to refinance existing bond anticipation notes (a portion of Series 2004C and 2004F). Series 2005B bond anticipation notes were retired on June 1, 2005. Series 2005C notes are outstanding and bear interest at a rate of 4.00%.

**Capital Lease Obligations**—During the year ended June 30, 2005, the University issued Series 2005 University Center Projects certificates of participation totaling \$52,815,000 that bear interest at rates ranging from 3.5% to 5.00% and mature in years 2012 through 2024. The proceeds were used to refund a portion of the University Center certificates of participation and to pay associated issue costs.

**Loans Payable for Equipment**—During the year ended June 30, 2005, the University borrowed \$1,044,000, at an interest rate of 4.19%, for the purchase of medical equipment. All of the outstanding notes bear interest rates between 2.86% and 4.19%.

## **B) Defeasance**

**General Receipts Bonds**—Series 2005A general receipt bonds were issued March 16, 2005 in the amount of \$69,410,000. A portion of the Series 2005A bonds, \$30,565,000 was for the purpose of advance refunding \$29,245,000 of the outstanding Series 2001A general receipts bonds, stated to mature on June 1, 2015 through June 1, 2019. Another \$6,145,000 of the Series 2005A bonds was for the purpose of advance refunding \$6,185,000 of the outstanding Series Z general receipts bonds, stated to mature on June 1, 2011 through June 1, 2017. Another \$20,845,000 of the Series 2005A bonds was for the purpose of advance refunding \$21,055,000 of the outstanding Series AB general receipts bonds, stated to mature on June 1, 2008 through June 1, 2020. Finally, \$11,855,000 of the Series 2005A bonds was for the purpose of advance refunding \$12,055,000 of the outstanding Series AD general receipts bonds, stated to mature on June 1, 2011 through June 1, 2020. The purpose of the refunding was to reduce future debt service payments. Net proceeds of \$73,993,000 were used to purchase United States government securities that were placed in irrevocable trust with an escrow agent to provide for all future debt service payments on the advance refunded Series 2001A, Z, AB and AD general receipts bonds. The economic gain (difference between the present value of the old and new debt service payments) to the University will be \$3,927,000. As a result of the refunding, \$6,891,000 has been recorded as Deferred Loss on Refunding and will be amortized from 2005 through 2020. The deferred loss on refunding reflects the difference between the refunding reacquisition price for the respective portion of Series 2005A and the net carrying amount of the outstanding principal balances of the refunded debt issues.

**Capital Lease Obligations**—Series 2005 University Center Projects certificates of participation were issued March 23, 2005 in the amount of \$52,815,000. The Series 2005 certificates of participation were for the purpose of advance refunding \$52,860,000 of the outstanding University Center certificates of participation, stated to mature on June 1, 2012 through June 1, 2024. The purpose of the refunding was to reduce future debt service payments. Net proceeds of \$55,862,000 were used to purchase United States government securities that were placed in irrevocable trust with an escrow agent to provide for all future debt service payments on the advance refunded University Center certificates of participation. The economic gain (difference between the present value of the old and new debt service payments) to the University will be \$2,423,000. As a result of the refunding, \$4,336,000 has been recorded as Deferred Loss on Refunding and will be amortized from 2005 through 2024. The deferred loss on refunding reflects the difference between

the refunding reacquisition price for the Series 2005 certificates of participation and the net carrying amount of the outstanding principal balance of the refunded debt issue.

### C) Collateralization and Debt Reserves

The general receipts bonds and general receipts bond anticipation notes are collateralized by a pledge of general receipts of the University. The certificates of participation are collateralized by the capital assets purchased under the respective financing agreements and by certain insurance covering repayment of the proceeds. Loans Payable is collateralized by specified equipment.

At June 30, 2005, the required debt service reserve amounted to \$12,418,000. As provided for in the Amended and Restated Trust Agreement, this reserve is solely for the payment of debt service charges on the pre-amended bonds, with the exception that excess amounts may be transferred pursuant to Section 4.03 of the Amended and Restated Trust Agreement.

### D) Debt Service Commitments

For bonds and notes payable at June 30, 2005, scheduled annual debt service payments subsequent to June 30, 2005, are as follows (*in thousands*):

Fiscal			
Year	Principal	Interest	Total
2006	\$ 44,641	\$ 32,048	\$ 76,689
2007	26,915	30,195	57,110
2008	32,455	29,072	61,527
2009	27,305	27,849	55,154
2010	27,575	26,749	54,324
2011-2015	150,330	115,337	265,667
2016-2020	173,120	78,993	252,113
2021-2025	142,070	42,758	184,828
2026-2030	106,235	15,114	121,349
2031	<u>17,825</u>	<u>652</u>	<u>18,477</u>
Total	<u>\$748,471</u>	<u>\$398,767</u>	<u>\$1,147,238</u>

The University has \$143.8 million of variable rate bonds. \$103.8 million of this variable rate debt bears interest that is reset weekly based on the market with a maximum rate of 12% per year. \$40 million of the variable rate debt bears interest that is reset every 35 days based on an auction rate, subject to a maximum of 12% per year. The interest rate used to determine future interest payments in the debt service repayment table above is the year-end rate of 2.28% for the variable weekly rate and 2.50% for the variable 35-day rate. The bonds were issued in February 2004 and, since the date of issuance; the variable weekly rate has ranged from .87% to 3.010% and the variable 35-day rate has ranged from .85% to 2.85%.

Scheduled principal and interest payments on capital lease obligations and loans payable subsequent to June 30, 2005, are (*in thousands*):

Fiscal			
Year	Principal	Interest	Total
2006	\$ 5,325	\$ 6,438	\$ 11,763
2007	5,911	6,222	12,133
2008	6,125	5,941	12,066
2009	7,463	5,633	13,096
2010	7,385	5,255	12,640
2011-2015	31,513	21,185	52,698
2016-2020	28,505	13,508	42,013
2021-2025	28,260	6,154	34,414
2026-2028	<u>8,495</u>	<u>885</u>	<u>9,380</u>

Total	<u>\$128,982</u>	<u>\$71,221</u>	<u>\$200,203</u>
-------	------------------	-----------------	------------------

**E) Defeased Debt**

Debt defeased by the University for which amounts remain outstanding at June 30, 2005, are (in thousands):

Bond Series	Maturity Dates	Interest Rate(s)	Amount Outstanding
Residence Hall and Dining Facility Bonds:			
Series D and H	1970-2007	5.50%	\$ 2,070
Series F	1972-2009	5.00-6.00%	2,400
General Receipts Bonds:			
Series W	2011-2016	5.65-5.85%	8,090
Series Z	2011-2017	5.00-5.375%	6,185
Series AB	2008-2020	5.20-5.45%	21,055
Series AD	2011-2020	5.00-5.15%	12,055
Series 2001A	2015-2019	5.75%	29,245
Capital Lease Obligations:			
1996 UCP COPS	2012-2024	5.125-5.45%	<u>52,860</u>
Total			<u>\$133,960</u>

Neither the outstanding indebtedness nor the related trust accounts are reflected in the accompanying financial statements for the fully defeased bonds listed above. United States Treasury obligations in an amount sufficient to pay principal and interest on the defeased obligations, when due, have been deposited with a trustee in accordance with the defeasance of the debt.

**F) Other**

Subsequent to June 30, 2005, the University has issued \$20.4 million in Series 2005D bonds to refund \$20.3 million in existing debt. As a result of the refunding, the University will realize a net economic gain of \$9 million over 14 years.

Interest expense incurred on indebtedness for the years ended June 30, 2005 and 2004, is \$25,115,000 and \$22,780,000 respectively. In 2005, interest expense on construction-related debt of \$11,558,000, net of \$3,357,000 interest earned on invested funds, was capitalized. In 2004, interest expense on construction-related debt of \$14,055,000, net of \$2,641,000 interest earned on invested funds, was capitalized.

**G) Long-Term Liability**

Long-term liabilities as of June 30, 2005 and 2004, are as follows (in thousands):

	Year Ended June 30, 2005					
	Balance July 1, 2004	Additions	Reductions	Balance June 30, 2005	Current Portion	Noncurrent Portion
Bonds, notes and capital leases:						
Bonds and notes payable	\$759,479	\$149,674	\$ 160,952	\$748,201	\$44,611	\$703,590
Certificates of participation	840	-	570	270	30	240
Loans payable-equipment	1,534	1,044	396	2,182	666	1,516
Capital lease obligations	131,151	52,816	57,167	126,800	4,659	122,141
Issue costs, premiums and discounts	<u>1,592</u>	<u>212</u>	<u>-</u>	<u>1,804</u>	<u>340</u>	<u>1,464</u>
Total bonds, notes and capital leases	<u>894,596</u>	<u>203,746</u>	<u>219,085</u>	<u>879,257</u>	<u>50,306</u>	<u>828,951</u>
Other long-term liabilities:						
Compensated absences	62,223	2,928	94	65,057	35,550	29,507
Refundable advances, federal loans	25,126	824	55	25,895	-	25,895
Other Liability	-	2,226	-	2,226	411	1,815
Deposits held in trust for others	<u>5,672</u>	<u>79,080</u>	<u>79,984</u>	<u>4,768</u>	<u>-</u>	<u>4,768</u>
Total other long-term liabilities	<u>93,021</u>	<u>85,058</u>	<u>80,133</u>	<u>97,946</u>	<u>35,961</u>	<u>61,985</u>
Total	<u>\$987,617</u>	<u>\$288,804</u>	<u>\$299,218</u>	<u>\$977,203</u>	<u>\$ 86,267</u>	<u>\$ 890,936</u>



	Year Ended June 30, 2004					
	Balance July 1, 2003	Additions	Reductions	Balance June 30, 2004	Current Portion	Noncurrent Portion
Bonds, notes and capital leases:						
Bonds and notes payable	\$511,662	\$301,482	\$ 53,665	\$759,479	\$59,868	\$699,611
Certificates of participation	930	-	90	840	90	750
Loans payable-equipment	1,720	157	343	1,534	396	1,138
Capital lease obligations	135,262	-	4,111	131,151	4,306	126,845
Issue costs, premiums and discounts	<u>(1,886)</u>	<u>3,478</u>	<u>-</u>	<u>1,592</u>	<u>519</u>	<u>1,073</u>
Total bonds, notes and capital leases	<u>647,688</u>	<u>305,117</u>	<u>58,209</u>	<u>894,596</u>	<u>65,179</u>	<u>829,417</u>
Other long-term liabilities:						
Compensated absences	58,233	4,161	171	62,223	33,790	28,433
Refundable advances, federal loans	24,328	894	96	25,126	-	25,126
Deposits held in trust for others	<u>6,299</u>	<u>89,884</u>	<u>90,511</u>	<u>5,672</u>	<u>-</u>	<u>5,672</u>
Total other long-term liabilities	<u>88,860</u>	<u>94,939</u>	<u>90,778</u>	<u>93,021</u>	<u>33,790</u>	<u>59,231</u>
Total	<u>\$736,548</u>	<u>\$400,056</u>	<u>\$ 148,987</u>	<u>\$987,617</u>	<u>\$98,969</u>	<u>\$888,648</u>

## 8. State Support

The University is a state-assisted institution of higher education and receives from the State of Ohio a state share of instruction that is student-enrollment based. This subsidy is determined annually by the Ohio Board of Regents. The State also provides line-item appropriations that support, in part, the current operations of various activities including clinical teaching expenditures.

In addition to the operating subsidies, the State of Ohio provides funding for and constructs major plant facilities on the University's campuses. The state passes a capital-appropriations bill biannually for both major capital projects and basic renovation projects of which the University receives a share. Such facilities are reported as capital assets on the Statement of Net Assets.

## 9. Retirement Plans and Other Post Employment Benefits

### A) Public Employee Retirement Plans

Retirement benefits are available for substantially all employees under one of several contributory retirement plans. Prior to July 1, 1977, when the University became a state institution, employees were covered by either the City of Cincinnati Retirement System (CRS) or the Teachers' Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF). Certified teachers appointed on or after July 1, 1977, are covered by the State Teachers' Retirement System (STRS). Non-certified employees appointed on or after that date are covered by the Public Employees Retirement System (PERS). Both STRS and PERS are statewide systems.

The PERS, STRS and CRS plans are cost-sharing, multiple-employer, defined-benefit, public-employee retirement systems. Each provides retirement, disability and death benefits to plan members and beneficiaries. These plans also provide health-care benefits to vested retirees. Benefits provided under the plans are established by State statute or the Cincinnati Municipal Code.

All three plans issue separate, publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by contacting each system as follows: Public Employee Retirement System of Ohio, 277 East Town Street, Columbus, Ohio 43215, Telephone (614) 466-2085; State Teachers Retirement System of Ohio, 275 East Broad Street, Columbus, Ohio 43215, Telephone (614) 227-4090; and City of Cincinnati Retirement System, 801 Plum Street, Cincinnati, Ohio 45202, Telephone (513) 352-3227.

The Ohio Revised Code and the Cincinnati Municipal Code provide PERS, STRS and CRS statutory authority, respectively, over employer and employee contributions. The required, actuarially determined

contribution rates for the University and for employees are 13.31% (4% relating to health-care benefits) and 8.5% of covered payroll, respectively, for PERS; 14% (1% relating to health-care benefits) and 10%, respectively, for STRS; and 11% and 7%, respectively, for CRS for the year ended June 30, 2005. The University's contributions, representing 100% of employer contributions for the year ended June 30, 2005, and for each of the two preceding years are as follows (*in thousands*):

<u>Fiscal Year</u>	<u>PERS</u>	<u>STRS</u>	<u>CRS</u>
2003	\$15,686	\$13,981	\$330
2004	16,769	14,686	408
2005	18,217	15,404	417

PERS and STRS provide postretirement and postemployment health-care benefits in addition to the retirement benefits described above. PERS Other Post Employment Benefits (OPEB) is advance funded on an actuarially determined basis. The assumptions and calculation below were based on the system's latest actuarial review performed as of December 31, 2003. An entry-age normal actuarial-cost method of valuation is used in determining the present value. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The actuaries' assumptions were as follows: investment return, 8%; annual wage increase (compounded annually), 4%; and health care costs, 4%. At December 31, 2003, the actuarial value of the Retirement System's net assets available for OPEB was \$10,500,000,000. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$26,900,000,000 and \$16,400,000,000, respectively. There are 369,885 active contributing participants. Of the \$18,217,000 of University employer contributions to PERS for 2005, \$5,474,000 was to fund OPEB.

STRS has discretionary authority, pursuant to the Ohio Revised Code, over how much, if any, of the health-care costs will be absorbed by STRS. All benefit recipients are required to pay a portion of the health-care cost in the form of a monthly premium. The balance in the Health Care Reserve Fund was \$3.1 billion at June 30, 2004 (the latest information available). For the year ended June 30, 2003, the net health-care costs paid by STRS were \$268,739,000. There were 111,853 eligible benefit recipients.

In addition to the pension benefits described above, the University provides postretirement health-care and dental benefits (under its labor agreement with the American Association of University Professors) to all retirees who are participants of TIAA-CREF when they retire. During 2005, 2004, and 2003 the net cost of these benefits recorded on a pay-as-you-go basis totaled approximately \$2,972,000, \$2,906,000, and \$2,706,000 respectively.

#### **B) Ohio Alternative Retirement Plan**

On June 23, 1998, pursuant to Ohio House Bill 586, the University created an Ohio Alternative Retirement Plan (ARP), which is designed to aid the University in recruiting and retaining employees by offering a portable retirement option. The ARP is a defined-contribution plan that provides full and immediate vesting of all contributions made on behalf of the participants. Contributions are directed to one of eight investment management companies, which allows the participant to manage the investment of all retirement funds. New employees who qualify for the ARP have 90 days from the date of hire to elect the ARP option. Once this window has passed, the employee does not have the option to elect into the ARP.

At June 30, 2005, there were 1,710 members of the plan. During 2005, 2004, and 2003 the employer contributions were \$10,349,000, \$9,194,000, and \$7,677,000 respectively. During 2005 and 2004, the employer contribution rate for participants electing out of PERS was 12%, and 10.5% for employees electing out of STRS.

### **10. Restricted Net Assets**

Restricted net assets are either nonexpendable or expendable. Nonexpendable restricted net assets consist primarily of endowments whose corpus is held in perpetuity. Only the income earned on the invested

principal is used for the purpose specified by the donor. The principal of expendable restricted net assets may be used for the donor-specified purpose. Restricted nonexpendable and expendable net assets are held for the following purposes (*in thousands*):

	<u>2005</u>	<u>2004</u>
Restricted nonexpendable:		
Instruction	\$135,783	\$135,475
Research	77,025	77,477
Academic support	46,089	53,094
College/programs	288,569	259,381
Scholarships	114,946	105,424
Equity interest in Alliance	257,050	223,355
Other	<u>78,069</u>	<u>78,052</u>
Total	<u>\$997,531</u>	<u>\$932,258</u>
Restricted expendable:		
Instruction	\$ 29,085	\$ 28,481
Research	106,316	99,999
Academic support	28,539	29,779
College/programs	124,314	122,511
Scholarships	34,916	34,297
Student loans	9,119	8,933
Grants and contracts	9,131	17,277
Capital projects	50,987	9,174
Other	<u>7,775</u>	<u>6,295</u>
Total	<u>\$400,182</u>	<u>\$356,745</u>

## 11. Unrestricted Net Assets

Unrestricted net assets, as defined by GASB Statement 35, are not subject to externally imposed stipulations; however, they are subject to internal restrictions imposed by action of management or the Board of Trustees, or may otherwise be limited by contractual agreements with outside parties.

## 12. Equity Interest in Alliance

Effective January 1, 1995, the University, acting on its own behalf and on behalf of University Hospital (the Hospital), entered into a Joint Operating Agreement (the Agreement) with The Christ Hospital, St. Luke Hospital, Inc. and The Health Alliance of Greater Cincinnati (the Alliance) for the purpose of forming an alliance of hospitals, physicians and other health-care providers in an integrated health-care delivery system. Jewish Health Systems, Inc. (Jewish Hospital) and Fort Hamilton Hospital Holding Company LLC (Fort Hamilton Hospital) also executed the Agreement effective January 1, 1996, and July 1, 1998, respectively. Under the terms of the Agreement, the Hospital, The Christ Hospital, Fort Hamilton Hospital, Jewish Hospital and St. Luke Hospital (collectively referred to as the Participating Entities) are managed by Alliance management, and their operating results are combined and allocated to the Participating Entities based on their calculated equity interests in the Alliance. The University's equity interest in the Alliance of 29.09% is based on the Hospital's pro rata portion of the Participating Entities' net assets. The University has recognized its equity interest in the Alliance of \$257,050,000 and \$223,355,000 for the years ended June 30, 2005 and 2004, respectively, in Other Long-term Investments and Restricted Nonexpendable Net Assets. Separate financial information regarding the Alliance may be obtained by contacting the Alliance at the Health Alliance of Greater Cincinnati, 3200 Burnet Avenue, Cincinnati, Ohio 45229.

Hospital revenues and expenditures are recorded by the Alliance. The University has reported its pro rata share (\$33,695,000 and \$54,465,000 for the years ended June 30, 2005 and 2004, respectively) of the Alliance's net gain as part of the change in the fair value of investments.

The University provides various shared services, consisting mainly of security and various administrative services, to the Health Alliance for which the University is reimbursed on a cost basis. The total cost of these

services for the years ended June 30, 2005 and 2004, were approximately \$4,033,000 and \$3,671,000, respectively.

Also pursuant to the Agreement, the Hospital transferred to the University, as trustee, \$60 million of its unrestricted reserves into a separate quasi-endowment for the account of the Alliance to support academic programs of the University's College of Medicine. This amount was not considered in the calculation of the University's equity interest in the Alliance. The current market value of this fund was \$79,672,000 and \$78,292,000 as of June 30, 2005 and 2004, respectively.

### 13. Capital Project Commitments

At June 30, 2005, the University is committed to future capital expenditures as follows (*in thousands*):

Contractual commitments	\$181,811
Estimated completion costs of projects	<u>84,426</u>
Total	<u>\$266,237</u>

These projects are being funded through various resources, including the State of Ohio, as follows (*in thousands*):

Approved state appropriations requested and released as of June 30, 2005	\$ 13,420
Approved state appropriations not yet requested	9,214
Gifts and Pledges	17,857
University funded prior to June 30, 2005	95,379
Funds to be provided subsequent to June 30, 2005, from various available sources	<u>130,367</u>
Total	<u>\$ 266,237</u>

The \$130,367,000 of funding to be provided subsequent to June 30, 2005 will come from state funds, debt, gifts and University funds.

### 14. Self-Insurance Funds

The University currently provides for medical professional and general liability insurance through a combination of actuarially funded self-insurance and purchased commercial insurance in excess of the self-insurance amount. The medical professional liability insurance program also includes several qualified not-for-profit departmental (physician) practice corporations. Medical professional self-insurance limits were \$4 million per occurrence for 2005. An additional \$15 million in commercial excess professional liability insurance was provided above the self-insured retention. General liability coverage was provided as part of a group purchase arrangement of Ohio state universities through the Inter-University Council of Ohio (IUC). This program provided for a \$250,000 retention per occurrence with the first \$100,000 funded by the University, and the remaining \$150,000 funded by pool funds held through the IUC. Excess commercial coverage for general liability was provided with total limits of \$50 million, of which \$45 million was shared with the other participating four-year universities in the state of Ohio. In addition, educators' legal liability coverage was provided through the IUC program with \$25 million in total limits, of which \$20 million was shared among the participating institutions.

The University's self-insurance funding is based on calculations by independent actuaries and funds are deposited directly into two irrevocable self-insurance trust funds, one for medical professional liability and one for general liability. In the opinion of management, trust assets totaling approximately \$18,440,000 are adequate to cover IUC estimated liabilities resulting from known claims and incidents and incurred-but-not-reported incidents as of June 30, 2005. The University has reported self-insurance trust assets of \$3,584,000 in other assets and liabilities, representing its interest in the two trust funds. IUC self-insurance pools are funded by an agreed formula among the participating four-year universities in the state of Ohio.

The University is also self-insured for a portion of medical and dental benefits provided to employees. The cost of such self-insured benefits provided during 2005 and 2004, respectively, was approximately \$17,450,000 and \$17,101,000, including \$1,345,000 and \$1,571,000 accrued for estimated claims incurred but not reported.

## 15. Contingencies

The University is currently a defendant in various legal actions including the privatization of University Hospital and the construction of an on-campus conference center. Although the final outcome of such actions cannot currently be determined, the University's administration is of the opinion that the eventual liability, if any, will not have a material effect on the financial position or operations of the University.

## 16. University of Cincinnati Foundation

The University of Cincinnati Foundation is a legally separate, tax-exempt component unit of the University. The principal function of the Foundation is to solicit, reserve, hold, invest and administer funds and to make distributions to or for the benefit of the University. Since these resources held by the Foundation can be used only by or for the benefit of the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements.

Accounts of the Foundation have been consolidated in the accompanying financial statements in accordance with generally accepted accounting principles for state-assisted colleges and universities which differ somewhat from generally accepted accounting principals for not-for-profit organizations. Pledges receivable for the benefit of the University totaling \$16,742,000 in 2005 and \$16,948,000 in 2004, and funds held in trust by the Foundation for the University of \$169,177,000 in 2005 and \$150,037,000 in 2004, have been recorded by the University and have, therefore, been eliminated from the amounts reported for the Foundation as of June 30, 2005 and 2004. Of these amounts, \$148,815,000 and \$129,100,000 has been invested as of June 30, 2005 and 2004 respectively in the University endowment pool investment pool.

### A) Cash & Cash Equivalents

The carrying amount of the Foundation's cash and cash equivalents is \$7,625,000 as compared to bank balances of \$7,768,000. The difference between the carrying amounts and the bank balances is caused primarily by deposits in transit and outstanding checks.

Of the Foundation's bank balances, \$435,000 is covered by federal depository insurance, \$2,522,000 is uninsured and mutual funds hold \$4,811,000 in cash equivalents.

### B) Investments

The fair value of investments at June 30 are *(in thousands)*:

	<u>2005</u>	<u>2004</u>
U. S. government securities	\$ 3,520	\$ 2,440
Corporate notes and bonds	4,424	5,025
Corporate stocks	1,120	1,121
Mutual funds	15,683	15,764
Other securities	1,360	1,126
Real estate	<u>832</u>	<u>286</u>
Total investments	<u>\$26,939</u>	<u>\$25,762</u>

GASB Statement 40 requires government entities to categorize investments of interest rate risk, credit risk, and custodial risk.

#### Interest Rate Risk

The Foundation's investments total \$26,939,000. The segmented time distribution method is used to portray interest rate risk for \$21,533,000 of bond and other fixed income investments.

Investment Type	Investment Maturities (In Years)				
	Fair Value	Less than 1	1 – 5	6 – 10	More than 10
U.S. Treasury Obligations	\$ 1,830,000	\$ 1,108,000	\$ 444,000	\$ -	\$ 278,000
U.S. Government Agency Obligations	4,629,000	266,000	3,784,000	173,000	406,000
Corporate Bonds	7,048,000	1,657,000	4,757,000	555,000	79,000
Bond Mutual Funds	7,890,000	-	1,116,000	6,599,000	175,000
Other	<u>136,000</u>	<u>-</u>	<u>11,000</u>	<u>125,000</u>	<u>-</u>
Total Investments	<u>\$21,533,000</u>	<u>\$ 3,031,000</u>	<u>\$10,112,000</u>	<u>\$ 7,452,000</u>	<u>\$ 938,000</u>

The Foundation does not have a policy for interest rate risk

#### Credit Risk

U.S. Government Obligations	\$ 1,830,000
AAA	10,252,000
AA	2,396,000
A	4,080,000
BBB	452,000
Not Rated	<u>2,523,000</u>
Total	<u>\$21,533,000</u>

Foundation investment grade bonds are limited to those in the first four grades of any rating system. The average rating of the portfolio of investment grade bonds must be in the top two grades of any rating system. Limited investments having strategic value to the University are permitted.

#### Custodial Credit Risk

Of the Foundation's \$26,939,000 total investments, approximately \$21,051,000 are uninsured, not registered in the name of the Foundation, and are held in trust departments or assets in the Foundation's name and are thus not exposed to custodial credit risk. The Foundation does not have a policy for custodial credit risk.

#### C) Endowment Investments

These funds represent separately invested endowments and split interest trusts where the Foundation is the remainderman.

#### D) Pledges Receivable

Contributors to the Foundation have made unconditional pledges totaling \$70,026,000 and \$52,427,000 as of June 30, 2005 and 2004, respectively. These pledges receivable have been discounted at a rate of six percent to a net present value of \$46,991,000 and \$41,482,000 as of June 30, 2005 and 2004, respectively, which represents fair market value. As of June 30, these pledges are due as follows (*in thousands*):

	<u>2005</u>	<u>2004</u>
Less than one year	\$25,959	\$23,550
One to five years	8,370	11,435
More than five years	<u>12,662</u>	<u>6,497</u>
Subtotal	46,991	41,482
Less allowance for uncollectibles pledges	<u>2,143</u>	<u>1,726</u>
Total	<u>\$44,848</u>	<u>\$39,756</u>

---

Separate financial information regarding the Foundation may be obtained by contacting the Foundation at University of Cincinnati Foundation, University Hall, Suite 100, 51 Goodman Drive, Cincinnati, Ohio 45221-0064.

**17. Unconsolidated Related Organization**

The University's Board of Trustees and the Board of County Commissioners of Hamilton County, Ohio, constitute the membership of Drake Center, Inc. (the Center), a nonprofit corporation created to operate a rehabilitation hospital and a skilled nursing facility. The Center is governed by a Board of Trustees, the majority of whom are appointed by the University Board of Trustees. Also, certain University officers/employees serve on the Center's Board and in Center officer/employee positions under contractual arrangements.

However, the Center is not financially accountable to the University. The Center's assets and liabilities totaling approximately \$125,980,000 and \$34,101,000, respectively, as of June 30, 2004 (the latest information available), and operating revenues, expenses and nonoperating gains totaling approximately \$80,837,000, \$88,762,000 and \$4,208,000, respectively, for the year ended June 30, 2004, are not included in the University's accompanying financial statements.

**18. New Accounting Standards**

Governmental Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting of Employers for Postemployment Benefits Other than Pensions* was issued in June 2004 and requires systematic measurement and recognition of other postemployment benefit expense and improved disclosure of accrued liabilities associated with such expenses. The provisions of this Statement are effective for fiscal periods beginning after December 15, 2006.

GASB Statement Number 46, *Net Assets Restricted by Enabling Legislation*, was issued in December 2004 and clarifies Statement 34 regarding the evaluation of the legal enforceability of legislation upon a government. The provisions of the Statement are effective for fiscal periods beginning after June 15, 2005.

GASB Statement Number 47, *Accounting for Termination Benefits*, was issued in June 2005 and establishes accounting standards for termination benefits. The provisions of the Statement are effective for fiscal periods beginning after June 15, 2005.

Although not yet required to implement the aforementioned statements for the fiscal year ended June 30, 2005, the University does not think that there will be a material affect on its financial statements when implementation does occur.

# *University of Cincinnati*

*Independent Accountants' Report on  
Agreed-Upon Procedures Performed  
on the Intercollegiate Athletic Department  
for the Year Ended June 30, 2005*



## **INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

To Dr. Nancy L. Zimpher, President  
University of Cincinnati  
Cincinnati, Ohio

We have performed the procedures enumerated below, which were agreed to by the University of Cincinnati ("University") with respect to the accounting records and system of internal accounting control as they relate to the University's Intercollegiate Athletics Programs for the year ended June 30, 2005, solely to assist you in evaluating whether the University is in compliance with National Collegiate Athletic Association ("NCAA") Bylaw 6.2.3.1 for the year ended June 30, 2005. The University's management is responsible for compliance with those requirements. This engagement to apply agreed-upon procedures was performed 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 this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose which this report has been requested or for any other purpose. Our procedures and findings are as follows:

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

- a. We obtained the Statement of Revenues and Expenditures of the Intercollegiate Athletics Department (the "Statement") for the year ended June 30, 2005, as prepared by management and shown on pages 6-7. We recalculated the arithmetic accuracy of the amounts in the Statement and noted no exceptions.
- b. We obtained a reconciliation of the amount of operating revenues and expenses on the Statement compared to the amounts on the University's general ledger. We agreed amounts on the reconciliation to the University's general ledger and found them to be in agreement.
- c. We compared revenue and expenditure line-items in the Statement with prior year amounts and with budgeted amounts, and made inquiries about fluctuations greater than \$100,000 and 20% of the balance. The Department of Athletics provided explanations for the fluctuations.
- d. We compared the season and gate sold ticket information from the Paciolan system to the general ledger for football and basketball ticket revenue. We noted a .28% difference in the amount of \$10,948 with the Paciolan system lower than the general ledger.
- e. We compared each operating revenue and expense category reported in the Statement to supporting schedules provided by management of the University and noted no differences.
- f. We randomly selected five settlement reports for away games guaranteed contests and agreed each selection to the Statement and noted no differences.

- g. We compared revenues recorded for NCAA tournaments to the stipulations in the agreements and other supporting documentation and noted no differences.
- h. We compared all broadcast, television, radio and Internet rights to the stipulations in the agreements and other supporting documentation and noted no differences.
- i. We randomly selected five revenue amounts from other categories not tested in f, g, or h and traced to supporting documentation and noted no differences.
- j. We compared revenues recorded for royalties, advertisements and sponsorships to the stipulations in the agreements and supporting documentation and noted no differences.
- k. We obtained an understanding of the University's methodology for allocating student fees to the intercollegiate athletics department. We compared the allocation to an expectation of student fees reported by the University multiplied by the percentage allocated to the athletics department and noted no differences.
- l. We randomly selected five amounts recorded as direct or indirect support from the University to the athletics department and agreed to supporting documentation and noted no differences.
- m. We randomly selected five endowment agreements maintained by the University and compared classification and use of income to uses of income as defined within the endowment agreement and noted no differences.
- n. We randomly selected ten athletic students from a supporting schedule of tuition and fees and compared the total aid allocated from the award letter to the student's account and noted no differences.
- o. We randomly selected five guarantee agreements pertaining to expenses and compared the amounts from the agreements to the Statement and noted no differences.
- p. We randomly selected five coaches' contracts from the population of football, men's and women's basketball coaches and compared the financial terms to the related recorded salaries' expense, including bonus if applicable, in the Statement and noted no differences.
- q. We randomly selected five support staff/administrative personnel employed by the University and compared W-2s to the related expense in the Statement and noted no differences.
- r. We randomly selected two severance payments made during the year and agreed to the supporting documentation and noted no differences.
- s. We randomly selected twenty five other expense amounts not tested in o, p, q, & r and agreed to supporting documentation and noted no differences.
- t. We inspected the summary of all gifts recorded report detailing all contributions received for intercollegiate athletics. We noted no contributions received directly by the University that constituted more than 10% of all contributions.
- u. We obtained a narrative of the University's recruiting expense policies and compared those policies to NCAA-related policies and noted no differences.

- v. We obtained a narrative of the University's team travel policies and compared those policies to NCAA-related policies and noted no differences.

### **Agreed Upon Procedures Related to the University of Cincinnati Foundation**

- w. We obtained the list of expendable University Athletic funds held by the Foundation and related financial activities for the year ended June 30, 2005, which is included on pages 8-9 of this report.
- x. We were informed by the associate athletic director that the information referred to in (w) above is a complete list of programs outside the University's financial reporting system that conducted financial transactions for or on behalf of the University's intercollegiate athletic programs during the year ended June 30, 2005.
- y. We confirmed directly with the Foundation that the data contained in (w) above represents a complete and accurate summary of all business transacted for or on behalf of the University's intercollegiate athletic programs during the year ended June 30, 2005.

- z. In addition to the expendable University athletic funds held by the Foundation, as identified in (w) above, the Foundation also holds endowment and restricted funds. The cost and market of these funds at June 30, 2005 provided by Foundation management are as follows:

<b>Endowment and Restricted Funds</b>	<b>Cost</b>	<b>Market</b>
IAE Fund	\$ 158,051	\$ 246,560
Pete Rose Scholarship	17,851	34,259
Seiffert-Bennington	5,375	12,593
Charles H. Keating, Jr.	68,612	132,424
George and Helen Smith	75,593	128,204
Harold R. Coplan	55,360	87,056
UCATS Life Members	111,299	195,644
Non-Revenue Sports	25,570	31,573
E. & M. Alexander	137,711	181,009
Bob Hauer Fund	57,227	77,782
Kostelnik Football	34,521	39,107
Van Exel Endowment Scholarship	75,000	72,257
Roy and Marion Evers	22,736	20,969
Hendrick J. Hartong, Jr.	155,129	137,488
Fredrick Braun Baseball	125,406	111,465
Dale & Ruth Beyring Scholarship	40,010	35,781
Herschede Football Scholarship	601,054	496,328
Herschede Scholarship	1,465,972	1,211,963
J. Aufderbeck-Athletic Scholarship	150,000	148,464
George Smith Society	1,245,572	1,171,495
Coach Ed Jucker Baseball Endowment	263,749	218,651
Ron Grinker Basketball Scholarship	6,888	6,832
Ryan Komenda Fund	67,452	69,640
Roy Evers Unitrust	91,477	131,219
Jack & Anne Drake Unitrust	177,754	236,611
Herbert & Phyllis Seilkop Unitrust	9,206	16,025
Clifford Goldmeyer Unitrust	227,082	266,762
Harold Merten Unitrust	14,861	56,469
Clark Oyler Unitrust	49,806	68,647
Varsity Village Fund	142,854	142,854
Priscilla G. Haffner	197,207	326,358
Martha C. Anness	226,934	356,922
Sarah G. Skidmore	207,582	308,871
	<u>                    </u>	<u>                    </u>
Total endowment and restricted funds	<u>\$6,310,901</u>	<u>\$6,778,282</u>

- aa. We obtained the financial statements of the Foundation for the year ended June 30, 2005, which had been examined by other independent auditors who expressed an unqualified opinion on those statements.
- bb. We randomly selected ten operating revenue selections reported by the Foundation and agreed to supporting documentation and noted no differences.
- cc. We randomly selected ten operating expense selections reported by the Foundation and agreed to supporting documentation and noted no differences.
- dd. We randomly selected five investment balances reported by the Foundation and agreed to the related investment statements and noted no differences.

## Agreed Upon Procedures Related to the Internal Control Over Compliance

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

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

Our procedures and results are as follows:

- Certain inquiries were made of the Controller's Office and Intercollegiate Athletic Department personnel relating to the procedures and internal accounting controls unique to the Intercollegiate Athletic Department, specifically, departmental organization, control consciousness of staff, use of internal auditors in the department, competency of personnel, adequate safeguarding and control of records and assets, and controls over interaction with the information technology department.

\* \* \* \* \*

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

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

*Deloitte & Touche LLP*

December 23, 2005

**UNIVERSITY OF CINCINNATI  
INTERCOLLEGIATE ATHLETICS DEPARTMENT**

**STATEMENT OF REVENUES AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2005**

<b>Operating Revenues</b>	<b>Football</b>	<b>Men's Basketball</b>	<b>Women's Basketball</b>	<b>Other Men's Sports</b>	<b>Other Women's Sport's</b>	<b>Non- Program Specific</b>	<b>Total</b>
Student activity fees			\$ 399,914	\$ 611,133	\$ 1,155,846	\$ 2,127,259	\$ 4,294,152
NCAA income		\$ 1,698,309				573,924	2,272,233
Conference USA income	\$ 332,240	286,730				265,892	884,862
Parking	64,247	193,126					257,373
Novelty sales						3,490	3,490
Ticket sales	1,074,101	2,777,779	10,214	14,271	4,895		3,881,260
Promotion/advertising						1,000,000	1,000,000
Guarantees	925,000	300,000		6,000	1,500		1,232,500
Television and radio rights							
Concessions	164,507			6,914	1,927	31,436	204,784
Bowl Income	343,720						343,720
Gifts:							
Restricted	2,239,355	407,746	409,514	257,309	1,135,830	186,479	4,636,233
Funds expensed by the U.C. Foundation on behalf of the U.C. athletic program						166,757	166,757
Endowment income	83,460	13,385	655	36,063	111,205	6,028	250,796
Other income	13,473	9,660	17	1,078	2,263	487,589	514,080
<b>Total operating revenues</b>	<b>5,240,103</b>	<b>5,686,735</b>	<b>820,314</b>	<b>932,768</b>	<b>2,413,466</b>	<b>4,848,854</b>	<b>19,942,240</b>

(Continued)

**UNIVERSITY OF CINCINNATI  
INTERCOLLEGIATE ATHLETICS DEPARTMENT**

**STATEMENT OF REVENUES AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2005**

<b>Operating Expenses</b>	<b>Football</b>	<b>Men's Basketball</b>	<b>Women's Basketball</b>	<b>Other Men's Sports</b>	<b>Other Women's Sport's</b>	<b>Non- Program Specific</b>	<b>Total</b>
Recruiting	\$ 139,027	\$ 99,192	\$ 44,575	\$ 34,110	\$ 77,406		\$ 394,310
Insurance						\$ 486,263	486,263
Home game expense	360,040	736,801	93,718	59,381	57,770	98,259	1,405,969
Special projects		3,629		500	176	145,264	149,569
Admin/coaches salaries	1,500,705	1,468,432	302,079	317,799	445,718	1,971,529	6,006,262
Operating expenses	137,554	110,076	20,606	41,544	59,114	1,078,412	1,447,306
Telephone, postage, and internal services	85,250	61,710	12,385	12,838	13,832	263,467	449,482
Advertising/promotions						264,415	264,415
Travel	516,425	330,585	93,917	320,213	404,928	93,601	1,759,669
Game/team equipment	161,070	11,686	15,599	67,451	82,736	38,099	376,641
Room/board/books/tuition	1,991,078	423,111	409,461	733,493	1,871,108	242,372	5,670,623
Maintenance	9,834			9,980	542	56,826	77,182
Fringe benefits	439,087	220,802	106,515	114,264	157,828	749,071	1,787,567
Student salaries	35,463	24,033	1,134	21,352	11,685	174,651	268,318
COGS						11,829	11,829
Contractual benefits		19,697				50,000	69,697
Pre-season/holiday	229,542	12,732	7,335	15,685	117,201	99,722	482,217
Guarantees	540,000	212,000	36,652	3,750			792,402
Audio/visual	65,851	3,034	64	11			68,960
925 Salaries						157,129	157,129
Bowl Expenses	739,250						739,250
Expenses funded by the U.C. Foundation on behalf of the U.C. athletic program						166,757	166,757
Capital equipment	1,881	7,320		3,268	26,451	73,956	112,876
Other expenses	21,790	13,313	8,536	5,684	4,727	76,030	130,080
Net transfers to (from) the University	179,961	1,554,093	263	14,632	42,634	(1,000,768)	790,815
<b>Total operating expenditures</b>	<b>7,153,808</b>	<b>5,312,246</b>	<b>1,152,839</b>	<b>1,775,955</b>	<b>3,373,856</b>	<b>5,296,884</b>	<b>24,065,588</b>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,913,705)</u>	<u>\$ 374,489</u>	<u>\$ (332,525)</u>	<u>\$ (843,187)</u>	<u>\$ (960,390)</u>	<u>\$ (448,030)</u>	<u>\$ (4,123,348)</u>

Note: This schedule was prepared by a representative of the University.

(Concluded)

# UNIVERSITY OF CINCINNATI

## STATEMENT OF CHANGES IN FUNDS OF OUTSIDE ORGANIZATIONS FOR OR ON BEHALF OF THE UNIVERSITY'S INTERCOLLEGIATE ATHLETICS DEPARTMENT YEAR ENDED JUNE 30, 2005

	Beginning Fund	Increase in Funds (1)	Expenses for or on Behalf of Program (2)	Transfers and Other	Ending Fund
University of Cincinnati Foundation:					
Gift Accounts:					
Alton E. Purcell	\$ 4,822	\$ 19,080	\$ (19,185)		\$ 4,717
Athletic Director Discretionary	1,822,232	3,298,080	(3,320,180)	617	1,800,749
Athletic Facilities Campaign	3,250	9,750	(13,000)		
Athletic Special Projects	8,041		(1,840)	(2,681)	3,520
Athletics Tickets/Parking		95,211	(95,211)		
Athletics—Baseball		48,360	(48,110)		250
Athletics—Cheerleading	3,590	3,746			7,336
Athletics—Football	30				30
Athletics—Men's Soccer		2,496	(2,496)		
Athletics—Track and Field	4,470	2,068			6,538
Athletics—Women's Basketball		750	(750)		
Athletics—Women's Soccer		14,425	(14,425)		
Athletics—Women's Swimming & Diving	178				178
Athletics—Women's Track & Field	1,990	1,868			3,858
Athletics - Golf	87	653	(740)		
Athletics - Women's Golf	8,853	17,407	(22,000)		4,260
Athletics - Dance	1,610	250	(1,610)		250
Bearcat Invitational	210				210
Bearcat Kids Club	3,004	1,500	(2,116)		2,388
Bearcats Men's Basketball Tip-off Event	5,799				5,799
Cattitude on the Commons	4,264		(481)		3,783
Cinco—I-75 Challenge	5				5
Football UCATS	485				485
Friends of Volleyball		675	(675)		
Friends of Women's Rowing		966	(966)		
George Smith Society Athletic Scholarship	74,105	578,307	(579,208)	5,300	78,504
Jean Stephens Memorial Fund	8,861				8,861
Legion of Excellence Fund		14,875	(15,758)	883	
Football Bowl Gift Fund	1,500	89,888	(90,988)		400
Red and Black Society	3,390	367			3,757
Richard Lindner Fund	119,446		(119,446)		
UCATS Club Pass Fund	16,005	9,835	(15,400)		10,440
George Strike Insurance Prem.	141,456	68,113	(35,500)		174,069
Women's Athletic Discretionary		250	(250)		
UCATS Fund—Men's Basketball	600	572			1,172
Stephanie Rosfeld Memorial Fund		4,035			4,035
William Parchman Fund	2,855				2,855
	<u>2,855</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>2,855</u>
Total Gift Accounts	<u>\$2,241,138</u>	<u>\$4,283,527</u>	<u>\$(4,400,335)</u>	<u>\$ 4,119</u>	<u>\$2,128,449</u>

(Continued)



# UNIVERSITY OF CINCINNATI

## STATEMENT OF CHANGES IN FUNDS OF OUTSIDE ORGANIZATIONS FOR OR ON BEHALF OF THE UNIVERSITY'S INTERCOLLEGIATE ATHLETICS DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2005

	Beginning Fund	Increase in Funds (1)	Expenses for or on Behalf of Program (2)	Transfers and Other	Ending Fund
Endowment Income Accounts:					
IAE Fund	\$	\$ 14,683	\$ (14,683)		\$
Pete Rose Scholarship		2,019	(1,440)	\$ (579)	
Seiffert-Bennington		742	(529)	(213)	
Charles H. Keating, Jr.		7,803	(5,565)	(2,238)	
George and Helen Smith		7,104	(5,066)	(2,038)	
Harold R. Coplan		5,185	(5,185)		
UCATS Life Members		11,529	(8,222)	(3,307)	
Non-Revenue Sports		1,881	(1,881)		
E. & M. Alexander		10,430	(7,438)	(2,992)	
Bob Hauer Fund		4,583	(3,268)	(1,315)	
Kostelnik Football		2,329	(2,329)		
Van Exel Endowment Scholarship		4,304	(4,304)		
Roy and Marion Evers		1,249	(1,249)		
Hendrick J. Hartong, Jr.		7,782	(7,782)		
Fredrick Braun Baseball		6,639	(6,639)		
Dale & Ruth Beyring Scholarship		2,131	(2,131)		
Herschede Football Scholarship		29,561	(29,561)		
Herschede Scholarship		72,184	(72,184)		
J. Aufderbeck-Athletic Scholarship		8,842	(8,842)		
George Smith Society		61,055	(61,055)		
Ryan T. Komenda Endowment		3,793	(2,706)	(1,087)	
Coach Ed Jucker Baseball Endowment		13,018	(13,018)		
Total Endowment Income Accounts		<u>278,846</u>	<u>(265,077)</u>	<u>(13,769)</u>	
Total U.C. Foundation	<u>\$ 2,241,138</u>	<u>\$ 4,562,373</u>	<u>\$ (4,665,412)</u>	<u>\$ (9,650)</u>	<u>\$ 2,128,449</u>

(Concluded)

- (1) Amount includes cash receipts and interest accruals allocated to the endowment accounts
- (2) Amount represents funds disbursed for or on behalf of the University's athletic department. The funding source of the disbursements represents funds recognized as current gift revenue by the athletic department of \$4,634,592 and endowment income of \$250,796. It also includes funds expended on behalf of the U.C. athletic program of \$166,757.

This schedule was prepared by a representative of the University.

### NOTES TO THE STATEMENTS

1. Land, land improvements, infrastructure, buildings, and equipment are recorded at cost at date of acquisition, or mark value at date of donation. The University's capitalization threshold is \$100,000 for major capital projects and \$5,000 for all other capitalized items. Interest on related borrowing, net of

interest earnings on invested proceeds, is capitalized during the period of construction. University property and equipment are depreciated using the straight-line method over the estimated useful lives (from five to fifty years) of the respective assets. When plant assets are sold or disposed of, the carrying value of such assets and the associated depreciation are removed from the University's records.

The University does not capitalize works of art or historical treasures that are held for public exhibition, education or research in furtherance of public service. These collections are neither disposed of for financial gains nor encumbered in any way. In addition, the University requires the proceeds from the sale of collection items be used to acquire other collection items. Accordingly, such collections are not recognized or capitalized for financial statement purposes. All other works of art or historical treasures are capitalized at historical or fair value at date of donation.

## 2. Repayment Schedule For Outstanding Debt

The repayment schedule as of June 30, 2005 for outstanding debt related to intercollegiate athletics of the University is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	1,146,166	3,278,786	4,424,952
2007	2,539,568	3,217,136	5,756,704
2008	2,638,652	3,112,344	5,750,995
2009	2,761,534	2,999,366	5,760,900
2010	2,249,516	2,878,615	5,128,131
2011-2015	16,018,632	12,391,249	28,409,881
2016-2020	16,034,378	8,516,983	24,551,361
2021-2025	20,357,770	4,185,526	24,543,295
2026	4,689,439	227,046	4,916,485

Schedule principal and interest payments on capital lease obligations subsequent to June 30, 2005, are:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	78,052	2,271	80,323



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**UNIVERSITY OF CINCINNATI**

**HAMILTON 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  
JANUARY 17, 2006**