

# **The Ohio State University**

(A Component Unit of the State of Ohio)

**EIN: 31-6025986**

Financial Statements as of and for the years ended  
June 30, 2018 and 2017 and Report on Federal  
Financial Assistance Programs in Accordance with the  
OMB Uniform Guidance for the year ended June 30,  
2018



# OHIO AUDITOR OF STATE **KEITH FABER**



January 22, 2019

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 14, 2019. Reports completed prior to that date contain the signature of my predecessor.

Ohio Auditor of State

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# Dave Yost • Auditor of State

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

We have reviewed the *Report of Independent Auditors* of The Ohio State University, Franklin County, prepared by Pricewaterhouse Coopers LLP, for the audit period July 1, 2017 through June 30, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

January 8, 2019

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**The Ohio State University**  
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**June 30, 2018 and 2017**

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## **Report of Independent Auditors**

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

### **Report on the Financial Statements**

We have audited the financial statements of the primary institution and of the aggregate discretely presented component units, which collectively comprise The Ohio State University (the "University"), appearing on pages 23 to 89, which consist of the statements of net position as of June 30, 2018 and June 30, 2017, the related statements of revenues, expenses and other changes in net position and of cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. The University is a component unit of the State of Ohio.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the primary institution and the aggregate discretely presented component units of the University as of June 30, 2018 and June 30, 2017, and the respective changes in financial



position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 1 to the basic financial statements, the University changed the manner in which it accounts for postemployment benefits other than pensions and the manner in which it accounts for irrevocable split-interest agreements in 2018. Our opinion is not modified with respect to this matter.

***Other Matters***

***Required Supplementary Information***

The accompanying management's discussion and analysis on pages 4 through 22, the Required Supplementary Information on GASB 68 Pension Liabilities on page 90 and the Required Supplementary Information on GASB 75 Net OPEB Liabilities on page 91 are required by accounting principles generally accepted in the United States of America to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying other information on the long-term investment pool on pages 92 through 93 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

The accompanying schedule of expenditures of federal awards for the year ended June 30, 2018 on pages 94 through 140 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion,



the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2018 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters for the year ended June 30, 2018. The purpose of that report is solely 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 effectiveness of the entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

PricewaterhouseCoopers LLP

November 19, 2018

## Management's Discussion and Analysis (Unaudited)

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The following Management's Discussion and Analysis, or MD&A, provides an overview of the financial position and activities of The Ohio State University (the "university") for the year ended June 30, 2018, with comparative information for the years ended June 30, 2017 and June 30, 2016. We encourage you to read this MD&A section in conjunction with the audited financial statements and footnotes appearing in this report.

### About The Ohio State University

The Ohio State University is the State of Ohio's flagship research institution and one of the largest universities in the United States of America, with over 66,000 students, 7,000 faculty members and 26,000 staff members. Founded in 1870 under the Morrill Land Grant Act, the university – which was originally known as the Ohio Agricultural and Mechanical College -- has grown over the years into a comprehensive public institution of higher learning, with over 200 undergraduate majors, 166 master's degree programs, 120 doctoral programs and nine professional degree programs.

The university is governed by a board of trustees who are responsible for oversight of academic programs, budgets, general administration, and employment of faculty and staff. The university's 15 colleges, four regional campuses, the Wexner Medical Center and various academic support units operate largely on a decentralized basis. The Board approves annual budgets for university operations, but these budgets are managed at the college and department level.

The Ohio State University Wexner Medical Center ("the Medical Center") is one of the largest and most diverse academic medical centers in the country and the only academic medical center in central Ohio. As a part of the Wexner Medical Center, the Health System operates under the governance of The Ohio State University Board of Trustees and is comprised of seven hospitals and a network of ambulatory care locations. The Health System provides care across the spectrum from primary care to quaternary specialized care. Key clinical care locations and facilities at the Health System include:

- **University Hospital:** the Medical Center's full-service tertiary care facility that provides care to patients throughout the region.
- **Arthur G. James Cancer Hospital and Solove Research Institute ("The James"):** one of only 49 National Cancer Institute-designated Comprehensive Cancer Centers.
- **Richard M. Ross Heart Hospital ("The Ross"):** The Ross is the only hospital in central Ohio nationally ranked in cardiology and heart surgery by U.S. News & World Report.
- **OSU State Harding Hospital:** provides the most comprehensive behavioral healthcare services in central Ohio.
- **University Hospital East:** a full service community hospital.
- **Dodd Hall:** a 60-bed inpatient rehabilitation facility.
- **Brain and Spine Hospital:** provides comprehensive neuroscience care to improve prevention, detection and treatment of brain and spine disorders.
- **Ambulatory Services:** a network of community-based primary and subspecialty care facilities.

## Management's Discussion & Analysis (Unaudited) - continued

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The Health System provided services to approximately 64,500 adult inpatients and 1,800,000 outpatients during fiscal year 2018 and 61,700 adult inpatients and 1,764,000 outpatients during fiscal year 2017.

The following financial statements reflect all assets, liabilities, deferred inflows/outflows and net position (equity) of the university, the Ohio State University Wexner Medical Center, the Ohio Agricultural Research and Development Center (OARDC) and the Ohio Technology Consortium (OH-TECH), which is an umbrella organization that includes the Ohio Academic Resources Network (OARnet), the Ohio Supercomputer Center and the Ohio Library and Information Network (OhioLINK). These entities constitute the "primary government" for financial reporting purposes. In addition, the financial statements include consolidated financial results for a number of "component units", which are legally separate entities that meet the financial accountability criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus* and Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*.

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

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

The GASB has indicated that, under the amended consolidation standards, the "exclusive benefit" criterion for blending is not met when a component unit provides services to parties external to the primary government. As a result, the university presents the following component units in a discrete presentation:

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

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

## Management's Discussion & Analysis (Unaudited) - continued

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### About the Financial Statements

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

The **Statement of Net Position** is the university's balance sheet. It reflects the total assets, deferred outflows, liabilities, deferred inflows and net position (equity) of the university as of June 30, 2018, with comparative information as of June 30, 2017. Liabilities due within one year, and assets available to pay those liabilities, are classified as current. Other assets and liabilities are classified as non-current. Investment assets are carried at fair value. Capital assets, which include the university's land, buildings, improvements, and equipment, are shown net of accumulated depreciation. Net position is grouped in the following categories:

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

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

The **Statement of Revenues, Expenses and Other Changes in Net Position** is the university's income statement. It details how net position has increased (or decreased) during the year ended June 30, 2018, with comparative information for the year ended June 30, 2017. Tuition revenue is shown net of scholarship allowances, patient care revenue is shown net of contractual allowances, charity care and bad debt expense, depreciation is provided for capital assets, and there are required subtotals for net operating income (loss) and net income (loss) before capital contributions and additions to permanent endowments.

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

## Management's Discussion & Analysis (Unaudited) - continued

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and other public institutions have traditionally relied upon to fund current operations, including state instructional support, current-use gifts and investment income.

The **Statement of Cash Flows** details how cash has increased (or decreased) during the year ended June 30, 2018, with comparative information for the year ended June 30, 2017. It breaks out the sources and uses of university cash into the following categories:

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

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

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

### Financial Highlights and Key Trends

On April 10, 2017, the university entered into a 50-year comprehensive energy management agreement with Ohio State Energy Partners (OSEP) and received a \$1.09 billion upfront payment upon settlement on July 6, 2017. \$820 million of the upfront proceeds have been invested in the university's Long Term Investment Pool as of June 30, 2018. The remainder of the upfront proceeds will be used to finance capital projects. The upfront payment is reflected as an advance from concessionaire on the university's Statement of Net Position and is being amortized as a reduction to operating expense over the 50-year term of the agreement.

On July 1, 2017, the university implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The adoption of the new standard – which requires employers participating in cost-sharing multi-employer retirement plans to recognize a share of the retirement plans' unfunded other postemployment benefit (OPEB) liabilities – resulted in a \$1.22 billion reduction in the university's opening unrestricted net position. The net OPEB liability recognized by the university at June 30, 2018 was \$1.25 billion.

Excluding the cumulative effect of the adoption of GASB 75, total net position for the primary institution increased \$1.05 billion in Fiscal Year 2018, primarily due to a combination of strong Health System operating results, increases in the fair value of university investments and a reduction in net pension liabilities.

## Management's Discussion & Analysis (Unaudited) - continued

Demand for an Ohio State education and outcomes for students remain strong. 66,444 students were enrolled in Autumn 2017, up 398 students compared to Autumn 2016. 94% of the freshmen enrolled in Autumn 2016 returned to OSU in Autumn 2017. Over 62% of students graduated within four years, and over 82% graduated within six years.

The following sections provide additional details on the university's 2018 financial results and a look ahead at significant economic conditions that are expected to affect the university in the future.

### Statement of Net Position

<b>Summary Statement of Net Position</b> <i>(in thousands)</i>			
	<b>2018</b>	<b>2017</b>	<b>2016</b>
Cash and temporary investments	\$ 3,023,554	\$ 2,230,609	\$ 1,971,929
Receivables, inventories, prepaids and other current assets	845,332	757,389	709,872
<b>Total current assets</b>	<b>3,868,886</b>	<b>2,987,998</b>	<b>2,681,801</b>
Restricted cash	564,656	666,032	802,707
Noncurrent notes and pledges receivable, net	112,019	108,073	106,629
Long-term investment pool	5,211,434	4,253,459	3,616,562
Other long-term investments	163,946	143,638	132,971
Capital assets, net of accumulated depreciation	5,043,222	4,883,584	4,852,433
<b>Total noncurrent assets</b>	<b>11,095,277</b>	<b>10,054,786</b>	<b>9,511,302</b>
<b>Total assets</b>	<b>14,964,163</b>	<b>13,042,784</b>	<b>12,193,103</b>
Deferred outflows	737,903	1,012,937	698,125
<b>Total assets and deferred outflows</b>	<b>\$ 15,702,066</b>	<b>\$ 14,055,721</b>	<b>\$ 12,891,228</b>
Accounts payable and accrued expenses	\$ 579,363	\$ 524,754	\$ 469,216
Deposits and advance payments for goods and services	274,401	223,880	216,372
Current portion of bonds, notes and lease obligations	640,589	651,984	658,418
Other current liabilities	105,021	87,708	94,883
<b>Total current liabilities</b>	<b>1,599,374</b>	<b>1,488,326</b>	<b>1,438,889</b>
Noncurrent portion of bonds, notes and lease obligations	2,582,017	2,640,142	2,714,842
Net pension liability	2,548,009	3,565,362	2,794,626
Net other post-employment benefits liability	1,249,521	-	-
Advance from concessionaire	1,046,342	-	-
Other noncurrent liabilities	366,344	366,057	401,708
<b>Total noncurrent liabilities</b>	<b>7,792,233</b>	<b>6,571,561</b>	<b>5,911,176</b>
<b>Total liabilities</b>	<b>9,391,607</b>	<b>8,059,887</b>	<b>7,350,065</b>
Deferred inflows	972,224	484,007	599,373
Net investment in capital assets	2,376,795	2,259,207	2,282,647
Restricted:			
Nonexpendable	1,551,278	1,473,074	1,361,274
Expendable	1,328,793	1,190,162	905,520
Unrestricted	81,369	589,384	392,349
<b>Total net position</b>	<b>5,338,235</b>	<b>5,511,827</b>	<b>4,941,790</b>
<b>Total liabilities, deferred inflows and net position</b>	<b>\$ 15,702,066</b>	<b>\$ 14,055,721</b>	<b>\$ 12,891,228</b>



## Management's Discussion & Analysis (Unaudited) - continued

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During the year ended June 30, 2018, **cash and temporary investment** balances increased \$793 million, to \$3.02 billion, primarily due to strong healthcare operating cash flows and upfront proceeds from the energy agreement held for future capital projects. Amounts shown as restricted cash consist primarily of unspent proceeds from the General Receipts Bonds, which are being used to fund various capital projects. Restricted cash balances decreased \$101 million, to \$565 million at June 30, 2018, reflecting application of bond proceeds to capital projects. The Statement of Cash Flows, which is discussed in more detail below, provides additional information on sources and uses of university cash.

**Accounts receivable**, net of allowances, increased \$43 million, to \$619 million at June 30, 2018, primarily due to increases in patient care receivables of the Health System. **Inventories and prepaid expenses** increased \$26 million, to \$125 million at June 30, 2018, primarily due to increases in Medical Center pharmacy inventories and OARnet (Ohio Academic Resources Network) purchases of software for resale.

The fair value of the university's **long-term investment pool** (LTIP) increased \$958 million, to \$5.21 billion at June 30, 2018. The increase is primarily due to the investment of \$820 million of the upfront proceeds from the energy agreement and \$336 million increase in the fair value of LTIP investments. These increases were partially offset by \$202 million in distributions. The long-term investment pool operates similar to a mutual fund, in that each named fund is assigned a number of shares in the pool. It includes the gifted endowment funds of the university, gifted endowment funds of the OSU Foundation, and unrestricted funds that have been internally designated to function as endowments. The pool is invested in a diversified portfolio of equity and fixed-income securities, partnerships and hedge funds that is intended to provide the long-term growth necessary to preserve the value of these funds, adjusted for inflation, while making distributions to support the university's mission.

The university has established a **securities lending program** through its custodian bank for the long-term investment pool. Securities loaned by the university are secured by collateral in the form of cash, equity, U.S. government obligations, and foreign government/private debt. The portion of this collateral that was received in cash increased \$24 million, to \$40 million at June 30, 2018, reflecting an increase in securities lending activity in 2018. These balances are reported in the Statement of Net Position as a current asset and a corresponding current liability.

**Other long-term investments** are non-unitized investments that relate primarily to gift arrangements between donors and the OSU Foundation and long-term investments of operating funds. These investments increased \$20 million, to \$164 million, at June 30, 2018.

**Capital assets**, which include the university's land, buildings, improvements, equipment and library books, grew \$160 million, to \$5.04 billion at June 30, 2018. University capital expenditures totaled \$498 million in 2018, including \$188 million of capital expenditures for the Wexner Medical Center Health System. The university depreciates its capital assets on a straight-line basis, using estimated useful lives ranging from 5 years (for computer equipment and software) to 100 years (for certain building components such as foundations). Depreciation expense increased \$20 million, to \$394 million in 2018.

## Management's Discussion & Analysis (Unaudited) - continued

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As part of the long-range plan to redevelop the Mirror Lake District, renovations were completed in the spring of 2018 to Pomerene Hall, Oxley Hall, and Baker Commons to house the translational data analytics and History of Art programs. The \$59 million project was funded by more than \$50 million in capital grants from the State of Ohio. Smith Laboratory received more than \$14 million in electrical and HVAC upgrades. New facilities constructed on regional campuses include a \$15 million science and engineering building in Marion, a \$14 million residence hall in Newark, and a \$5 million student life facility in Lima.

Major infrastructure improvements completed in 2018 included an \$11 million project to provide return condensate lines from the James Cancer Center, Jennings Hall, Postle Hall, and Aronoff Laboratory.

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

- Postle Hall – Construction is underway on the \$98 million project to construct a 130,000 square foot dental facility for student pre-clinical labs and patient clinics, an ambulatory surgery center, a faculty practice, a radiology clinic, and a sterilization facility. The project is slated for completion in the spring of 2020.
- Cannon Drive – The \$52 million project between King Avenue and John Herrick Drive will straighten and elevate the road out of the flood plain and create 12 acres of developable land.
- James Cancer Hospital – The \$60 million project will build out shelled space on the 10<sup>th</sup> and 12<sup>th</sup> floors to create 72 ICU beds and is slated for completion summer of 2018.
- Koffolt and Fontana Labs – This \$59 million project will provide approximately 124,000 square feet of research labs, teaching labs, classrooms, and departmental offices for Biomedical Engineering and Materials Science Engineering. The facilities are slated for completion in the fall of 2018.
- Airport Enhancements – The \$20 million project will provide for the expansion and modernization of the existing field operations base. The project is in construction phase and is slated for completion in the fall of 2018.
- Covelli Multi-Sport Arena – The \$49 million project will construct a new multi-sport arena to house the men's and women's varsity volleyball teams, and fencing, wrestling, and gymnastics matches. The project is in the construction phase and slated for completion in the spring of 2019.
- Schumaker Student-Athlete Development Complex – The \$42 million project will construct a state-of-the-art athletic training center for weight training and cardio conditioning for use by most of the university's sports programs and will be complete in the fall of 2018.

## Management's Discussion & Analysis (Unaudited) - continued

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- Ohio Stadium Upgrades – The \$36 million project includes power upgrades completed in 2018 as well as suite box expansion and renovation, C-Deck restoration, and a suite and loge addition to be completed by the summer of 2019. The project is currently in the construction phase.
- Schottenstein Center-North Expansion and Concourse Renovation -- The \$31 million project will renovate the concourse walls and lighting and include an addition to the north end of the facility. The initial phase of the project is slated for completion in fall 2018.

The university's estimated future capital commitments, based on contracts and purchase orders, total approximately \$330 million at June 30, 2018.

**Accounts payable and accrued expenses** were up \$55 million, to \$579 million at June 30, 2018, primarily due to increases in retirement system contributions payable (up \$30 million) and payables to vendors for supplies and services (up \$28 million). **Deposits and advance payments for goods and services** increased \$51 million, to \$274 million, reflecting increases in unearned revenues related to departmental and auxiliary sales and services (up \$17 million primarily due to advance ticket sales for concerts held in Ohio Stadium), advance payments for sponsored programs (up \$10 million) and recognition of the current portion of the OSEP advance from concessionaire (\$22 million).

On April 10, 2017, the university entered into a 50-year agreement to lease the university's utility system to Ohio State Energy Partners (OSEP) and grant it the exclusive right to operate the utility system and provide utility services to the Columbus campus. On July 6, 2017, the university received an upfront payment of \$1.09 billion. The upfront payment is reported as an **advance from concessionaire** and is being amortized as a reduction to operating expense (Operation and Maintenance of Plant) on a straight-line basis over the term of the agreement.

Under the agreement, OSEP operates, maintains and makes capital investments in the utility system and charges the university a Utility Fee, which includes fixed, variable and operating and maintenance (O&M) components. OSEP capital investments in the utility system are recognized as capital assets and a related **long-term payable to the concessionaire**. The fixed and O&M components of the Utility Fee are recognized as operating expense. The variable component of the Utility Fee will be recognized as a reduction in the long-term payable to the concessionaire and interest expense. For the year ended June 30, 2018, the university recognized fixed and O&M utility fees totaling \$53 million. The carrying amount of OSEP capital investments and related long-term payable to the concessionaire at June 30, 2018 was \$10 million.

University debt, in the form of **bonds, notes and capital lease obligations**, decreased \$70 million, to \$3.22 billion at June 30, 2018. In December 2017, the university issued \$70 million of Series 2017 fixed-rate general receipts bonds. The proceeds of the bond issue were used to refund \$80 million of the university's Series 2008A bonds, resulting in an economic savings of \$11 million. In addition to the refunding, the university made principal payments on bonds and notes payable totaling \$61 million in 2018.

## Management's Discussion & Analysis (Unaudited) - continued

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The university's plant debt includes variable rate demand bonds that mature at various dates through 2044. GASB Interpretation 1, *Demand Bonds Issued by State and Local Governmental Entities*, provides guidance on the statement of net position classification of these bonds. Under GASB Interpretation 1, outstanding principal balances on variable rate demand bonds may be classified as noncurrent liabilities if the issuer has entered into a "take-out agreement" to convert bonds "put" but not resold into some other form of long-term obligation. In the absence of such an agreement, the total outstanding principal balances for these bonds are required to be classified as current liabilities.

Although it is the university's intent to repay its variable rate demand bonds in accordance with the maturities set forth in the bond offering circulars, the university does not have "take-out agreements" in place per the GASB Interpretation 1 requirements. Accordingly, the university has classified the total outstanding principal balances on its variable rate demand bonds as current liabilities. These obligations totaled \$588 million at June 30, 2018 and 2017, respectively.

GASB Statement No. 68 requires governmental employers participating in defined benefit pension plans to recognize liabilities for plans whose actuarial liabilities exceed the plan's net assets. These liabilities are referred to as net pension liabilities. In FY2018, the university implemented a related accounting standard, GASB Statement No. 75, which requires employers participating in other post-employment benefit (OPEB) plans to recognize liabilities for plans whose actuarial liabilities exceed the plan's net assets. OPEB benefits consist primarily of post-retirement healthcare. The university participates in two multi-employer cost-sharing retirement systems, OPERS and STRS-Ohio, and is required to record a liability for its proportionate share of the net pension and OPEB liabilities of the retirement systems.

In 2018, the university's share of OPERS and STRS-Ohio **net pension liabilities** decreased \$1.02 billion, to \$2.54 billion at June 30, 2018, reflecting reductions in net pension liabilities for both retirement systems. Total net pension liabilities decreased at OPERS primarily due to increases in fiduciary net position -- the OPERS defined benefit investment portfolio had a 16.82% return in calendar year 2017. Total net pension liabilities decreased at STRS-Ohio due to a combination of increases in fiduciary net position (primarily due to a 14.29% investment return in fiscal year 2017) and a reduction in the system's total pension liabilities (primarily due to a reduction in annual cost-of-living adjustments to 0%). Deferred outflows related to pensions decreased \$360 million, to \$632 million at June 30, 2018. Deferred inflows related to pensions increased \$395 million, to \$412 million at June 30, 2018. The overall change in pension deferrals relates primarily to deferrals for projected vs. actual returns on pension plan investments. These deferrals will be recognized as pension expense in future periods.

At June 30, 2018, the university's share of OPERS and STRS-Ohio **net OPEB liabilities** was \$1.23 billion. In addition, the university recognized deferred outflows and deferred inflows related to OPEB of \$88 million and \$101 million, respectively. The cumulative effect of adopting GASB Statement No. 75 was a \$1.22 billion reduction in the university's net position as of July 1, 2017.

## Management's Discussion & Analysis (Unaudited) - continued

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Total pension and OPEB expense recognized by the university was \$94 million in 2018. Total pension and OPEB expense includes \$336 million of employer contributions, offset by \$241 million related to the net decrease in pension and OPEB liabilities year over year.

It should be noted that, in Ohio, employer contributions to the state's cost-sharing multi-employer retirement systems are established by statute. These contributions, which are payable to the retirement systems one month in arrears, constitute the full legal claim on the university for pension and OPEB funding. Although the liabilities recognized under GASB 68 and GASB 75 meet the GASB's definition of a liability in its conceptual framework for accounting standards, they do not represent legal claims on the university's resources, and there are no cash flows associated with the recognition of net pension and OPEB liabilities, deferrals and related expense.

**Deferred inflows** primarily consist of changes to OPEB and pension liabilities as explained in the previous paragraphs. Other deferred inflows consist primarily of the unamortized proceeds of the parking service concession arrangement. The parking deferred inflows, which totaled \$426 million at June 30, 2018, are being amortized to operating revenue on a straight-line basis over the 50-year life of the agreement. The remaining balance of deferred inflows relates to deferred gains on debt-related transactions and deferrals for irrevocable split-interest agreements.

**Prior-Year Highlights:** *In 2017*, the fair value of the university's long-term investment pool increased \$637 million, to \$4.25 billion, primarily due to a combination of \$494 million in net investment income and a \$250 million investment of Wexner Medical Center Health System cash in the pool. Net pension liabilities increased \$771 million, to \$3.57 billion, reflecting a reduction in the discount rate used by OPERS to calculate the pension liability and lower-than-projected investment returns for STRS-Ohio. *In 2016*, the university issued \$600 million in taxable Fixed Rate General Receipts Bonds and \$31 million in tax-exempt Fixed Rate General Receipts Bonds. Net pension liabilities increased \$664 million, to \$2.79 billion, reflecting increases in actuarial liabilities and decreases in fiduciary net position for both STRS-Ohio and OPERS. Cash and temporary investment balances increased \$190 million, to \$1.97 billion, primarily due to strong operating margins at the OSU Health System.

## Management's Discussion & Analysis (Unaudited) - continued

### Statement of Revenues, Expenses and Other Changes in Net Position

Summary of Revenues, Expenses and Changes in Net Position <i>(in thousands)</i>			
	2018	2017	2016
<b>Operating Revenues:</b>			
Tuition and fees, net	\$ 935,893	\$ 927,317	\$ 884,805
Grants and contracts	698,847	677,361	630,858
Auxiliary enterprises sales and services, net	328,692	309,497	261,761
OSU Health System sales and services, net	3,103,891	2,853,177	2,625,075
Departmental sales and other operating revenues	183,823	204,091	173,882
Total operating revenues	<u>5,251,146</u>	<u>4,971,443</u>	<u>4,576,381</u>
<b>Operating Expenses:</b>			
Educational and general	1,998,007	2,431,979	2,300,068
Auxiliary enterprises	322,149	313,185	254,137
OSU Health System	2,720,988	2,595,797	2,251,030
Depreciation	394,461	374,615	351,901
Total operating expenses	<u>5,435,605</u>	<u>5,715,576</u>	<u>5,157,136</u>
Net operating loss	(184,459)	(744,133)	(580,755)
<b>Non-operating revenues (expenses):</b>			
State share of instruction and line-item appropriations	475,593	473,061	456,063
Gifts - current use	168,209	181,212	156,737
Net investment income (loss)	439,154	542,819	(67,043)
Grants, interest expense and other non-operating	(7,614)	(38,131)	(9,503)
Net non-operating revenue	<u>1,075,342</u>	<u>1,158,961</u>	<u>536,254</u>
Income (loss) before other changes in net position	890,883	414,828	(44,501)
State capital appropriations	83,217	68,270	36,381
Private capital gifts	15,470	26,762	10,422
Additions to permanent endowments	55,579	52,458	64,537
Capital contributions and other changes in net position	6,129	7,719	-
Total other changes in net position	<u>160,395</u>	<u>155,209</u>	<u>111,340</u>
Increase in net position	1,051,278	570,037	66,839
Net position - beginning of year	5,511,827	4,941,790	4,891,451
Cumulative effect of accounting change	<u>(1,224,870)</u>	<u>-</u>	<u>(16,327)</u>
Net position - end of year	<u>\$ 5,338,235</u>	<u>\$ 5,511,827</u>	<u>\$ 4,941,964</u>

Net **tuition and fees** increased \$9 million, to \$936 million in 2018, primarily due to rate increase of 5% for non-resident surcharge, non-resident enrollment up 5.2%, and 5.5% rate increase for incoming freshman. Gross tuition increased \$29 million due to non-resident fees of \$15 million and instructional fees of \$14 million offset by a \$20 million increase in scholarship allowance. In 2018, the university introduced the Ohio State Tuition Guarantee for new first-year students, which provides incoming undergraduates with more certainty about college costs by setting rates for in-state tuition, mandatory fees, room and board for four years. For incoming freshmen on the Columbus campus, in-state tuition and mandatory fees increased 5.5%, but those rates will not change during a four-year education. Increases in gross tuition were partially offset by a \$20 million increase in scholarship allowances. Total enrollment for the 2017-2018 academic year was up 2.9% over the prior academic year.

## Management's Discussion & Analysis (Unaudited) - continued

Operating **grant and contract revenues** increased \$21 million, to \$699 million in 2018. The increase relates primarily to grants from the City of Columbus for the Cannon Drive relocation project (\$15 million) and Jobs Growth Incentive grants provided to the Health System (\$3 million). Other sources of operating grant and contract funding were relatively stable in 2018.

Total **auxiliary revenues** increased \$19 million, to \$329 million in 2018, primarily due to increases in Big Ten television rights fees paid to Athletics (up \$17 million). **Auxiliary expenses** increased \$9 million, to \$322 million, primarily due to increases in cost of sales and travel in Athletics and dining costs in Student Life.

**Educational and general expenses** decreased \$434 million, or 18%, to \$2.00 billion in 2018. Additional details are provided below.

Educational and General Expenses <i>(in thousands)</i>			
	2018	2017	2016
Instruction and departmental research	\$ 1,006,057	\$ 952,038	\$ 978,658
Separately budgeted research	473,463	462,514	435,692
Public service	177,325	162,807	157,119
Academic support	217,086	202,375	201,958
Student services	99,032	100,221	101,300
Institutional support	188,735	158,761	161,288
Operation and maintenance of plant	118,398	89,251	99,218
Scholarships and fellowships	130,363	129,267	120,785
Non-cash accruals for pensions and other postemployment benefits	(412,452)	174,745	44,050
Total educational and general expense	<u>\$ 1,998,007</u>	<u>\$ 2,431,979</u>	<u>\$ 2,300,068</u>

The overall decrease in educational and general expense is related to pension accruals. These accruals are allocated to functional expense lines in the Statement of Revenues, Expenses and Other Changes in Net Position, based on pension-eligible salaries. Excluding the \$587 million swing in expenses related to pension accruals, total educational and general expenses increased \$153 million in 2018. **Instruction and departmental research** expenses increased \$54 million, reflecting increases in salaries and benefits. **Institutional support** expenses increased \$30 million, due to a combination of increases in salaries and benefits and \$12 million of transaction costs related to the energy agreement. **Operation and maintenance of plant** expenses increased \$29 million, primarily due to utility fees paid to OSEP, net of amortization of the upfront payment. Utility fees, net of amortization, totaled \$32 million in 2018. The increase associated with OSEP utility fees was partially offset by reductions in electricity costs and repair and maintenance expenses.

**Health System** operating revenues grew \$251 million, to \$3.10 billion in 2018. Operating expenses (excluding depreciation, interest and transfers) increased \$125 million, to \$2.72 billion. An in-depth look at the Health System, as presented in their stand-alone financial statements, is provided below.

## Management's Discussion & Analysis (Unaudited) - continued

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The Health System operates 1,400 inpatient beds and serves as a major tertiary and quaternary referral center for Ohio and the Midwest. The Wexner Medical Center delivers superior patient care, quality outcomes, and patient safety and has been recognized by US News and World Report for 26 consecutive years as one of "America's Best Hospitals" with 10 nationally ranked specialties and is Central Ohio's "Best Hospital." The Medical Center's ranked specialties include Cancer, Cardiology & Heart Surgery, Diabetes & Endocrinology, Ear, Nose & Throat, Geriatrics, Nephrology, Neurology & Neurosurgery, Pulmonology, Orthopedics and Urology. The Wexner Medical Center was selected by Becker Hospital Review for its 2018 list of "100 Great Hospitals in America" for excellence in patient care, clinical research, and leadership in innovations. The Health System is proud to be the first health system in central Ohio to have a hospital achieve Magnet Recognition, one of the highest honors awarded for nursing excellence. The Ross Heart Hospital, University Hospital, and The James are all designated Magnet hospitals. The Health System works with a dedicated physician group that provides exceptional patient care. Physicians at the Wexner Medical Center were selected by Castle Connolly because they are among the very best in their specialties.

In fiscal 2017, the Health System continued its expansion strategy by opening Outpatient Care Upper Arlington, The Jameson Crane Sports Medicine Institute, and the Brain and Spine Hospital. The Outpatient Care Upper Arlington facility provides high quality and convenient health services from disease prevention and primary care to highly specialized women's health services and beyond. The Jameson Crane Sports Medicine Institute is the Midwest's largest and most advanced sports medicine facility and is the home of innovation and discovery in helping people improve their athletic performance, recover from injury and prevent future injuries. The new state of the art complex integrates research, teaching, clinical care, and performance training in one location. The Brain and Spine Hospital is home to central Ohio's top-ranked Neurology and Neurosurgery program. The new Brain and Spine Hospital combines the talent and resources of doctors and researchers at the Wexner Medical Center's Neurological Institute in one comprehensive hospital. It includes specialized units for stroke care, neurotrauma, traumatic brain injuries, spinal cord injuries, spine surgery, epilepsy, chronic pain, acute rehabilitation, and neurosurgery.

In 2018, the Health System continued with the Medical Center strategy of being "future-focused and driven to improve health in Ohio and across the world through innovation in research, education and patient care" and continued its financial excellence due to increased demand for our services and a continued focus on improving efficiency. Inpatient admissions increased 4.6% compared to the prior year while inpatient beds increased 5.4% compared to the prior year. Outpatient visits increased 2.4% from the previous year. Outpatient visits experienced significant growth in Ambulatory Services. The Jameson Crane Sports Medicine Institute and Upper Arlington outpatient facility along with continued growth in existing programs achieved growth of 6.0% over the prior year for Ambulatory Services.

The Health System experienced higher surgical volumes in 2018, which was nearly 2.0% above the prior year. Service lines contributing to the growth in surgical volumes in 2018 were Cancer, Neurosurgery, Open Heart Surgery, Ophthalmology, Thoracic Surgery, and Trauma/Critical Care/Burn. The growth in surgical volumes contributed to increases in admissions, revenues, and outpatient volumes



## Management's Discussion & Analysis (Unaudited) - continued

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Total operating revenues grew \$253 million, or 8.9% from the prior year. The growth in operating revenues are a result of strong admissions and increased bed capacity as well as increases related to surgical volumes and outpatient activities.

Approximately 93% of total operating revenues are from patient care activities. Other Operating Revenues are composed of items such as reference labs, cafeteria operations, rental agreements and other sources. To ensure appropriate access and education for outpatients, the Health System operates a Retail Pharmacy due to the increasing complexity and significantly growing number of specialty oral and self-administered pharmaceuticals available for cancer and non-cancer patients. The Retail Pharmacy contributed \$99 million of operating revenues in 2018 and \$93 million in 2017. Additionally, in an effort to broaden medical service and patient access to the underserved population, the Health System is enrolled in the 340B drug pricing program. The 340B Drug pricing program is a federal government program that provides prescription drugs at reduced prices to eligible patients through eligible health care organizations and covered entities. The Health System has partnered with area pharmacies to dispense prescription drugs to eligible patients. The 340B Drug pricing program contributed \$24 million of operating revenues in 2018. Other Operating Revenues also includes a portion of the margin shared with Nationwide Children's Hospital for the management of the Neonatal Intensive Care Unit located at the Health System. The goal of this managed unit was to standardize the care and quality outcomes of all the neonatal patients in Central Ohio. The NICU contributed \$17 million of operating revenues in 2018 and \$16 million in 2017.

Operating expenses increased \$183 million, or 7.0% from 2017 to 2018. The increase in salaries and benefits from 2017 to 2018 is reflective of the increased salaries and a larger workforce due to the additional volumes related to increased bed capacity at University Hospital and the Brain and Spine Hospital as well as continued growth at the James Cancer Hospital and Ambulatory locations. The increase in admissions and beds capacity, strong surgical volumes, as well as strong outpatient pharmacy volume at the James Cancer contributed to the increase in supplies and drugs. The increase in supplies and drugs also includes higher volumes at the Retail Pharmacy and new volume related to the 340B drug pricing program including drug purchases for the partnerships with area pharmacies to dispense prescription drugs to eligible patients. The increase in purchased services from 2017 to 2018 is reflective of increased preventive maintenance costs for information technology and medical equipment as well as an increase in franchise fee for the hospitals, advertising and recruitment. Depreciation increased due to additional equipment purchased for growing capacity at University Hospital and the Brain and Spine Hospital.

Income before other changes in net position was \$271 million in 2018 compared to \$215 million in 2017. Impacts to income before other changes in net position include pension expense of \$117 million in 2018 compared to \$168 million in 2017 reflecting annual accounting for GASB 68. Additionally, OPEB expense was \$41 million in 2018 reflecting annual accounting for GASB 75. Income before other changes in net position for clinical activities was \$430 million in 2018, compared to \$383 million in 2017. The increase in income before other changes in net position is due to increased admissions and bed capacity, increased pharmaceutical

## Management's Discussion & Analysis (Unaudited) - continued

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activity, a strong patient mix, and maintaining expenses in line with activities throughout the Health System.

The Health System's other changes in net position for fiscal year 2018 includes Medical Center Investments of \$150 million reinvested back into research, education, and programs at the Medical Center. This compares to Medical Center Investments of \$145 million in 2017. Additionally, other changes in net position in 2018 and 2017 include capital contributions of \$19 million and \$18 million, respectively, for hospital projects and capital acquisitions.

The Health System will continue to respond to the challenges and opportunities of healthcare reform, which expanded health insurance coverage through Medicaid expansion as well as creating health exchanges that offer affordable health insurance options. The Health System will continue creating an innovative healthcare delivery model to deliver high value care with an unparalleled patient experience and access. The Health System continues to effectively control and reduce costs of supplies through standardization and strategic sourcing. Cost control will be the most significant challenge facing healthcare and the Health System has established the foundation for effective use of resources.

Revenues and operating expenses of **OSU Physicians, Inc.** (OSUP), the University's central practice group for physician faculty members of the College of Medicine and Public Health, continued to grow in 2018. Total consolidated operating revenues increased \$29 million, to \$525 million, reflecting increases in patient volumes. Total consolidated OSUP expenses (excluding depreciation and interest) increased \$40 million to \$484 million in 2018. These figures are included in the Discretely Presented Component Units columns of the university's financial statements.

Total state operating support was relatively stable in 2018, increasing \$3 million, to \$476 million. **State share of instruction** increased \$4 million, to \$389 million. **State line-item appropriations** decreased \$1 million, to \$87 million.

**State capital appropriations** increased \$15 million, to \$83 million in 2018, primarily due to increases in spending on the Pomerene Oxley Hall renovation (\$11 million) and the Postle Hall renovation (\$5 million).

Total **gifts** to the university decreased \$21 million, to \$239 million in 2018 due to the end of the *But for Ohio State* fundraising campaign in fiscal year 2017. Decreases in current use and capital gifts were partially offset by a \$3 million increase in endowment gifts. Several colleges and support units received gifts in excess of \$1 million in 2018, including Veterinary Medicine, the Comprehensive Cancer Center, the Cancer Hospital and Research Institute, the College of Medicine, the College of Arts and Sciences, the School of Music, the College of Engineering, the College of Nursing, WOSU Public Media, the Mansfield Campus and the Department of Athletics. During 2018, nearly 270,000 alumni and friends made gifts to the university, up from 267,000 in 2017.

University investments yielded \$439 million of **net investment income** in 2018, down from \$543 million in 2017. In 2018, the university implemented a change in presentation for investment management expenses. These expenses -- which totaled \$64 million and \$55

## Management's Discussion & Analysis (Unaudited) - continued

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million in 2018 and 2017, respectively, and had previously been reported as Institutional Support expense -- are now being netted against investment income. University management determined that the use of this acceptable alternative accounting presentation is preferable because it improves comparability with other public institutions and better aligns the reporting of net investment income (loss) with the calculation of investment returns.

The fiscal year saw volatility return to the financial markets over concerns of tighter U.S. monetary policy creating a flatter yield curve, the ten-year treasury reaching a 3% yield, U.S. partisan politics, nuclear tensions with North Korea, a strong U.S. dollar, increasing world oil prices and trade policy disruptions with China, Europe and the North American Free Trade Agreement. Offsetting this backdrop was an impactful U.S. fiscal policy, tax reform and deregulation leading to high business confidence, higher corporate earnings, repatriation of corporate cash, rising tax receipts, corporate stock buybacks and rising capex, all supported an improving corporate environment and a strong U.S. real economy. The S&P 500 Index responded with a +14.4% return for the fiscal year. Solid U.S. employment with increasing 401k values led to higher consumer confidence and helped support the U.S. consumer centric economy. The Barclays U.S. Aggregate Bond index returned -0.4% reflecting a relatively flat year for the broader U.S. bond market. The U.S. Federal Reserve separated itself from other world central banks by making the first major move to raise interest rates, which was not followed by other central banks due to weaker international economies. The All Country World Equity Index-excluding the US, which represents the world equity indexes excluding the U.S., returned a lower +7.8%, reflecting their less than robust economies.

The university's long-term investment pool (LTIP) returned +7.7% for the fiscal year ending June 30, 2018. The LTIP outperformed on a relative basis to each of its individual benchmarks for two of its three major asset classes; global equities and fixed income, while real assets underperformed. The LTIP is a diversified portfolio of investments designed to provide steady growth in a risk controlled structure.

**Prior-Year Highlights:** *In 2017*, OSU Health System consolidated operating revenues increased \$228 million, to \$2.85 billion, reflecting continued volume growth for both inpatient and outpatient services. Auxiliary revenues increased \$48 million, to \$309 million, primarily due to increases in the number of beds in the North Residential District and additional meal plans sold to second-year students, who are now required to live in the campus dorms. Educational and general expenses increased \$129 million, to \$2.49 billion, primarily due to GASB 68 pension accruals. *In 2016*, OSU Health System operating revenues increased \$267 million, to \$2.63 billion, reflecting additional volumes related to the Medical Center Expansion and the new James Cancer Hospital (2016 was the first full fiscal year of operations for these facilities). Educational and general expenses increased \$121 million, to \$2.36 billion. Approximately \$64 million of the overall increase in E&G expense was related to GASB 68 pension accruals. University investments yielded a \$67 million net investment loss.

## Management's Discussion & Analysis (Unaudited) - continued

### Statement of Cash Flows

<b>University Cash Flows Summary</b> <i>(in thousands)</i>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Net cash flows from (used in) operating activities	\$ 1,053,673	\$ (45,720)	\$ (117,350)
Net cash flows from noncapital financing activities	764,223	787,986	752,926
Capital appropriations and gifts for capital projects	94,627	82,982	46,511
Proceeds from capital debt	73,885	6,430	618,242
Payments for purchase or construction of capital assets	(497,962)	(414,606)	(428,966)
Principal and interest payments on capital debt and leases, net of federal Build America Bond interest subsidies	(256,514)	(192,914)	(190,501)
Net cash flows used in investing activities	(505,508)	(238,980)	(359,070)
Net increase (decrease) in cash	<u>\$ 726,424</u>	<u>\$ (14,822)</u>	<u>\$ 321,792</u>

University cash and cash equivalents increased \$726 million in 2018. Net cash flows from operating and non-capital financing activities increased \$1.08 billion, to \$1.82 billion, primarily due to the receipt of the \$1.09 billion upfront payment from OSEP. Total cash used by capital financing activities was \$586 million, reflecting capital expenditures and payments for debt service. Total cash used by investing activities was \$506 million, reflecting net purchases of long-term investments.

### Economic Factors That Will Affect the Future

Guided by our strategic plan, Ohio State is investing in major initiatives to advance our mission as a flagship public research university.

The university's focus on operational excellence and resource stewardship has created dedicated funding sources to support new affordability measures, teaching excellence programs and other commitments to our academic mission.

For example, Ohio State has generated more than \$112 million in efficiency savings since fiscal 2015 for academic initiatives, and the university has invested \$820 million in proceeds from the Comprehensive Energy Management into endowments that provide ongoing support for strategic academic priorities.

Likewise, the Wexner Medical Center continues to generate margin improvement through operational efficiencies and revenue growth. The health system plans to reinvest these funds in patient care and in capital planning to support growing demand, including a new inpatient hospital, expanded ambulatory facilities and an integrated health sciences facility. Supporting this growth, the College of Medicine has embarked on a hiring plan that will bring 500 new biomedical sciences faculty — 350 clinicians and 150 research scientists — to the university over five years.

## Management's Discussion & Analysis (Unaudited) - continued

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Three programs launching in fiscal year 2019 highlight the university's approach on other academic priorities:

- The **Buckeye Opportunity Program**. This affordability initiative provides financial aid to cover the cost of tuition and mandatory fees for in-state students who qualify for Pell Grants. This unprecedented program, which supports an estimated 4,200 students across all Ohio State campuses, is funded with an endowment created from energy proceeds.
- The **Digital Flagship**. Ohio State's comprehensive digital learning initiative has provided more than 11,000 first-year students with an iPad Pro and related tools for the 2018-19 academic year. The initiative also includes support for faculty interested in utilizing technology in the classroom, the development of new university apps and economic development opportunities. The university is funding the program using efficiency savings.
- The **Teaching Support Program**. The university is making a major commitment to teaching excellence through this three-part professional development program. More than 4,000 faculty members may take an inventory to analyze their current practices, complete online models to explore new approaches in the classroom and redesign their instructional practices. This program is primarily funded through innovative funding sources, including an energy endowment.

Ohio State is also continuing innovative programs to enhance access, affordability and excellence for our students. Since fiscal 2015, the university has committed more than \$100 million in additional need-based aid for Ohio residents while also enhancing cost transparency for families.

The 2018-19 academic year is the second for the Ohio State Tuition Guarantee, which offers incoming in-state students certainty about the cost of a college education by freezing rates for tuition, mandatory fees, room and board for four years. For students who began prior to the guarantee, in-state tuition has not increased since fiscal 2013.

Starting in Spring Semester 2019, the university is also simplifying fees and enhancing educational opportunities for students through four fee initiatives that will save students up to \$1.9 million a year. Ohio State will eliminate 278 course fees, pilot a digital textbook program that will reduce student costs by 75 percent to 80 percent, waive additional tuition costs for eligible students who take heavy loads and broaden our policy that offers in-state tuition to military families.

### Cautionary Note Regarding Forward-Looking Statements

Certain information provided by the university, including written as outlined above or oral statements made by its representatives, may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. All statements, other than statements

## Management's Discussion & Analysis (Unaudited) - continued

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of historical facts, which address activities, events or developments that the university expects or anticipates will or may occur in the future contain forward-looking information.

In reviewing such information, it should be kept in mind that actual results may differ materially from those projected or suggested in such forward-looking information. This forward-looking information is based upon various factors and was derived using various assumptions. The university does not undertake to update forward-looking information contained in this report or elsewhere to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking information.

**THE OHIO STATE UNIVERSITY**  
**STATEMENTS OF NET POSITION**  
June 30, 2018 and June 30, 2017  
(in thousands)

	Primary Institution		Discretely Presented Component Units		Total University	
	2018	2017	2018	2017	2018	2017
<b>ASSETS AND DEFERRED OUTFLOWS:</b>						
Current Assets:						
Cash and cash equivalents	\$ 1,412,728	\$ 584,928	\$ 136,098	\$ 125,725	\$ 1,548,826	\$ 710,653
Temporary investments	1,610,826	1,645,681	4,845	9,216	1,615,671	1,654,898
Accounts receivable, net	619,310	575,875	53,277	47,736	672,587	623,611
Notes receivable - current portion, net	25,231	25,231	86	84	25,317	25,315
Pledges receivable - current portion, net	29,524	33,718	-	-	29,524	33,718
Accrued interest receivable	23,454	20,058	-	-	23,454	20,057
Inventories and prepaid expenses	125,289	99,223	4,592	3,628	129,881	102,851
Investments held under securities lending program	39,510	15,949	-	-	39,510	15,949
Amounts due from (to) primary institution	(16,986)	(12,665)	16,986	12,665	-	-
<b>Total Current Assets</b>	<b>3,868,886</b>	<b>2,987,998</b>	<b>215,884</b>	<b>199,054</b>	<b>4,084,770</b>	<b>3,187,052</b>
Noncurrent Assets:						
Restricted cash	564,656	666,032	-	-	564,656	666,032
Notes receivable, net	41,118	35,723	2,548	2,664	43,666	38,387
Pledges receivable, net	70,901	72,350	-	-	70,901	72,350
Long-term investment pool	5,211,434	4,253,459	-	-	5,211,434	4,253,459
Other long-term investments	163,946	143,638	1,481	1,550	165,427	145,188
Capital assets, net	5,043,222	4,883,584	134,559	122,167	5,154,803	4,982,987
<b>Total Noncurrent Assets</b>	<b>11,095,277</b>	<b>10,054,786</b>	<b>138,588</b>	<b>126,381</b>	<b>11,210,887</b>	<b>10,158,403</b>
<b>Total Assets</b>	<b>14,964,163</b>	<b>13,042,784</b>	<b>354,472</b>	<b>325,435</b>	<b>15,295,657</b>	<b>13,345,455</b>
Deferred Outflows:						
Pension	631,606	991,559	45	155	631,651	991,714
Other post-employment benefits	87,904	-	11	-	87,915	-
Other deferred outflows	18,393	21,378	-	-	18,393	21,378
<b>Total Deferred Outflows</b>	<b>737,903</b>	<b>1,012,937</b>	<b>56</b>	<b>155</b>	<b>737,959</b>	<b>1,013,092</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 15,702,066</b>	<b>\$ 14,055,721</b>	<b>\$ 354,528</b>	<b>\$ 325,590</b>	<b>\$ 16,033,616</b>	<b>\$ 14,358,547</b>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION:</b>						
Current Liabilities:						
Accounts payable and accrued expenses	\$ 579,363	\$ 524,754	\$ 24,049	\$ 25,204	\$ 603,410	\$ 549,958
Deposits and advance payments for goods and services	274,401	223,880	2,094	1,718	276,496	225,598
Current portion of bonds, notes and leases payable	52,229	63,624	1,322	946	53,551	64,570
Long-term bonds payable, subject to remarketing	588,360	588,360	-	-	588,360	588,360
Liability under securities lending program	39,510	15,949	-	-	39,510	15,949
Other current liabilities	88,850	93,357	-	-	88,850	93,357
Amounts due to (from) primary institution - current	(23,339)	(21,598)	23,339	21,598	-	-
<b>Total Current Liabilities</b>	<b>1,599,374</b>	<b>1,488,326</b>	<b>50,804</b>	<b>49,466</b>	<b>1,650,177</b>	<b>1,537,792</b>
Noncurrent Liabilities:						
Bonds, notes and leases payable	2,582,017	2,640,142	21,042	15,738	2,603,059	2,655,880
Concessionaire payable	10,316	-	-	-	10,316	-
Net pension liability	2,548,009	3,565,362	236	382	2,548,245	3,565,744
Net other post-employment benefit liability	1,249,521	-	153	-	1,249,674	-
Compensated absences	170,225	164,594	-	-	170,225	164,594
Self-insurance accruals	74,139	81,239	-	-	74,139	81,239
Amounts due to third-party payors - Health System	44,909	38,032	-	-	44,909	38,032
Irrevocable split-interest agreements	29,378	30,689	-	-	29,378	30,689
Refundable advances for Federal Perkins loans	32,638	31,714	-	-	32,638	31,714
Advance from concessionaire	1,046,342	-	-	-	1,046,342	-
Other noncurrent liabilities	91,944	101,486	23,019	23,566	91,987	102,288
Amounts due to (from) primary institution - noncurrent	(87,205)	(81,697)	87,205	81,697	-	-
<b>Total Noncurrent Liabilities</b>	<b>7,792,233</b>	<b>6,571,561</b>	<b>131,655</b>	<b>121,383</b>	<b>7,900,912</b>	<b>6,670,180</b>
<b>Total Liabilities</b>	<b>9,391,607</b>	<b>8,059,887</b>	<b>182,459</b>	<b>170,849</b>	<b>9,551,089</b>	<b>8,207,972</b>
Deferred Inflows:						
Parking service concession arrangement	426,176	435,807	-	-	426,176	435,807
Pension	411,768	16,342	41	10	411,809	16,352
Other post-employment benefits	100,500	-	11	-	100,511	-
Other deferred inflows	33,780	31,858	-	-	33,779	31,858
<b>Total Deferred Inflows</b>	<b>972,224</b>	<b>484,007</b>	<b>52</b>	<b>10</b>	<b>972,275</b>	<b>484,017</b>
Net Position:						
Net investment in capital assets	2,376,795	2,259,207	111,779	105,430	2,488,574	2,364,637
Restricted:						
Nonexpendable	1,551,278	1,473,074	-	-	1,551,278	1,473,074
Expendable	1,328,793	1,190,162	-	-	1,328,793	1,190,162
Unrestricted	81,369	589,384	60,238	49,301	141,607	638,685
<b>Total Net Position</b>	<b>5,338,235</b>	<b>5,511,827</b>	<b>172,017</b>	<b>154,731</b>	<b>5,510,252</b>	<b>5,666,558</b>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>\$ 15,702,066</b>	<b>\$ 14,055,721</b>	<b>\$ 354,528</b>	<b>\$ 325,590</b>	<b>\$ 16,033,616</b>	<b>\$ 14,358,547</b>

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

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

Years ended June 30, 2018 and June 30, 2017  
(In thousands)

	Primary Institution		Discretely Presented Component Units		Total University	
	2018	2017	2018	2017	2018	2017
<b>Operating Revenues:</b>						
Student tuition and fees (net of scholarship allowances of \$199,405 and \$179,071, respectively)	\$ 935,893	\$ 927,317	\$ -	\$ -	\$ 935,893	\$ 927,317
Federal grants and contracts	328,410	324,462	13,612	12,517	342,022	336,979
State grants and contracts	78,676	77,139	-	-	78,676	77,139
Local grants and contracts	38,929	21,427	-	-	38,929	21,427
Private grants and contracts	252,832	254,333	44,577	47,182	297,409	301,515
Sales and services of educational departments	152,495	145,994	9,469	8,935	161,964	154,929
Sales and services of auxiliary enterprises (net of scholarship allowances of \$34,274 and \$31,106, respectively)	328,692	309,497	-	-	328,692	309,497
Sales and services of the OSU Health System, net	3,103,891	2,853,177	-	-	3,103,891	2,844,327
Sales and services of OSU Physicians, Inc., net	-	-	525,796	496,364	525,796	496,364
Other operating revenues	31,328	58,097	-	-	31,328	58,097
<b>Total Operating Revenues</b>	<b>5,251,146</b>	<b>4,971,443</b>	<b>593,454</b>	<b>564,998</b>	<b>5,844,600</b>	<b>5,527,591</b>
<b>Operating Expenses:</b>						
<b>Educational and General:</b>						
Instruction and departmental research	811,123	1,006,411	8,934	6,081	820,057	1,012,492
Separately budgeted research	300,952	497,508	19,331	21,566	320,283	519,074
Public service	137,120	175,101	9,891	10,780	147,011	185,881
Academic support	182,452	222,043	-	-	182,452	222,043
Student services	105,760	108,041	-	-	105,760	108,041
Institutional support	210,691	198,119	22,789	17,360	233,480	215,479
Operation and maintenance of plant	123,625	94,687	3,101	7,489	126,726	102,176
Scholarships and fellowships	126,284	130,069	-	-	126,284	130,069
Auxiliary enterprises	322,149	313,185	-	-	322,149	313,185
OSU Health System	2,720,988	2,595,797	-	-	2,720,988	2,595,797
OSU Physicians, Inc.	-	-	484,132	444,361	484,132	444,361
Depreciation	394,461	374,615	7,674	7,138	402,135	381,753
<b>Total Operating Expenses</b>	<b>5,435,605</b>	<b>5,715,576</b>	<b>555,852</b>	<b>514,775</b>	<b>5,991,457</b>	<b>6,230,351</b>
<b>Net Operating Income (Loss)</b>	<b>(184,459)</b>	<b>(744,133)</b>	<b>37,602</b>	<b>50,223</b>	<b>(146,857)</b>	<b>(702,760)</b>
<b>Non-operating Revenues (Expenses):</b>						
State share of instruction and line-item appropriations	475,593	473,061	-	-	475,593	473,061
Federal subsidies for Build America Bonds interest	10,574	10,561	-	-	10,574	10,561
Federal non-exchange grants	59,272	54,962	-	-	59,272	54,962
State non-exchange grants	11,422	9,434	-	-	11,422	9,434
Gifts	168,209	181,212	-	-	168,209	181,212
Net investment income (loss)	439,154	542,819	1,239	481	440,393	543,300
Interest expense on plant debt	(116,489)	(121,071)	(891)	(1,584)	(117,380)	(122,655)
Other non-operating revenues (expenses)	27,607	7,983	(20,522)	(30,768)	7,085	(13,934)
<b>Net Non-operating Revenue</b>	<b>1,075,342</b>	<b>1,158,961</b>	<b>(20,174)</b>	<b>(31,871)</b>	<b>1,055,168</b>	<b>1,135,941</b>
<b>Income (Loss) before Other Changes in Net Position</b>	<b>890,883</b>	<b>414,828</b>	<b>17,428</b>	<b>18,352</b>	<b>908,311</b>	<b>433,181</b>
<b>Other Changes in Net Position</b>						
State capital appropriations	83,217	68,270	-	-	83,217	68,270
Private capital gifts	15,470	26,762	-	-	15,470	26,761
Additions to permanent endowments	55,579	52,458	-	-	55,579	52,458
Capital contributions and other changes in net position	6,129	7,719	-	-	6,129	7,719
<b>Total Other Changes in Net Position</b>	<b>160,395</b>	<b>155,209</b>	<b>-</b>	<b>-</b>	<b>160,395</b>	<b>155,208</b>
<b>Increase in Net Position</b>	<b>1,051,278</b>	<b>570,037</b>	<b>17,428</b>	<b>18,352</b>	<b>1,068,706</b>	<b>588,389</b>
<b>Net Position - Beginning of Year:</b>						
Beginning of year, as previously reported	5,511,827	4,954,013	154,731	136,379	5,666,558	5,090,392
Cumulative effect of accounting changes	(1,224,870)	(12,223)	(142)	-	(1,225,012)	(12,223)
Beginning of Year, as restated	4,286,957	4,941,790	154,589	136,379	4,441,546	5,078,169
<b>Net Position - End of Year</b>	<b>\$ 5,338,235</b>	<b>\$ 5,511,827</b>	<b>\$ 172,017</b>	<b>\$ 154,731</b>	<b>\$ 5,510,252</b>	<b>\$ 5,666,558</b>

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



**THE OHIO STATE UNIVERSITY**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended June 30, 2018 and June 30, 2017**  
(in thousands)

	Primary Institution		Discretely Presented Component Units		Total University	
	2018	2017	2018	2017	2018	2017
<b>Cash Flows from Operating Activities:</b>						
Tuition and fee receipts	\$ 824,050	\$ 808,684	\$ -	\$ -	\$ 824,050	\$ 808,684
Grant and contract receipts	707,591	688,946	59,288	61,254	766,879	750,200
Receipts for sales and services	3,551,804	3,250,797	524,443	517,885	4,076,247	3,759,832
Receipt from energy concessionaire	1,089,914	-	-	-	1,089,914	-
Payments to or on behalf of employees	(2,379,815)	(2,235,761)	(353,956)	(324,012)	(2,733,771)	(2,559,773)
University employee benefit payments	(600,854)	(594,859)	(84,429)	(78,703)	(685,283)	(673,562)
Payments to vendors for supplies and services	(2,056,435)	(1,889,212)	(105,265)	(108,548)	(2,161,700)	(1,997,760)
Payments to students and fellows	(121,853)	(121,109)	-	-	(121,853)	(121,109)
Student loans issued	(9,979)	(9,305)	-	-	(9,979)	(9,305)
Student loans collected	8,804	10,166	-	-	8,804	10,166
Student loan interest and fees collected	1,848	1,369	-	-	1,848	1,369
Other receipts	38,598	44,564	-	-	38,598	44,564
Net cash provided (used) by operating activities	<u>1,053,673</u>	<u>(45,720)</u>	<u>40,081</u>	<u>67,876</u>	<u>1,093,754</u>	<u>13,306</u>
<b>Cash Flows from Noncapital Financing Activities:</b>						
State share of instruction and line-item appropriations	475,593	473,061	-	-	475,593	473,061
Non-exchange grant receipts	70,694	64,396	-	-	70,694	64,396
Gift receipts for current use	172,973	188,579	-	-	172,973	188,579
Additions to permanent endowments	55,579	52,458	-	-	55,579	52,458
Drawdowns of federal direct loan proceeds	328,892	322,405	-	-	328,892	322,405
Disbursements of federal direct loans to students	(343,209)	(323,813)	-	-	(343,209)	(323,813)
Repayment of loans from related organization	880	667	-	-	880	667
Amounts received from irrevocable split-interest agreements	153	2,567	-	-	153	2,567
Amounts paid to annuitants and life beneficiaries	(1,733)	(1,700)	-	-	(1,733)	(1,700)
Agency funds receipts	5,386	4,893	-	-	5,386	4,893
Agency funds disbursements	(4,894)	(4,645)	-	-	(4,894)	(4,645)
Other receipts (payments)	3,909	9,118	(14,388)	(17,169)	(10,479)	799
Net cash provided (used) by noncapital financing activities	<u>764,223</u>	<u>787,986</u>	<u>(14,388)</u>	<u>(17,169)</u>	<u>749,835</u>	<u>779,667</u>
<b>Cash Flows from Capital Financing Activities:</b>						
Proceeds from capital debt	73,885	6,430	6,854	150	80,739	6,580
State capital appropriations	80,238	67,662	-	-	80,238	67,662
Gift receipts for capital projects	14,389	15,320	-	-	14,389	15,320
Payments for purchase or construction of capital assets	(497,962)	(414,606)	(26,160)	(21,254)	(524,122)	(435,860)
Proceeds from sale of capital assets	-	-	-	9,172	-	9,172
Principal payments on capital debt and leases	(145,060)	(79,528)	(796)	(1,058)	(145,856)	(80,586)
Interest payments on capital debt and leases	(122,376)	(124,267)	(897)	(458)	(123,273)	(124,725)
Federal subsidies for Build America Bonds interest	10,922	10,881	-	-	10,922	10,881
Net cash provided (used) by capital financing activities	<u>(585,964)</u>	<u>(518,108)</u>	<u>(20,999)</u>	<u>(13,448)</u>	<u>(606,963)</u>	<u>(531,556)</u>
<b>Cash Flows from Investing Activities:</b>						
Net (purchases) sales of temporary investments	26,067	(137,323)	4,371	(2,166)	30,438	(139,489)
Proceeds from sales and maturities of long-term investments	2,361,342	1,866,011	69	3,215	2,361,411	1,869,226
Investment income, net of related expenses	96,521	68,405	1,239	416	97,760	68,821
Purchases of long-term investments	(2,989,438)	(2,036,073)	-	-	(2,989,438)	(2,036,073)
Net cash provided (used) by investing activities	<u>(505,508)</u>	<u>(238,980)</u>	<u>5,679</u>	<u>1,465</u>	<u>(499,829)</u>	<u>(237,515)</u>
<b>Net Increase (Decrease) in Cash</b>	<b>726,424</b>	<b>(14,822)</b>	<b>10,373</b>	<b>38,724</b>	<b>736,797</b>	<b>23,902</b>
Cash and Cash Equivalents - Beginning of Year	<u>1,250,960</u>	<u>1,265,782</u>	<u>125,725</u>	<u>87,001</u>	<u>1,376,685</u>	<u>1,352,783</u>
Cash and Cash Equivalents - End of Period	<u>\$ 1,977,384</u>	<u>\$ 1,250,960</u>	<u>\$ 136,098</u>	<u>\$ 125,725</u>	<u>\$ 2,113,482</u>	<u>\$ 1,376,685</u>

**THE OHIO STATE UNIVERSITY**  
**STATEMENTS OF CASH FLOWS, Cont'd**  
**Years Ended June 30, 2018 and June 30, 2017**  
(in thousands)

	Primary Institution		Discretely Presented Component Units		Total University	
	2018	2017	2018	2017	2018	2017
<b>Reconciliation of Net Operating Income (Loss) to Net Cash Used by Operating Activities:</b>						
Operating income (loss)	\$ (184,459)	\$ (744,133)	\$ 37,602	\$ 50,223	\$ (146,857)	\$ (702,760)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	394,461	374,615	7,674	7,138	402,135	381,753
Impairment and demolition expense	-	-	-	1,675	-	1,675
Changes in assets and liabilities:						
Accounts receivable, net	(26,424)	(52,801)	(5,541)	5,044	(31,965)	(47,757)
Notes receivable, net	(4,055)	861	114	473	(3,941)	1,334
Accrued interest receivable	(39)	(344)	-	-	(39)	(344)
Inventories and prepaid expenses	(26,066)	12,165	(964)	156	(27,030)	12,321
Amounts due to/from primary institution	(2,928)	(15,128)	(3,581)	2,450	(6,509)	(12,678.18)
Deferred outflows	272,049	(315,850)	99	(31)	272,148	(315,881)
Accounts payable and accrued liabilities	47,859	57,049	4,939	1,154	52,798	58,203
Self-insurance accruals	(7,100)	(13,377)	-	-	(7,100)	(13,377)
Amounts due to third-party payors - Health System	6,877	(4,713)	-	-	6,877	(4,713)
Deposits and advanced payments	49,077	2,932	375	(21,606)	49,452	(18,674)
Compensated absences	5,631	4,720	-	-	5,631	4,720
Refundable advances for Federal Perkins loans	924	(396)	-	-	924	(396)
Advance from concessionaire	1,046,342	-	-	-	1,046,342	-
Net pension liability	(1,017,353)	770,736	(146)	16	(1,017,499)	770,752
Net other post-employment benefit liability	24,651	-	11	-	24,662	-
Deferred inflows	486,295	(117,453)	42	2	486,337	(117,451)
Other liabilities	(12,069)	(4,603)	(543)	21,182	(12,612)	16,579
Net cash provided (used) by operating activities	\$ <u>1,053,673</u>	\$ <u>(45,720)</u>	\$ <u>40,081</u>	\$ <u>67,876</u>	\$ <u>1,093,754</u>	\$ <u>13,306</u>
<b>Non Cash Transactions:</b>						
Construction in process in accounts payable	\$ 43,852	\$ 17,442	\$ 1,494	\$ 7,377	\$ 45,346	\$ 24,819
Construction in process in concessionaire payable	10,316	-	-	-	10,316	-
Capital lease	10,508	6,430	-	-	10,508	6,430
Stock gifts	18,238	21,723	-	-	18,238	21,723
Net increase in fair value of investments	341,400	477,006	77	225	341,477	477,231

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

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

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### NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

#### Organization

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

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

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

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

#### Basis of Presentation

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

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

In addition, these financial statements include component units -- legally separate organizations for which the university is financially accountable. Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 61, *The Financial Reporting Entity: Omnibus* and Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14.*, defines financial accountability. The criteria for determining financial accountability include the following circumstances:

- Appointment of a voting majority of an organization’s governing authority and the ability of the primary government (i.e. the university) to either impose its will on

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

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that organization or the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, or;

- An organization is fiscally dependent on the primary government and provides specific financial benefits to, or imposes specific financial burdens on, the primary government.

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

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

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

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

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

Summary financial statement information for the university's blended and discretely presented component units is provided in Notes 20 and 21. Audited financial statements for the discretely presented component units considered to be material to the university may be obtained from the Office of the Controller. A total university column in the financial statements is provided as memorandum only for purposes of additional analysis by users. The total university column

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

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reflects eliminations of transactions between the primary institution and the discretely component units. These transactions consist primarily of (a) discretionary subsidies and contributions which are presented as either non-operating activities or capital additions at the component unit level and (b) exchange-based goods and services that support the operations of the entity, which are presented as operating revenues and expenses at the component unit level. The impact of these transactions on the statement of revenues, expenses and other changes in net position was \$0 and \$8,850 for the years ended June 30, 2018 and 2017, respectively.

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

### Basis of Accounting

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

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

- **Net investment in capital assets:** Capital assets, net of accumulated depreciation, cash restricted for capital projects and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- **Restricted - nonexpendable:** Amounts subject to externally-imposed stipulations that they be maintained in perpetuity and invested for the purpose of generating present and future income, which may either be expended or added to the principal by the university. These assets primarily consist of the university's permanent endowments.
- **Restricted - expendable:** Amounts whose use is subject to externally-imposed stipulations that can be fulfilled by actions of the university pursuant to those stipulations or that expire by the passage of time.

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

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- **Unrestricted:** Amounts which are not subject to externally-imposed stipulations. Substantially all unrestricted balances are internally designated for use by university departments to support working capital needs, to fund related academic or research programs, and to provide for unanticipated shortfalls in revenues and deviations in enrollment.

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

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

### Cash and Investments

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

Investments are carried at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended by GASB Statement No. 72, *Fair Value Measurement and Application*. The average cost method is used for purposes of determining gains and losses on the sale of investments. The specific identification method is used for purposes of determining gains and losses on the sale of gifted securities.

The university holds investments in limited partnerships, private equity and other investments, which are carried at estimated fair value provided by the management of these limited partnerships. The purpose of this alternative investment class is to increase portfolio diversification and reduce risk due to the low correlation with other asset classes. Investments in these limited partnerships are fair valued based on the university's proportional share of the net asset value of the total fund. Because these investments are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed, and such differences could be material. As of June 30, 2018, the university has made commitments to limited partnerships totaling \$1,258,781 that have not yet been funded. These commitments may extend for a maximum of ten years.

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

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

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### Endowment Policy

All endowments are invested in the university's Long Term Investment Pool, which consists of 5,626 Board authorized funds and 285 pending funds. Each named fund is assigned a number of shares in the Long Term Investment Pool based on the value of the gifts, income-to-principal transfers, or transfers of operating funds to that named fund. For donor restricted endowments, the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted in Ohio, permits the university's Board of Trustees to appropriate an amount of realized and unrealized endowment appreciation as the Board deems prudent. The UPMIFA, as adopted in Ohio, establishes a 5% safe harbor of prudence for funds appropriated for expenditure. Net realized and unrealized appreciation, after the spending rule distributions, is retained in the Long Term Investment Pool, and the associated net position is classified as restricted-expendable, unless otherwise restricted by the donor.

Annual distributions to named funds in the Long Term Investment Pool are computed using the share method of accounting for pooled investments. The annual distribution per share is 4.5% of the average fair value per share of the Long Term Investment Pool over the most recent seven year period.

At June 30, 2018, the fair value of the university and Foundation gifted endowments is \$2,062,986, which is \$387,387 above the historical dollar value of \$1,675,599. Although the fair value of the gifted endowments in total exceeds the historical cost at June 30, 2018, there are 1,127 named funds that remain underwater. The fair value of these underwater funds at June 30, 2018 is \$373,891, which is \$35,116 below the historical dollar value of \$409,007.

At June 30, 2017, the fair value of the university and Foundation gifted endowments is \$1,939,582, which is \$327,343 above the historical dollar value of \$1,612,239. Although the fair value of the gifted endowments in total exceeds the historical cost at June 30, 2017, there are 1,347 named funds that remain underwater. The fair value of these underwater funds at June 30, 2017 is \$492,695, which is \$47,823 below the historical dollar value of \$540,518.

The depreciation on non-expendable endowment funds is recorded as a reduction to restricted non-expendable net position. Recovery on these funds is recorded as an increase in restricted non-expendable up to the historical value of each fund. Per UPMIFA (§ 1715.53(D)(C)), the reporting of such deficiencies does not create an obligation on the part of the endowment fund to restore the fair value of those funds.

### Gift Pledges Receivable

The university receives pledges and bequests of financial support from corporations, foundations and individuals. Revenue is recognized when a pledge representing an unconditional promise to pay is received and all eligibility requirements have been met. In the absence of such promise, revenue is recognized when the gift is received. In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, endowment pledges are not recorded as assets until the related gift is received. An allowance for uncollectible pledges receivable is provided based on management's judgment of potential

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

uncollectible amounts and includes such factors as prior collection history, type of gift and nature of fundraising.

### Inventories

The university's inventories, which consist principally of publications, general stores and other goods for resale by earnings operations, are valued at the lower of moving average cost or market. The inventories of the Health System, which consist principally of pharmaceuticals and operating supplies, are valued at cost on a first-in, first-out basis.

### Capital Assets and Collections

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

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

The university does not capitalize works of art or historical treasures that are held for exhibition, education, research and public service. These collections are neither disposed of for financial gain nor encumbered in any way. Accordingly, such collections are not recognized or capitalized for financial statement purposes.

### Advance Payments for Goods and Services

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

### Derivative Instruments

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



## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

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### Operating and Non-Operating Revenues and Expenses

The university defines operating activities, for purposes of reporting on the Statement of Revenues, Expenses, and Other Changes in Net Position, as those activities that generally result from exchange transactions, such as payments received for providing services and payments made for goods or services received. With the exception of interest expense on long-term indebtedness and certain expenses related to investments, substantially all university expenses are considered to be operating expenses. Certain significant revenue streams relied upon for operations are recorded as non-operating revenues, as defined by GASB Statement No. 35, including state appropriations, current-use gifts and net investment income.

### Tuition, Room and Board

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

### State Support

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

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

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

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

These facilities are not pledged as collateral for the revenue bonds. Instead, the bonds are supported by a pledge of monies in the Higher Education Bond Service Fund and future

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

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

### **Government Grants and Contracts**

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

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

### **OSU Health System Revenue**

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

### **OSU Physicians Revenue**

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

### **Charity Care and Community Benefit**

Care is provided to patients regardless of their ability to pay. A patient is classified as charity care in accordance with policies established by the OSU Health System and OSUP. Because

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

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collection of amounts determined to qualify as charity care are not pursued, such amounts are written off and not reported as gross patient service revenue. OSU Health System and OSUP maintain records to identify and monitor the level of charity care provided, including the amount of charges foregone for services rendered. Net charity care costs for the OSU Health System for the years ended June 30, 2018 and 2017 are \$30,362 and \$42,710, respectively, after applying an additional expense of \$6,776 and \$12,416, respectively, for support received under the Health Care Assurance Program (HCAP). HCAP is administered by the State of Ohio to help hospitals cover a portion of the cost of providing charity care. Charity care costs for OSUP for the years ended June 30, 2018 and 2017 are \$7,169 and \$9,362, respectively.

### Management Estimates

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

### Implementation of GASB Statement No. 75

In fiscal year 2018, the university implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement requires employers in cost-sharing, multi-employer plans to recognize a proportionate share of the net other post-employment benefit (OPEB) liabilities of the plans. The university participates in two cost-sharing multiple-employer pension plans, the State Teachers Retirement System of Ohio and the Ohio Public Employees Retirement System, which provide post-retirement healthcare benefits. A proportionate share of the net OPEB liabilities of the retirement systems has been allocated to the university, based on retirement plan contributions for university employees. The cumulative effect of adopting GASB Statement No. 75 was a \$1,224,870 reduction in the university's net position as of July 1, 2017. Balances reported for the year ended June 30, 2017 have not been restated due to limitations on the information available from the retirement systems. Additional information regarding net OPEB liabilities, related deferrals and OPEB expense is provided in Note 15.

### Implementation of GASB Statement No. 81

In fiscal year 2018, the university implemented GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. This standard requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. It also requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. In general, revenue recognition related to these agreements will be delayed until a specified event occurs (such as the death of the lead beneficiary). The cumulative effect of adopting GASB Statement No. 81 was a \$12,223 reduction in the university's net position as of July 1, 2016. The effects of adopting

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

Statement No. 81 in the university's financial statements for the year ended June 30, 2017 were as follows:

	As Previously Reported	Effect of Adoption of Statement No. 81	As Restated
<b>Statement of Net Position - Primary Institution</b>			
Noncurrent Liabilities:			
Obligations under annuity and life income agreements	\$ 30,473	\$ (30,473)	\$ -
Irrevocable split-interest agreements	-	30,689	30,689
Other noncurrent liabilities	101,702	(216)	101,486
Total noncurrent liabilities	6,571,561	-	6,571,561
Total liabilities	8,059,887	-	8,059,887
Other deferred inflows	19,139	12,719	31,858
Total deferred inflows	471,288	12,719	484,007
Restricted nonexpendable net position	1,480,440	(7,366)	1,473,074
Restricted expendable net position	1,195,515	(5,353)	1,190,162
Total net position	\$ 5,524,546	\$ (12,719)	\$ 5,511,827

	As Previously Reported	Effect of Adoption of Statement No. 81	As Restated
<b>Statement of Revenues, Expenses and Other Changes in Net Position - Primary Institution</b>			
Institutional support	\$ 254,782	\$ (1,794)	\$ 252,988
Total operating expenses	5,772,239	(1,794)	5,770,445
Net operating income (loss)	(800,796)	1,794	(799,002)
Net investment income (loss)	600,701	(3,013)	597,688
Other non-operating revenues (expenses)	7,261	722	7,983
Net non-operating revenue	1,216,121	(2,291)	1,213,831
Income (loss) before other changes in net position	415,325	(496)	414,829
Increase in net position	\$ 570,533	\$ (496)	\$ 570,037

### Reclassification of Investment Expenses

In 2018, the university implemented a change in presentation for investment expenses. These expenses, which totaled \$64,305 for the year ended June 30, 2018 and had previously been

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

reported as Institutional Support expense, are now being netted against investment income. University management determined that the use of this acceptable alternative accounting presentation is preferable, because it improves comparability with other public institutions and better aligns the reporting of net investment income (loss) with the calculation of investment returns. The statements of Revenues, Expenses and Other Changes in Net Position and Cash Flows for the year ended June 30, 2017 have been revised as follows:

### Statement of Revenues, Expenses and Other Changes in Net Position, Primary Institution:

	For the year ended June 30, 2017		
	As originally reported	Effect of reclassification	As reclassified
Institutional support expense	\$ 254,782	\$ (54,869)	\$ 199,913
Total operating expense	5,772,239	(54,869)	5,717,370
Net operating loss	(800,796)	54,869	(745,927)
Net investment income	600,701	(54,869)	545,832
Net non-operating revenue	1,216,121	(54,869)	1,161,252

### Statement of Cash Flows, Primary Institution:

	For the year ended June 30, 2017		
	As originally reported	Effect of reclassification	As reclassified
Payments to or on behalf of employees	\$ (2,237,758)	\$ 1,997	\$ (2,235,761)
University employee benefit payments	(595,410)	551	(594,859)
Payments to vendors for supplies and services	(1,941,533)	52,321	(1,889,212)
Net cash provided (used) by operating activities	(100,589)	54,869	(45,720)
Investment income, net of expenses	123,274	(54,869)	68,405
Net cash provided (used) by investing activities	(184,111)	(54,869)	(238,980)

The reclassification has no impact on total net position or net cash flows as originally reported.

### Newly Issued Accounting Pronouncements

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This standard establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. The deferred outflow is recognized as expense over the life of the related asset. The determination of when the liability is incurred is based on the existence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Internal obligating events include the occurrence of contamination, placing into use a tangible capital asset that is required to be retired, abandoning a tangible capital asset before use begins, or acquiring a tangible capital asset that has an existing asset retirement obligation. This standard is effective for periods beginning after June 15, 2018 (FY2019).

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

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In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This standard establishes criteria for identifying and reporting fiduciary activities of all state and local governments. The focus of the criteria generally is whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Governments with activities meeting the criteria are required to present these activities in a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to this requirement is provided for a business-type activity that expects to hold assets in a custodial fund for three months or less. This standard is effective for periods beginning after December 15, 2018 (FY2020).

In June 2017, the GASB issued Statement No. 87, *Leases*. This standard establishes accounting and reporting for leases, based on the foundational principle that all leases are financings of the right to use an underlying asset for a period of time. Lessees will record an intangible right-of-use asset and corresponding lease liability. Lessors will record a lease receivable and a corresponding deferred inflow of resources. The standard provides an exception for short-term leases with a maximum possible term of 12 months or less. This standard is effective for periods beginning after December 15, 2019 (FY2021).

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This standard is intended to improve note disclosures related to debt, including direct borrowings and private placements. It defines debt, for disclosure purposes, as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) to settle an amount that is fixed at the date the contractual obligation is established. The standard requires additional disclosures related to unused lines of credit, assets pledged as collateral and significant provisions related to default, termination events and acceleration clauses. In addition, it requires that disclosures for direct borrowings and private placements be shown separately from other debt. The standard is effective for reporting periods beginning after June 15, 2018 (FY2019).

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This standard requires that interest cost incurred during the period of construction be recognized as an expense in the period in which the cost is incurred. These costs will no longer be included in the historical costs of capital assets. The standard is effective for periods beginning after December 15, 2019 (FY2021) and will be applied on a prospective basis.

University management is currently assessing the impact that implementation of GASB Statements No. 83, 84, 87, 88 and 89 will have on the university's financial statements.

### Other

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

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

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### NOTE 2 — CASH AND CASH EQUIVALENTS

At June 30, 2018, the carrying amount of the primary institution's cash, cash equivalents and restricted cash is \$1,977,384 as compared to bank balances of \$1,972,510. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$194,946 is covered by federal deposit insurance and \$1,777,564 is uninsured but collateralized by pools of securities pledged by the depository banks and held in the name of the respective banks.

At June 30, 2017, the carrying amount of the primary institution's cash, cash equivalents and restricted cash is \$1,250,960 as compared to bank balances of \$1,265,022. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$53,569 is covered by federal deposit insurance and \$1,211,453 is uninsured but collateralized by pools of securities pledged by the depository banks and held in the name of the respective banks.

At June 30, 2018, the carrying amount of the discretely presented component units' cash, cash equivalents and restricted cash is \$136,098 as compared to bank balances of \$139,932. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$4,881 is covered by federal deposit insurance and \$135,051 is uninsured but collateralized by pools of securities pledged by the depository banks and held in the name of the respective banks.

At June 30, 2017, the carrying amount of the discretely presented component units' cash, cash equivalents and restricted cash is \$125,725 as compared to bank balances of \$122,850. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$5,121 is covered by federal deposit insurance and \$117,729 is uninsured but collateralized by pools of securities pledged by the depository banks and held in the name of the respective banks.

### NOTE 3 — INVESTMENTS

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

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

The Long-Term Investment Pool is a unitized investment pool consisting of gifted endowment funds of the university, gifted endowment funds of the OSU Foundation, and quasi-endowment funds which are internally designated funds that are to function as endowments. The Long-

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

Term Investment Pool operates with a long-term investment goal of preserving and maintaining the real purchasing power of the principal while allowing for the generation of a predictable stream of annual distribution. The university's Board of Trustees approved the following thematic asset classes, allocation ranges and benchmarks for the Long-Term Investment Pool:

<b>Asset Class</b>	<b>Range</b>	<b>Benchmark</b>
Global Equities	40-80%	MSCI All Country World Index (ACWI)
Global Credit	10-50%	Barclays U.S. Aggregate Bond Index
Real Assets	5-20%	U.S. Consumer Price Index (CPI) + 5%

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

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

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

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



## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

Total university investments by major category for the primary institution at June 30, 2018 and 2017 are as follows:

	Primary Institution	
	2018	2017
Temporary Investments	\$ 1,610,826	\$ 1,645,681
Long-Term Investment Pool:		
Gifted Endowment - University	1,104,236	1,062,321
Gifted Endowment - OSU Foundation	958,750	877,261
Quasi Endowment - Operating	1,208,769	1,299,779
Quasi Endowment - Designated	1,939,679	1,014,098
Total Long-Term Investment Pool	5,211,434	4,253,459
Securities Lending Collateral Investments	39,510	15,949
Other Long-Term Investments	163,946	143,638
Total Investments	\$ 7,025,716	\$ 6,058,727

Total university investments by investment type for the primary institution at June 30, 2018 are as follows:

	Primary Institution				
	Temporary Investments	Long-Term Investment Pool	Other Long-Term Investments	Securities Lending Collateral Investments	Total
U.S. equity	\$ -	\$ 319,135	\$ -	\$ -	\$ 319,135
International equity	-	348,018	-	-	348,018
Equity mutual funds	84,459	750,572	23,818	-	858,849
U.S. government obligations	140,893	384,731	468	-	526,092
U.S. government agency obligations	118,198	-	-	-	118,198
Repurchase agreements	-	-	-	-	-
Corporate bonds and notes	1,098,902	-	-	-	1,098,902
Bond mutual funds	92,242	-	17,036	-	109,278
Foreign government bonds	11,960	-	-	-	11,960
Real assets	10,441	651,882	28,472	-	690,795
Hedge funds	-	1,377,733	-	-	1,377,733
Private equity	-	772,239	76,263	-	848,502
Commercial paper	39,501	-	-	-	39,501
Cash and cash equivalents	-	607,124	-	-	607,124
Other	14,230	-	17,889	-	32,119
Securities Lending Collateral Assets:					
Repurchase agreements	-	-	-	19,014	19,014
Variable rate notes	-	-	-	19,268	19,268
Commercial paper	-	-	-	-	-
Certificates of deposit	-	-	-	1,258	1,258
Cash and other adjustments	-	-	-	(30)	(30)
	\$ 1,610,826	\$ 5,211,434	\$ 163,946	\$ 39,510	\$ 7,025,716

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

Total university investments by investment type for the primary institution at June 30, 2017 are as follows:

	Primary Institution				
	Temporary	Long-Term	Other	Securities	Total
			Long-Term	Lending Collateral	
Investments	Investment Pool	Investments	Investments		
U.S. equity	\$ -	\$ 214,328	\$ -	\$ -	\$ 214,328
International equity	-	160,680	-	-	160,680
Equity mutual funds	84,674	536,226	23,810	-	644,710
U.S. government obligations	162,870	367,909	352	-	531,131
U.S. government agency obligations	130,557	-	-	-	130,557
Repurchase agreements	-	-	-	-	-
Corporate bonds and notes	1,073,319	-	-	-	1,073,319
Bond mutual funds	88,106	-	16,831	-	104,937
Foreign government bonds	30,212	-	-	-	30,212
Real assets	8,347	674,729	25,930	-	709,006
Hedge funds	-	1,399,392	-	-	1,399,392
Private equity	-	588,281	59,047	-	647,328
Commercial paper	46,028	-	-	-	46,028
Cash and cash equivalents	-	311,914	-	-	311,914
Other	21,568	-	17,668	-	39,236
Securities Lending Collateral Assets:					
Repurchase agreements	-	-	-	10,621	10,621
Variable rate notes	-	-	-	890	890
Commercial paper	-	-	-	1,410	1,410
Certificates of deposit	-	-	-	3,044	3,044
Cash and other adjustments	-	-	-	(16)	(16)
	\$ 1,645,681	\$ 4,253,459	\$ 143,638	\$ 15,949	\$ 6,058,727

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

	2018	2017
Interest and dividends	\$ 162,059	\$ 120,682
Net increase in fair value of investments	341,400	477,006
Investment expenses	(64,305)	(54,869)
Total	\$ 439,154	\$ 542,819

### Information on Fair Value of Investments

Fair value is defined in the accounting standards as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities reported at fair value are organized into a hierarchy

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

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based on the levels of inputs observable in the marketplace that are used to measure fair value.

Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, liquidity statistics, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

*Level 1* – Prices based on unadjusted quoted prices in active markets that are accessible for identical assets or liabilities are classified as Level 1. Directly held equity securities, registered bond and equity mutual funds, and other miscellaneous investments classified in Level 1 are valued using prices quoted in active markets that the custodian and university have the ability to access.

*Level 2* – Quoted prices in the markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly, are classified as Level 2. Level 2 investments include US government agencies and obligations, corporate bonds, municipal bonds, foreign government bonds, repurchase agreements, commercial paper, and other debt related investments. The evaluated prices may be determined by factors which include, but are not limited to, market quotations, yields, maturities, call features, ratings, institutional size trading in similar groups of securities and developments related to specific securities.

*Level 3* – Investments classified as Level 3 have significant unobservable inputs, as they trade infrequently or not at all. The inputs into the determination of fair value of these investments are based upon the best information in the circumstance and may require significant management judgment. Investments included in Level 3 consist primarily of the university's ownership in real estate, limited partnerships and equity positions in private companies.

*Net Asset Value (NAV)* – Investments whose fair value is measured at NAV are excluded from the fair value hierarchy. Investments in non-governmental entities that do not have a readily determinable fair value may be valued at NAV if the NAV is determined in accordance with the fair value measurement principles provided by the FASB standards relevant to investment companies. Interest in investment funds with a NAV reported under an alternative basis are reflected as Level 3 investments. Investments measured at NAV consist mainly of non-publicly traded mutual funds, hedge funds, private equity, and other alternative funds. These assets are valued by the associated external investment manager/general partner and reviewed by the university using the most recent audited and unaudited financial statements available.

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

*Not Leveled* – Cash is not measured at fair value and, thus, is not subject to the fair value disclosure requirements. Cash not subject to such requirements amounted to \$19,733 and \$76,474 at June 30, 2018 and 2017, respectively.

Investments by fair value category for the primary institution at June 30, 2018 are as follows:

	Primary Institution				
	Quoted Prices	Significant	Significant	NAV as	Total
	in Active	Other Observable	Unobservable	Practical	
	Markets	Inputs	Inputs	Expedient	
(Level 1)	(Level 2)	(Level 3)	(NAV)		
U.S. equity	\$ 319,135	\$ -	\$ -	\$ -	\$ 319,135
International equity	348,018	-	-	-	348,018
Equity mutual funds	196,170	-	-	662,679	858,849
U.S. government obligations	3,313	522,779	-	-	526,092
U.S. government agency obligations	-	118,198	-	-	118,198
Corporate bonds and notes	-	1,097,801	1,101	-	1,098,902
Bond mutual funds	109,278	-	-	-	109,278
Foreign government bonds	-	11,960	-	-	11,960
Real assets	9,927	-	144,843	536,025	690,795
Hedge funds	-	-	-	1,377,733	1,377,733
Private equity	-	-	122,338	726,164	848,502
Commercial paper	-	39,501	-	-	39,501
Cash equivalents	587,391	-	-	-	587,391
Other	-	13,813	18,306	-	32,119
Securities Lending Collateral Assets:					
Repurchase agreements	-	19,014	-	-	19,014
Variable rate notes	-	19,268	-	-	19,268
Commercial paper	-	-	-	-	-
Certificates of deposit	-	1,258	-	-	1,258
Other adjustments	-	(30)	-	-	(30)
	<u>\$ 1,573,232</u>	<u>\$ 1,843,562</u>	<u>\$ 286,588</u>	<u>\$ 3,302,601</u>	<u>\$ 7,005,983</u>

**Notes to Financial Statements – Years Ended June 30, 2018 and 2017**  
(dollars in thousands)

Investments by fair value category for the primary institution at June 30, 2017 are as follows:

	Primary Institution					Total Fair Value
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV as Practical Expedient (NAV)		
U.S. equity	\$ 214,328	\$ -	\$ -	\$ -	\$ 214,328	
International equity	160,680	-	-	-	160,680	
Equity mutual funds	164,075	-	-	480,635	644,710	
U.S. government obligations	(138)	531,269	-	-	531,131	
U.S. government agency obligations	-	130,557	-	-	130,557	
Corporate bonds and notes	-	1,072,324	995	-	1,073,319	
Bond mutual funds	104,937	-	-	-	104,937	
Foreign government bonds	-	30,212	-	-	30,212	
Real assets	18,592	-	141,757	548,657	709,006	
Hedge funds	-	-	-	1,399,392	1,399,392	
Private equity	-	-	41,084	606,244	647,328	
Commercial paper	-	46,028	-	-	46,028	
Cash equivalents	235,440	-	-	-	235,440	
Other	-	21,237	17,999	-	39,236	
Securities Lending Collateral Assets:						
Repurchase agreements	-	10,621	-	-	10,621	
Variable rate notes	-	890	-	-	890	
Commercial paper	-	1,410	-	-	1,410	
Certificates of deposit	-	3,044	-	-	3,044	
Other adjustments	-	(16)	-	-	(16)	
	<u>\$ 897,914</u>	<u>\$ 1,847,576</u>	<u>\$ 201,835</u>	<u>\$ 3,034,928</u>	<u>\$ 5,982,253</u>	

**Additional Information on Investments Measured at the NAV**

Additional information on fair values, unfunded commitments, remaining life and redemption for investments measured at the NAV for the primary institution at June 30, 2018 is as follows:

	Fair Value	Unfunded Commitments	Remaining Life	Redemption Notice Period	Redemption Restrictions
Equity mutual funds - non-public international	\$ 662,679	\$ -	No limit	1 to 30 days	None
Hedge funds - absolute return, credit, long/short equities	1,377,733	-	No limit	30 to 180 day notice periods	Lock-up provisions ranging from none to 2 years; side pockets on a few funds
Private equity - private credit, buyouts, venture, secondary	726,164	694,178	1-12 years	Partnerships ineligible for redemption	Not redeemable
Real assets - natural resources, real estate, infrastructure	536,025	180,896	1-12 years	Partnerships ineligible for redemption	Not redeemable
	<u>\$ 3,302,601</u>	<u>\$ 875,074</u>			

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

### Additional Risk Disclosures for Investments

GASB Statements No. 3 and 40 require certain additional disclosures related to the liquidity, interest-rate, custodial, credit and foreign currency risks associated with deposits and investments.

**Liquidity risk** – The university’s private equity and real asset investments are illiquid and subject to redemption restrictions in accordance with their respective governing documents. Such governing documents do not provide for the university to exit these investments until their respective terms have ended.

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

The maturities of the university’s interest-bearing investments for the primary institution at June 30, 2018 are as follows:

	Primary Institution				
	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
U.S. government obligations	\$ 526,092	\$ 425,816	\$ 100,002	\$ 274	\$ -
U.S. government agency obligations	118,198	4,215	32,651	14,098	67,234
Commercial paper	39,501	39,501	-	-	-
Corporate bonds	1,098,902	268,876	734,097	41,510	54,419
Bond mutual funds	109,278	7,975	56,393	29,257	15,653
Other governmental bonds	13,812	5,574	5,385	49	2,804
Foreign governmental bonds	11,960	3,888	8,072	-	-
Securities Lending Collateral:					
Repurchase agreements	19,014	19,014	-	-	-
Certificates of deposit	1,258	1,258	-	-	-
Commercial paper	-	-	-	-	-
Variable rate notes	19,268	19,268	-	-	-
Total	\$ 1,957,283	\$ 795,385	\$ 936,600	\$ 85,188	\$ 140,110

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

The maturities of the university's interest-bearing investments for the primary institution at June 30, 2017 are as follows:

	Primary Institution				
	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
U.S. government obligations	\$ 531,131	\$ 395,780	\$ 107,902	\$ 27,449	\$ -
U.S. government agency obligations	130,557	12,681	55,288	16,468	46,120
Commercial paper	46,028	46,028	-	-	-
Corporate bonds	1,073,319	301,723	661,802	55,156	54,638
Bond mutual funds	104,937	4,862	58,284	28,182	13,609
Other governmental bonds	21,237	4,803	13,216	175	3,043
Foreign governmental bonds	30,212	22,666	7,546	-	-
Securities Lending Collateral:					
Repurchase agreements	10,621	10,621	-	-	-
Certificates of deposit	3,044	3,044	-	-	-
Commercial paper	1,410	1,410	-	-	-
Variable rate notes	890	890	-	-	-
Total	<u>\$ 1,953,386</u>	<u>\$ 804,508</u>	<u>\$ 904,038</u>	<u>\$ 127,430</u>	<u>\$ 117,410</u>

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

**Credit risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the holder of the investment. Credit quality information – as commonly expressed in terms of the credit ratings issued by nationally recognized statistical rating organizations such as Moody's Investors Service, Standard & Poor's, or Fitch Ratings – provides a current depiction of potential variable cash flows and credit risk.

Per GASB Statement No. 40, *Deposit and Investment Risk Disclosures, an amendment to GASB Statement No. 3*, securities with split ratings, or a different rating assignment, are disclosed using the rating indicative of the greatest degree of risk.

**Notes to Financial Statements – Years Ended June 30, 2018 and 2017**  
(dollars in thousands)

The credit ratings of the university's interest-bearing investments for the primary institution at June 30, 2018 are as follows:

	Primary Institution										
	Total	AAA	AA	A	BBB	BB	B	CCC	CC	C	Not Rated
U.S. government and agency obligations	\$ 644,290	\$ 3,881	\$ 589,810	\$ 41,579	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,020
Corporate bonds	1,098,902	61,155	172,281	454,979	310,119	17,706	4,650	-	-	-	78,012
Bond mutual funds	109,278	76,817	5,108	16,180	8,002	1,405	739	1,010	-	-	17
Foreign government bonds	11,960	1,690	3,029	5,236	2,005	-	-	-	-	-	-
Commercial paper	39,501	-	-	37,507	1,994	-	-	-	-	-	-
Other government bonds	13,812	1,192	6,033	2,892	-	-	-	300	-	-	270
Securities Lending Collateral:											
Repurchase agreements	19,014	-	-	-	-	-	-	-	-	-	19,014
Certificates of deposit	1,258	-	-	1,258	-	-	-	-	-	-	-
Commercial paper	-	-	-	-	-	-	-	-	-	-	-
Variable rate notes	19,268	-	6,361	12,907	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 1,957,283</b>	<b>\$ 144,735</b>	<b>\$ 782,622</b>	<b>\$ 572,538</b>	<b>\$ 322,120</b>	<b>\$ 19,111</b>	<b>\$ 5,389</b>	<b>\$ 1,310</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 106,333</b>

The credit ratings of the university's interest-bearing investments for the primary institution at June 30, 2017 are as follows:

	Primary Institution										
	Total	AAA	AA	A	BBB	BB	B	CCC	CC	C	Not Rated
U.S. government and agency obligations	\$ 661,688	\$ 4,828	\$ 615,608	\$ 33,253	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,999
Corporate bonds	1,073,319	74,388	187,093	367,603	328,182	19,966	5,249	-	-	-	90,838
Bond mutual funds	104,937	69,995	5,424	18,060	8,080	1,474	619	1,272	-	-	13
Foreign government bonds	30,212	3,080	2,126	12,724	2,043	-	-	-	-	-	10,239
Commercial paper	46,028	-	-	10,949	-	-	-	-	-	-	35,079
Other government bonds	21,237	1,325	9,964	5,259	3,688	-	-	-	-	-	1,001
Securities Lending Collateral:											
Repurchase agreements	10,621	-	-	-	-	-	-	-	-	-	10,621
Certificates of deposit	3,044	-	-	2,627	-	-	-	-	-	-	417
Commercial paper	1,410	-	-	1,410	-	-	-	-	-	-	-
Variable rate notes	890	-	633	257	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 1,953,386</b>	<b>\$ 153,616</b>	<b>\$ 820,848</b>	<b>\$ 452,142</b>	<b>\$ 341,993</b>	<b>\$ 21,440</b>	<b>\$ 5,868</b>	<b>\$ 1,272</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 156,207</b>

**Concentration of credit risk** – Concentration of credit risk is the risk associated with a lack of diversification, such as having substantial investments in a few individual issuers, thereby exposing the university to greater risks resulting from adverse economic, political, regulatory, geographic or credit developments.

There is no investment in issuers other than U. S. government guaranteed securities that represents five percent or more of investments held at June 30, 2018 and June 30, 2017.

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



## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

At June 30, 2018, exposure to foreign currency risk for the primary institution is as follows:

	Primary Institution					
	Common	Equity	Bond	Corporate	Foreign	Partnerships
	Stock	Mutual Funds	Mutual Funds	Bonds and Notes	Government Bonds	and Hedge Funds
Argentine Peso	\$ -	\$ -	\$ 88	\$ -	\$ -	\$ -
Australian dollar	2,933	16,426	(5)	-	-	-
Bangladeshi taka	-	12	-	-	-	-
Brazilian real	4,477	4,966	23	-	-	-
Canadian dollar	10,755	5,805	177	-	-	-
Chilean peso	287	1,592	-	-	-	-
Chinese yuan	77	5,344	607	-	-	-
Columbian peso	116	782	56	-	-	-
Czech Republic koruna	42	1,484	-	-	-	-
Danish krone	3,433	3,930	5	-	-	-
Egyptian pound	46	17	(117)	-	-	-
Euro	104,881	63,019	(568)	-	1,672	98,131
Great Britain pound sterling	60,906	88,214	9	2,509	-	75,012
Hong Kong dollar	17,917	22,857	-	-	-	-
Hungarian forint	62	71	-	-	-	-
Iceland Krona	-	-	32	-	-	-
Indian rupee	2,318	4,896	191	-	-	-
Indonesian rupiah	487	785	-	-	-	-
Israeli shekel	166	160	-	-	-	-
Japanese yen	81,496	67,162	(95)	-	-	-
Kuwaiti dinar	-	1,707	-	-	-	-
Malaysian ringgit	609	3,584	-	-	-	-
Mexican peso	723	2,430	485	-	-	-
New Taiwan dollar	3,149	6,670	(306)	-	-	-
New Turkish lira	197	2,002	-	-	-	-
New Zealand dollar	129	79	80	-	-	-
Norwegian krone	5,380	3,614	54	-	-	-
Pakistan rupee	41	2,275	-	-	-	-
Peruvian nuevo sol	-	6	-	-	-	-
Philippine peso	233	1,367	-	-	-	-
Polish zloty	268	244	-	-	-	-
Qatari riyal	196	69	-	-	-	-
Romanian new leu	-	822	(120)	-	-	-
Russian ruble	447	436	263	-	-	-
Singapore dollar	548	10,186	(303)	-	-	-
South African rand	1,602	6,178	2	-	-	-
South Korean won	4,846	7,561	(247)	-	-	-
Sri Lanka rupee	-	38	-	-	-	-
Swedish krona	3,028	5,308	78	-	-	-
Swiss franc	31,142	18,485	-	-	-	24,863
Thailand bhat	576	3,503	(1)	-	-	-
UAE dirham	139	3,229	-	-	-	-
Total	\$ 343,652	\$ 367,315	\$ 388	\$ 2,509	\$ 1,672	\$ 198,006

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

At June 30, 2017, exposure to foreign currency risk for the primary institution is as follows:

	Primary Institution					
	Common	Equity	Bond	Corporate	Foreign	Partnerships
	Stock	Mutual	Mutual	Bonds and	Government	and Hedge
	Funds	Funds	Notes	Bonds	Funds	
Australian dollar	\$ 1,557	\$ 12,026	\$ 486	\$ -	\$ -	\$ 4,054
Bangladeshi taka	-	544	-	-	-	-
Brazilian real	2,473	7,196	183	-	-	-
Canadian dollar	11,022	4,644	(30)	-	-	-
Chilean peso	(1)	2,256	-	-	-	-
Chinese yuan	-	2,225	3	-	-	-
Columbian peso	-	1,906	-	-	-	-
Czech Republic koruna	-	1,216	-	-	2,185	-
Danish krone	2,891	341	8	8,543	-	-
Egyptian pound	-	22	-	-	-	-
Euro	49,766	45,438	182	4,023	-	96,881
Great Britain pound sterling	27,369	66,843	114	2,638	-	30,577
Hong Kong dollar	10,858	16,146	17	-	-	-
Hungarian forint	-	56	-	-	-	-
Indian rupee	(5)	4,793	139	-	-	-
Indonesian rupiah	(1)	933	141	-	-	-
Israeli shekel	-	74	-	-	-	-
Japanese yen	28,717	55,177	34	-	15,099	-
Kuwaiti dinar	-	1,910	-	-	-	-
Malaysian ringgit	-	1,908	69	-	-	-
Mexican peso	(2)	4,767	274	(61)	-	-
New Taiwan dollar	(8)	6,438	(174)	-	-	-
New Turkish lira	-	2,535	232	-	-	-
New Zealand dollar	-	27	(289)	-	-	-
Norwegian krone	3,505	1,745	50	-	-	-
Pakistan rupee	-	4,823	-	-	-	-
Peruvian nuevo sol	-	6	71	-	-	-
Philippine peso	-	1,348	-	-	-	-
Polish zloty	(7)	1,048	-	-	-	-
Qatarian rial	-	85	-	-	-	-
Romanian new leu	-	2,887	-	-	-	-
Russian ruble	(2)	33	146	-	-	-
Singapore dollar	-	7,978	(625)	-	-	-
South African rand	(4)	5,560	6	-	-	-
South Korean won	3,284	4,839	(183)	-	-	-
Sri Lanka rupee	-	116	-	-	-	-
Swedish krona	773	4,711	273	-	-	-
Swiss franc	18,495	15,004	(262)	-	-	13,860
Thailand bhat	-	3,232	(3)	-	-	-
UAE dirham	-	1,137	-	-	-	-
Total	\$ 160,680	\$ 293,973	\$ 862	\$ 15,143	\$ 17,284	\$ 145,372

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

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### Securities Lending

The university has engaged in a securities lending program through its custodian bank of the Long-Term Investment Pool. Securities loaned at June 30, 2018 and 2017 were comprised completely of equities, and these loans were secured by collateral in the form of cash, equities, U.S. government obligations, and foreign government/private debt. All loans must be secured by collateral amounting to no less than 102% of the current fair value of domestic securities loaned and no less than 105% of the current fair value of foreign securities loaned.

As of June 30, 2018, there was no credit risk on securities loaned due to the fair value of the collateral held being greater than the fair value of securities on loan to each individual broker. The university, the custodian, and the borrower each maintain the right to terminate a loan. Upon maturity or termination of a loan agreement, the custodian is contractually obligated to indemnify the university if the borrowers fail to return loaned securities and if liquidation of the collateral is insufficient to replace the value of the securities loaned. Noncash collateral cannot be pledged or sold by the university without a borrower's default. While earning fees received by the university during the loan period, cash collateral is simultaneously invested in short term, highly liquid securities in order to further increase interest earned while also matching a weighted average maturity of loans which is not to exceed 60 days.

As of June 30, 2018, securities loaned by the university amounted to a fair value of \$82,521 and were secured by collateral in the amount of \$88,940. The portion of this collateral that was received in cash amounted to \$39,510 and is reflected within the university's statement of net position as a current asset and a corresponding current liability.

As of June 30, 2017, securities loaned by the university amounted to a fair value of \$26,267 and were secured by collateral in the amount of \$27,745. The portion of this collateral that was received in cash amounted to \$15,949 and is reflected within the university's statement of net position as a current asset and a corresponding current liability.

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

### NOTE 4 — ACCOUNTS, NOTES AND PLEDGES RECEIVABLE

Accounts receivable for the primary institution at June 30, 2018 and 2017 consist of the following:

	Primary Institution	
	2018	2017
Gross receivables - OSU Health System	\$ 1,165,740	\$ 1,089,251
Grant and contract receivables	92,973	91,684
Tuition and fees receivable	19,519	20,176
Receivables for departmental and auxiliary sales and services	44,280	52,415
State and federal receivables	26,535	9,239
Other receivables	32	9,440
Total receivables	1,349,079	1,272,205
Less: Allowances	729,769	696,330
Total receivables, net	\$ 619,310	\$ 575,875

Allowances consist primarily of allowances for doubtful accounts and contractual adjustments of receivables of the OSU Health System.

Notes receivable consist primarily of Perkins and health professions loans and are net of an allowance for doubtful accounts of \$18,709 and \$18,445 at June 30, 2018 and 2017, respectively. Federal capital contributions to the Perkins loan programs represent advances which are ultimately refundable to the federal government.

In accordance with GASB Statement No. 33, *Accounting and Reporting for Non-exchange Transactions*, the university has recorded \$104,041 in non-endowment pledges receivable and a related allowance for doubtful accounts of \$3,616 at June 30, 2018. The university recorded \$110,849 in non-endowment pledges receivable and a related allowance for doubtful accounts of \$4,781 at June 30, 2017.

Accounts receivable for the discretely presented component units at June 30, 2018 and 2017 consist of the following:

	Discretely Presented Component Units	
	2018	2017
Gross receivables - OSU Physicians	\$ 115,796	\$ 101,787
Other receivables	9,358	13,234
Total receivables	125,154	115,021
Less: Allowances for doubtful accounts	71,877	67,285
Total receivables, net	\$ 53,277	\$ 47,736

Allowances consist primarily of allowances for doubtful accounts and contractual adjustments of receivables of OSU Physicians.

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

### NOTE 5 — CAPITAL ASSETS

Capital assets activity for the primary institution for the year ended June 30, 2018 is summarized as follows:

	Primary Institution			
	Beginning			Ending
	Balance	Additions	Retirements	Balance
Capital assets not being depreciated:				
Land	\$ 88,502	\$ 1,201	\$ 211	\$ 89,492
Intangibles	18,413	-	-	18,413
Construction in progress	166,710	212,149	-	378,859
Total non depreciable assets	273,625	213,350	211	486,764
Capital assets being depreciated:				
Improvements other than buildings	828,429	34,794	29,368	833,855
Buildings and fixed equipment	6,214,539	168,613	7,158	6,375,994
Movable equipment, furniture and software	1,452,745	139,184	44,075	1,547,854
Library books	188,006	4,295	1,026	191,275
Total	8,683,719	346,886	81,627	8,948,978
Less: Accumulated depreciation	4,073,760	394,461	75,701	4,392,520
Total depreciable assets, net	4,609,959	(47,575)	5,926	4,556,458
Capital assets, net	\$ 4,883,584	\$ 165,775	\$ 6,137	\$ 5,043,222

The increase in construction in progress of \$212,149 in fiscal year 2018 represents the amount of capital expenditures for new projects of \$496,509, net of assets placed in service of \$284,360.

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

Capital assets activity for the primary institution for the year ended June 30, 2017 is summarized as follows:

	Primary Institution			
	Beginning			Ending
	Balance	Additions	Retirements	Balance
Capital assets not being depreciated:				
Land	\$ 85,335	\$ 3,474	\$ 307	\$ 88,502
Intangibles	18,413	-	-	18,413
Construction in progress	103,555	63,155	-	166,710
Total non depreciable assets	207,303	66,629	307	273,625
Capital assets being depreciated:				
Improvements other than buildings	812,055	16,374	-	828,429
Buildings and fixed equipment	6,039,509	183,276	8,246	6,214,539
Movable equipment, furniture and software	1,374,200	138,473	59,928	1,452,745
Library books	183,389	5,109	492	188,006
Total	8,409,153	343,232	68,666	8,683,719
Less: Accumulated depreciation	3,764,023	374,615	64,878	4,073,760
Total depreciable assets, net	4,645,130	(31,383)	3,788	4,609,959
Capital assets, net	\$ 4,852,433	\$ 35,246	\$ 4,095	\$ 4,883,584

The increase in construction in progress of \$63,155 in fiscal year 2017 represents the amount of capital expenditures for new projects of \$318,555, net of assets placed in service of \$255,400.

Capital assets activity for the discretely presented component units for the year ended June 30, 2018 is summarized as follows:

	Discretely Presented Component Units			
	Beginning			Ending
	Balance	Additions	Retirements	Balance
Capital assets not being depreciated:				
Land	\$ 25,731	\$ -	\$ -	\$ 25,731
Intangibles	52	-	6	46
Construction in progress	15,166	4,592	-	19,758
Total non depreciable assets	40,949	4,592	6	45,535
Capital assets being depreciated:				
Improvements other than buildings	13,423	2,362	1,425	14,360
Buildings and fixed equipment	102,366	10,731	1,179	111,918
Movable equipment, furniture and software	30,574	3,653	793	33,434
Total	146,363	16,746	3,397	159,712
Less: Accumulated depreciation	65,145	7,674	2,131	70,688
Total depreciable assets, net	81,218	9,072	1,266	89,024
Capital assets, net	\$ 122,167	\$ 13,664	\$ 1,272	\$ 134,559

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

The increase in construction in progress of \$4,592 in fiscal year 2018 represents the amount of capital expenditures for new projects of \$14,943, net of assets placed in service of \$10,351.

Capital assets activity for the discretely presented component units for the year ended June 30, 2017 is summarized as follows:

	<b>Discretely Presented Component Units</b>			
	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land	\$ 21,122	\$ 6,354	\$ 1,745	\$ 25,731
Intangibles	-	52	-	52
Construction in progress	25,491	(10,325)	-	15,166
Total non depreciable assets	46,613	(3,919)	1,745	40,949
Capital assets being depreciated:				
Improvements other than buildings	8,510	5,663	750	13,423
Buildings and fixed equipment	72,366	41,622	11,622	102,366
Movable equipment, furniture and software	50,281	2,611	22,318	30,574
Library books	-	-	-	-
Total	131,157	49,896	34,690	146,363
Less: Accumulated depreciation	59,805	7,138	1,798	65,145
Total depreciable assets, net	71,352	42,758	32,892	81,218
Capital assets, net	\$ 117,965	\$ 38,839	\$ 34,637	\$ 122,167

The decrease in construction in progress of \$10,325 in fiscal year 2017 represents the amount of capital expenditures for new projects of \$19,063, net of assets placed in service of \$29,388.

### NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses for the primary institution at June 30, 2018 and 2017 consist of the following:

	<b>Primary Institution</b>	
	<b>2018</b>	<b>2017</b>
Payables to vendors for supplies and services	\$ 330,538	\$ 303,026
Accrued compensation and benefits	131,639	125,049
Retirement system contributions payable	80,066	49,572
Other accrued expenses	37,120	47,107
Total payables and accrued expenses	\$ 579,363	\$ 524,754

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

### NOTE 7 – DEPOSITS AND ADVANCE PAYMENTS FOR GOODS AND SERVICES

Deposits and advance payments for goods and services for the primary institution at June 30, 2018 and 2017 consist of the following:

	Primary Institution	
	2018	2017
Current deposits and advance payments:		
Tuition and fees	\$ 42,585	\$ 40,002
Departmental and auxiliary sales and services	81,541	64,546
Affinity agreements	2,915	5,068
Advance from concessionaire	21,786	-
Grant and contract advances	111,091	101,307
Other deposits and advance payments	14,483	12,957
Total current deposits and advance payments	<u>\$ 274,401</u>	<u>\$ 223,880</u>
Advance from concessionaire	\$ 1,046,342	\$ -
Other non-current deposits and advance payments:	68,018	73,289

### NOTE 8 – SELF-INSURANCE ACCRUALS

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

#### Medical Malpractice

The university has established trustee self-insurance funds for professional medical malpractice liability claims with a \$4,000 limit per occurrence and \$18,000 annual aggregate. The university self-insurance funds have insurance in excess of \$4,000 per occurrence through Oval Limited, a blended component unit of the university. Effective July 1, 2017, Oval Limited provides coverage with limits of \$85,000 per occurrence and in the aggregate.

Previous coverage levels for Oval Limited are as follows:

Accident Period for Oval	Gross Oval Limit (Occurrence and Annual Aggregate)
7/1/16 – 6/30/18	\$85,000
7/1/15 – 6/30/16	\$75,000
7/1/08 – 6/30/15	\$55,000
7/1/06 – 6/30/08	\$40,000
7/1/05 – 6/30/06	\$35,000
7/1/02 – 6/30/05	\$25,000
7/1/97 – 6/30/02	\$15,000
9/30/94 – 6/30/97	\$10,000



## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

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The limits are in excess of underlying policies with limits of \$4,000 per occurrence and \$18,000 in the aggregate. For the year ended June 30, 2018, Oval reinsured, in excess of the self-insured retention, 100% of the first \$25,000 of risk to Berkley Insurance Company. The next \$20,000 was fully ceded to Endurance Specialty Insurance Ltd, then \$20,000 ceded to The Medical Protective Company, with the next \$10,000 ceded to Berkshire Hathaway Specialty Insurance and above that Oval ceded the remaining \$10,000 of the risk to Ironshore Insurance Ltd.

The estimated liability and the related contributions to the trustee fund are based upon an independent actuarial determination as of June 30, 2018. OSUP participates in the university self-insurance fund for professional medical malpractice liability claims.

The university's estimate of professional malpractice liability includes provisions for known claims and actuarially determined estimates of incurred but not reported claims and incidents. This liability at June 30, 2018 of the anticipated future payments on gross claims is estimated at its present value of \$51,042 discounted at an estimated rate of 3.0% (university funds) and an additional \$19,286 discounted at an estimated rate of 3.0% (Oval Limited).

Although actual experience upon the ultimate disposition of the claims may vary from this estimate, the self-insurance fund assets of \$203,611 (which primarily consist of bond and equity mutual funds, money market funds and U.S. treasury notes) are more than the recorded liability at June 30, 2018, and the surplus of \$133,283 is included in unrestricted net position.

At June 30, 2017, the anticipated future payments on gross claims was estimated at its present value of \$51,626 discounted at an estimated rate of 3% (university funds) and an additional \$7,297 discounted at an estimated rate of 3% (Oval Limited). The self-insurance fund assets of \$184,849 (which primarily consist of bond and equity mutual funds, money market funds and U.S. treasury notes) were more than the recorded liability at June 30, 2017, and the surplus of \$111,328 was included in unrestricted net position.

### Employee Health Insurance

The university is also self-insured for employee health insurance. As of June 30, 2018 and 2017, \$32,997 and \$35,849, respectively is recorded as a liability relating to both claims received but not paid and estimates of claims incurred but not yet reported.

### Workers' Compensation

Effective January 1, 2013, the university became self-insured for workers' compensation. As of June 30, 2018 and 2017, respectively, \$20,112 and \$20,498 are recorded as a liability relating to both claims received but not paid and estimates of claims incurred but not yet reported.

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

Changes in reported self-insurance liabilities for the primary institution since June 30, 2016 result from the following activities:

	Malpractice		Health		Workers' Compensation	
	2018	2017	2018	2017	2018	2017
Liability at beginning of fiscal year	\$ 73,523	\$ 84,800	\$ 35,849	\$ 39,096	\$ 20,498	\$ 19,127
Current year provision for losses	865	(10,307)	335,534	325,339	15,914	(11,409)
Claim payments	(4,060)	(970)	(338,386)	(328,586)	(16,300)	12,780
Balance at fiscal year end	\$ 70,328	\$ 73,523	\$ 32,997	\$ 35,849	\$ 20,112	\$ 20,498

### NOTE 9 — DEBT

The university may finance the construction, renovation and acquisition of certain facilities through the issuance of debt obligations, which may include general receipts bonds, certificates of participation, commercial paper, capital lease obligations and other borrowings. Debt activity for the primary institution for the year ended June 30, 2018 is as follows:

	Primary Institution				
	Beginning			Ending	Current
	Balance	Additions	Reductions	Balance	Portion
<b>Notes:</b>					
WOSU	\$ 2,144	\$ -	\$ 159	\$ 1,985	\$ 159
OH Air Quality Note Series A	3,031	-	413	2,618	420
OH Air Quality Note Series B	2,340	-	-	2,340	-
St. Stephens Church Note	2,729	-	76	2,653	80
<b>General Receipts Bonds - Fixed Rate:</b>					
2008A, due serially through 2028	94,510	-	86,940	7,570	7,570
2010A, due serially through 2020	79,160	-	38,700	40,460	24,135
2010C, due 2040	654,785	-	-	654,785	-
2010D, due serially through 2032	84,625	-	-	84,625	-
2011, due 2111	500,000	-	-	500,000	-
2012A, due 2030	74,980	-	8,230	66,750	8,530
2012B, due 2033	15,335	-	1,820	13,515	1,480
2014A, due serially through 2044	131,560	-	2,315	129,245	2,435
2016A, due serially through 2111	600,000	-	-	600,000	-
2016B, due serially through 2030	25,935	-	2,680	23,255	2,790
2017, due serially through 2028	-	69,950	-	69,950	-
<b>Special Purpose General Receipts Bonds - Fixed Rate:</b>					
2013A, due 2043	337,955	-	-	337,955	-
<b>General Receipts Bonds - Variable Rate:</b>					
1997, due serially through 2027	17,160	-	-	17,160	17,160
1999B1, due serially through 2029	10,765	-	-	10,765	10,765
2001, due serially through 2032	53,035	-	-	53,035	53,035
2003C, due serially through 2031	49,800	-	-	49,800	49,800
2005B, due serially through 2035	71,575	-	-	71,575	71,575
2008B, due serially through 2028	86,025	-	-	86,025	86,025
2010E, due serially through 2035	150,000	-	-	150,000	150,000
2014B, due serially through 2044	150,000	-	-	150,000	150,000
<b>Capital Lease Obligations</b>	8,548	10,508	3,727	15,329	4,630
	3,205,997	80,458	145,060	3,141,395	640,589
<b>Unamortized Bond Premiums</b>	86,129	12,719	17,637	81,211	-
Total outstanding debt	\$ 3,292,126	\$ 93,177	\$ 162,697	\$ 3,222,606	\$ 640,589

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

Debt activity for the primary institution for the year ended June 30, 2017 is as follows:

	Primary Institution				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
<b>Notes:</b>					
WOSU	\$ 2,303	\$ -	\$ 159	\$ 2,144	\$ 159
OH Air Quality Note Series A	3,438	-	407	3,031	413
OH Air Quality Note Series B	2,340	-	-	2,340	-
St. Stephens Church Note	2,802	-	73	2,729	76
<b>General Receipts Bonds - Fixed Rate:</b>					
2008A, due serially through 2028	110,330	-	15,820	94,510	7,340
2010A, due serially through 2020	117,190	-	38,030	79,160	38,700
2010C, due 2040	654,785	-	-	654,785	-
2010D, due serially through 2032	84,625	-	-	84,625	-
2011, due 2111	500,000	-	-	500,000	-
2012A, due 2030	82,870	-	7,890	74,980	8,230
2012B, due 2033	17,135	-	1,800	15,335	1,820
2014A, due serially through 2044	133,795	-	2,235	131,560	2,315
2016A, due serially through 2111	600,000	-	-	600,000	-
2016B, due serially through 2030	28,545	-	2,610	25,935	2,680
<b>Special Purpose General Receipts Bonds - Fixed Rate:</b>					
2013A, due 2043	337,955	-	-	337,955	-
<b>General Receipts Bonds - Variable Rate:</b>					
1997, due serially through 2027	17,160	-	-	17,160	17,160
1999B1, due serially through 2029	10,765	-	-	10,765	10,765
2001, due serially through 2032	53,035	-	-	53,035	53,035
2003C, due serially through 2031	51,975	-	2,175	49,800	49,800
2005B, due serially through 2035	71,575	-	-	71,575	71,575
2008B, due serially through 2028	91,925	-	5,900	86,025	86,025
2010E, due serially through 2035	150,000	-	-	150,000	150,000
2014B, due serially through 2044	150,000	-	-	150,000	150,000
<b>Capital Lease Obligations</b>	4,547	6,430	2,429	8,548	1,891
	3,279,095	6,430	79,528	3,205,997	651,984
<b>Unamortized Bond Premiums</b>	94,165	-	8,036	86,129	-
Total outstanding debt	\$ 3,373,260	\$ 6,430	\$ 87,564	\$ 3,292,126	\$ 651,984

Debt activity for the discretely presented component units for the year ended June 30, 2018 is as follows:

	Discretely Presented Component Units				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
<b>Notes:</b>					
OSU Physicians - Series 2013 Health Care Facilities Revenue Bond, due through 2035	\$ 13,024	\$ -	\$ 587	\$ 12,437	\$ 612
OSU Physicians - Term Loan Payable, due 2023	1,614	-	267	1,347	263
TRC Ohio Development Service Agency Note Payable	-	5,000	-	5,000	311
Campus Partners - Columbus Foundation Note Payable	1,896	-	63	1,833	85
Campus Partners - Edwards TIF Note Payable	150	1,500	-	1,650	-
<b>Capital Lease Obligations</b>	-	152	55	97	51
Total outstanding debt	\$ 16,684	\$ 6,652	\$ 972	\$ 22,364	\$ 1,322

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

Debt activity for the discretely presented component units for the year ended June 30, 2017 is as follows:

	Discretely Presented Component Units				
	Beginning			Ending	Current
	Balance	Additions	Reductions	Balance	Portion
<b>Notes:</b>					
OSU Physicians - Series 2013 Health Care					
Facilities Revenue Bond, due through 2035	\$ 13,659	\$ -	\$ 635	\$ 13,024	\$ 601
OSU Physicians - Term Loan Payable, due 2023	1,887	-	273	1,614	261
Campus Partners - Columbus Foundation Note Payable	-	1,979	83	1,896	84
Campus Partners - Edwards TIF Note Payable	-	150	-	150	-
<b>Capital Lease Obligations</b>	-	-	-	-	-
Total outstanding debt	\$ 15,546	\$ 2,129	\$ 991	\$ 16,684	\$ 946

Debt obligations are generally callable by the university, bear interest at fixed and variable rates ranging from 0% to 6% and mature at various dates through 2111. Maturities and interest on debt obligations for the next five years and in five-year periods for the primary institution are as follows:

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

	Primary Institution		
	Principal	Interest	Total
2019	\$ 640,589	\$ 134,466	\$ 775,055
2020	38,411	123,708	162,119
2021	37,252	121,999	159,251
2022	35,176	120,370	155,546
2023	43,048	118,905	161,953
2024-2028	181,003	567,267	748,270
2029-2033	135,229	532,270	667,499
2034-2038	98,817	507,044	605,861
2039-2043	794,705	348,686	1,143,391
2044-2048	387,165	219,355	606,520
2049-2053	-	170,600	170,600
2054-2058	250,000	155,420	405,420
2059-2063	-	120,000	120,000
2064-2068	-	120,000	120,000
2069-2073	-	120,000	120,000
2074-2078	-	120,000	120,000
2079-2083	-	120,000	120,000
2084-2088	-	120,000	120,000
2089-2093	-	120,000	120,000
2094-2098	-	120,000	120,000
2099-2103	-	120,000	120,000
2104-2108	-	120,000	120,000
2109-2111	500,000	72,000	572,000
	<u>\$ 3,141,395</u>	<u>\$ 4,392,090</u>	<u>\$ 7,533,485</u>

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

	Discretely Presented Component Units		
	Principal	Interest	Total
2019	\$ 1,322	\$ 426	\$ 1,748
2020	2,993	395	3,388
2021	2,892	326	3,218
2022	1,256	267	1,523
2023	1,256	243	1,499
2024-2028	5,212	927	6,139
2029-2033	5,690	449	6,139
2034-2038	1,743	42	1,785
	<u>\$ 22,364</u>	<u>\$ 3,075</u>	<u>\$ 25,439</u>

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

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

The outstanding bond indentures do not require mandatory reserves for future payment of principal and interest. However, the university has set aside \$331,292 for future debt service which is included in unrestricted net position.

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

	Amount	
	Amount Defeased	Outstanding at June 30, 2018
General Receipts Bonds:		
Series 2008A	\$ 26,945	\$ 20,750
Series 2010A	13,050	4,720
Series 2010D	3,710	3,710
	<u>\$ 43,705</u>	<u>\$ 29,180</u>

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

### Special-Purpose General Receipts Bonds

In January 2013, the university issued \$337,955 of Special Purpose General Receipts Bonds, Series 2013A. These bonds are solely payable from, and secured by, a pledge of the gross revenues of Special Purpose Revenue Facilities. Special Purpose Revenue Facilities are defined in the Series 2013 Supplement as all housing and dining facilities and such auxiliary facilities as shall constitute recreation facilities owned by the university. The bond indenture agreement includes a debt covenant, requiring the university "to set rates, charges and fees in each Fiscal Year so as to cause Special Purpose Pledged Revenues to be in an amount not less than 1.10 times the aggregate debt service for the then-current Fiscal Year on all Special Purpose General Receipts Obligations." At June 30, 2018, the university is in compliance with this covenant. Condensed financial information for the Special Purpose Revenue Facilities is provided in Note 22.

### Variable Rate Demand Bonds

Series 1997, 1999B1, 2001, 2003C, 2005B, 2008B, 2010E and 2014B variable rate demand bonds bear interest at rates based upon yield evaluations at par of comparable securities. The maximum interest rate allowable and the effective average interest rate from issue date to June 30, 2018 are as follows:

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

Series:	Interest Rate Not	Effective Average
	to Exceed	Interest Rate
1997	12%	1.475%
1999B1	12%	1.268%
2001	12%	1.070%
2003C	12%	1.412%
2005B	12%	0.985%
2008B	12%	0.398%
2010E	8%	0.305%
2014B	not specified	0.516%

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

The university's variable rate demand bonds mature at various dates through 2044. GASB Interpretation No. 1, *Demand Bonds Issued by State and Local Governmental Entities*, provides guidance on the statement of net position classification of these bonds. Under GASB Interpretation No. 1, outstanding principal balances on variable rate demand bonds may be classified as non-current liabilities if the issuer has entered into a "take-out agreement" to convert bonds "put" but not resold into some other form of long-term obligation. In the absence of such an agreement, the total outstanding principal balances for these bonds are required to be classified as current liabilities.

Although it is the university's intent to repay its variable rate demand bonds in accordance with the maturities set forth in the bond offering circulars, the university does not have "take-out agreements" in place per the GASB Interpretation No. 1 requirements. Accordingly, the university has classified the total outstanding principal balances on its variable rate demand bonds as current liabilities. The obligations totaled \$588,360 at June 30, 2018 and 2017.

### Capital Lease Obligations

Some university equipment items and vehicles are financed as capital leases. The original cost and lease obligations related to these capital leases as of June 30, 2018 are \$22,750 and \$15,328, respectively. The original cost and lease obligations related to these capital leases as of June 30, 2017 are \$17,523 and \$8,548, respectively.

### Capitalization of Interest

Interest incurred during the construction of capital assets is included in the cost of the asset when capitalized. Total interest costs incurred for the years ended June 30, 2018 and 2017 for the primary institution were \$122,281 and \$124,240. Of these amounts, interest of \$5,792 and \$3,169 were capitalized. The remaining amounts of \$116,489 and \$121,071 for the years ended June 30, 2018 and 2017, respectively, are reported as interest expense in the statement of revenues, expenses and changes in net position.

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

### NOTE 10 — OPERATING LEASES

The university leases various buildings, office space, and equipment under operating lease agreements. These facilities and equipment are not recorded as assets on the statement of net position. The total rental expense under these agreements was \$23,638 and \$24,836 for the years ended June 30, 2018 and 2017, respectively.

Future minimum payments for all significant operating leases with initial or remaining terms in excess of one year as of June 30, 2018 are as follows:

Year Ending June 30,	Primary Institution	Discretely Presented Component Units
2019	\$ 19,170	\$ 7,056
2020	17,774	4,370
2021	16,426	4,023
2022	15,304	3,427
2023	14,616	3,257
2024-2028	46,432	28,715
2029-2033	21,903	-
2034-2038	2,266	-
2039-2043	1,449	-
2044-2048	1,630	-
2049-2053	1,409	-
2054-2058	1,382	-
2059-2063	1,382	-
2064 and beyond	817	-
Total minimum lease payments	<u>\$ 161,960</u>	<u>\$ 50,848</u>

### NOTE 11 — COMPENSATED ABSENCES

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

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

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



## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

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

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

### NOTE 12 — OTHER LIABILITIES

Other liability activity for the primary institution for the year ended June 30, 2018 is as follows:

	Primary Institution				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	\$ 177,207	\$ 22,576	\$ 14,779	\$ 185,004	\$ 14,779
Self-insurance accruals	129,870	336,012	342,446	123,436	49,297
Amounts due to third party payors	66,526	28,301	28,494	66,333	21,424
Obligations under life income agreements	34,308	-	1,580	32,728	3,350
Refundable advances for Federal Perkins loans	31,714	924	-	32,638	-
Other noncurrent liabilities	101,486	-	9,542	91,944	-
	<u>\$ 541,111</u>	<u>\$ 387,813</u>	<u>\$ 396,841</u>	<u>\$ 532,083</u>	<u>\$ 88,850</u>

Other liability activity for the primary institution for the year ended June 30, 2017 is as follows:

	Primary Institution				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	\$ 171,012	\$ 18,808	\$ 12,613	\$ 177,207	\$ 12,613
Self-insurance accruals	143,023	316,403	329,556	129,870	48,631
Amounts due to third party payors	71,228	23,781	28,483	66,526	28,494
Obligations under life income agreements	33,225	2,783	1,700	34,308	3,619
Refundable advances for Federal Perkins loans	32,110	-	396	31,714	-
Other noncurrent liabilities	112,841	-	11,355	101,486	-
	<u>\$ 563,439</u>	<u>\$ 361,775</u>	<u>\$ 384,103</u>	<u>\$ 541,111</u>	<u>\$ 93,357</u>

### NOTE 13 – RENTALS UNDER OPERATING LEASES

The university is the lessor of certain land, buildings, office and retail space under operating lease agreements. Future minimum rental income from non-cancelable operating leases for the primary institution as of June 30, 2018 is as follows:

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

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Year Ending June 30,		
2019	\$	3,800
2020		3,173
2021		2,319
2022		2,022
2023		1,926
2024-2028		6,411
2029-2033		1,438
2034-2038		305
2039-2043		14
2044-2048		14
2049-2053		12
Total minimum future rentals	\$	<u>21,434</u>

The discretely presented component units are the lessor of certain land, buildings, office and retail space under operating lease agreements. Future minimum rental income from non-cancelable operating leases as of June 30, 2018 is as follows:

Year Ending June 30,		
2019	\$	3,674
2020		3,458
2021		2,928
2022		2,209
2023		1,977
2024-2028		5,029
Total minimum future rentals	\$	<u>19,275</u>

### NOTE 14 – OPERATING EXPENSES BY OBJECT

In accordance with requirements set forth by the Ohio Board of Regents, the university reports operating expenses by functional classification on the Statement of Revenues, Expenses and Other Changes in Net Position. Operating expenses by object for the primary institution for the years ended June 30, 2018 and 2017 are summarized as follows:

**Notes to Financial Statements – Years Ended June 30, 2018 and 2017**  
(dollars in thousands)

**Year Ended June 30, 2018**

	Primary Institution				
	Compensation and Benefits	Supplies and Services	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 680,084	\$ 131,039	\$ -	\$ -	\$ 811,123
Separately budgeted research	129,233	171,719	-	-	300,952
Public service	53,990	83,130	-	-	137,120
Academic support	138,079	44,373	-	-	182,452
Student services	81,649	24,111	-	-	105,760
Institutional support	129,178	81,513	-	-	210,691
Operation and maintenance of plant	30,761	92,864	-	-	123,625
Scholarships and fellowships	2,337	2,093	121,854	-	126,284
Auxiliary enterprises	182,760	139,389	-	-	322,149
OSU Health System	1,469,851	1,251,137	-	-	2,720,988
Depreciation	-	-	-	394,461	394,461
Total operating expenses	\$ 2,897,922	\$ 2,021,369	\$ 121,854	\$ 394,461	\$ 5,435,605

**Year Ended June 30, 2017**

	Primary Institution				
	Compensation and Benefits	Supplies and Services	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 888,236	\$ 118,175	\$ -	\$ -	\$ 1,006,411
Separately budgeted research	340,784	156,724	-	-	497,508
Public service	104,285	70,816	-	-	175,101
Academic support	180,431	41,612	-	-	222,043
Student services	84,593	23,448	-	-	108,041
Institutional support	124,620	73,499	-	-	198,119
Operation and maintenance of plant	35,143	59,544	-	-	94,687
Scholarships and fellowships	7,263	1,697	121,109	-	130,069
Auxiliary enterprises	187,806	125,379	-	-	313,185
OSU Health System	1,397,568	1,198,229	-	-	2,595,797
Depreciation	-	-	-	374,615	374,615
Total operating expenses	\$ 3,350,729	\$ 1,869,123	\$ 121,109	\$ 374,615	\$ 5,715,576

**NOTE 15 — RETIREMENT PLANS**

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

STRS Ohio and OPERS offer statewide cost-sharing multiple-employer defined benefit pension plans. STRS Ohio and OPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. In addition, the

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

retirement systems provide other post-employment benefits (OPEB), consisting primarily of healthcare. Benefits are established by state statute and are calculated using formulas that include years of service and final average salary as factors.

In accordance with GASB Statements Nos. 68 and 75, employers participating in cost-sharing multiple-employer plans are required to recognize a proportionate share of the collective net pension and OPEB liabilities of the plans. Although changes in the net pension and OPEB liabilities generally are recognized as expense in the current period, certain items are deferred and recognized as expense in future periods. Deferrals for differences between projected and actual investment returns are amortized to pension expense over five years. Deferrals for employer contributions subsequent to the measurement date are amortized in the following period (one year). Other deferrals are amortized over the estimated remaining service lives of both active and inactive employees (amortization periods range from 3 to 10 years).

The collective net pension liabilities of the retirement systems and the university's proportionate share of these liabilities as of June 30, 2018 are as follows:

	<u>STRS-Ohio</u>	<u>OPERS</u>	<u>Total</u>
Net pension liability - all employers	\$ 23,755,214	\$ 15,548,439	
Proportion of the net pension liability - university	4.6%	9.4%	
Proportionate share of net pension liability	\$ 1,081,053	\$ 1,466,955	\$ 2,548,009

The collective net OPEB liabilities of the retirement systems and the university's proportionate share of these liabilities as of June 30, 2018 are as follows:

	<u>STRS-Ohio</u>	<u>OPERS</u>	<u>Total</u>
Net OPEB liability - all employers	\$ 3,901,631	\$ 10,859,263	
Proportion of the net OPEB liability - university	4.6%	9.7%	
Proportionate share of net OPEB liability	\$ 177,556	\$ 1,055,239	\$ 1,232,795

In addition, the university recognizes OPEB liability totaling \$16,276 primarily related to death benefits for retirees.

The collective net pension liabilities of the retirement systems and the university's proportionate share of these net pension liabilities as of June 30, 2017 are as follows:

	<u>STRS-Ohio</u>	<u>OPERS</u>	<u>Total</u>
Net pension liability - all employers	\$ 33,473,014	\$ 22,652,226	
Proportion of the net pension liability - university	4.5%	9.1%	
Proportionate share of net pension liability	\$ 1,510,814	\$ 2,054,548	\$ 3,565,362

Deferred outflows of resources and deferred inflows of resources for pensions were related to the following sources as of June 30, 2018:

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

	STRS-Ohio	OPERS	Total
<b>Deferred Outflows of Resources:</b>			
Differences between expected and actual experience	\$ 41,745	\$ 2,277	\$ 44,022
Changes in assumptions	236,438	171,962	408,400
Changes in proportion of university contributions	1,036	4,061	5,097
University contributions subsequent to the measurement date	74,173	99,914	174,087
<b>Total</b>	<b>\$ 353,392</b>	<b>\$ 278,214</b>	<b>\$ 631,606</b>

<b>Deferred Inflows of Resources:</b>			
Differences between expected and actual experience	\$ 8,713	\$ 34,978	\$ 43,691
Net difference between projected and actual earnings on pension plan investments	35,676	332,347	368,023
Changes in proportion of university contributions	-	54	54
<b>Total</b>	<b>\$ 44,389</b>	<b>\$ 367,379</b>	<b>\$ 411,768</b>

Deferred outflows of resources and deferred inflows of resources for OPEB were related to the following sources as of June 30, 2018:

	STRS-Ohio	OPERS	Total
<b>Deferred Outflows of Resources:</b>			
Differences between expected and actual experience	\$ 10,250	\$ 822	\$ 11,072
Changes in assumptions	-	76,832	76,832
<b>Total</b>	<b>\$ 10,250</b>	<b>\$ 77,654</b>	<b>\$ 87,904</b>

<b>Deferred Inflows of Resources:</b>			
Changes in assumptions	14,303	-	14,303
Net difference between projected and actual earnings on OPEB plan investments	7,589	78,608	86,197
<b>Total</b>	<b>\$ 21,892</b>	<b>\$ 78,608</b>	<b>\$ 100,500</b>

Deferred outflows of resources and deferred inflows of resources for pensions were related to the following sources as of June 30, 2017:

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

	STRS-Ohio	OPERS	Total
<b>Deferred Outflows of Resources:</b>			
Differences between expected and actual experience	\$ 61,044	\$ 3,296	\$ 64,340
Changes in assumptions	-	329,038	329,038
Net difference between projected and actual earnings on pension plan investments	125,438	306,350	431,788
Changes in proportion of university contributions	921	1,163	2,084
University contributions subsequent to the measurement date	70,306	94,003	164,309
<b>Total</b>	<b>\$ 257,709</b>	<b>\$ 733,850</b>	<b>\$ 991,559</b>
<b>Deferred Inflows of Resources:</b>			
Differences between expected and actual experience	\$ -	\$ 16,279	\$ 16,279
Changes in proportion of university contributions	-	63	63
<b>Total</b>	<b>\$ -</b>	<b>\$ 16,342</b>	<b>\$ 16,342</b>

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

	STRS-Ohio	OPERS	Total
2019	123,766	221,834	345,600
2020	96,547	(35,226)	61,321
2021	69,287	(141,775)	(72,488)
2022	19,404	(132,700)	(113,296)
2023	-	(503)	(503)
2024 and Thereafter	-	(796)	(796)
<b>Total</b>	<b>\$ 309,004</b>	<b>\$ (89,166)</b>	<b>\$ 219,838</b>

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

	STRS-Ohio	OPERS	Total
2019	(2,573)	17,475	14,902
2020	(2,573)	17,475	14,902
2021	(2,573)	(16,251)	(18,824)
2022	(2,573)	(19,652)	(22,225)
2023	(676)	-	(676)
2024 and Thereafter	(675)	-	(675)
<b>Total</b>	<b>\$ (11,643)</b>	<b>\$ (953)</b>	<b>\$ (12,596)</b>

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

The following table provides additional details on the benefit formulas, contribution requirements and significant assumptions used in the measurement of total pension and OPEB liabilities for the retirement systems (information below applies to both pensions and OPEB unless otherwise indicated).

	STRS-Ohio	OPERS
<b>Statutory Authority</b>	Ohio Revised Code Chapter 3307	Ohio Revised Code Chapter 145
<b>Benefit Formula</b>	<p><b>Pensions</b> -- The annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Members are eligible to retire at age 60 with five years of qualifying service credit, or at age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.</p> <p><b>OPEB</b> – STRS Ohio provides access to health care coverage for eligible retirees who participated in the Defined Benefit or Combined Plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees and prescription drugs and reimbursement of a portion of the monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2019. Pursuant to the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by the plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Benefit recipients contributed \$339.1 million or 60% of the total health care costs in fiscal 2017 (excluding deductibles, coinsurance and copayments).</p>	<p><b>Pensions</b> -- Benefits are calculated on the basis of age, final average salary (FAS), and service credit. State and Local members in transition Groups A and B are eligible for retirement benefits at age 60 with 60 contributing months of service credit or at age 55 with 25 or more years of service credit. Group C for State and Local is eligible for retirement at age 57 with 25 years of service or at age 62 with 5 years of service. For Groups A and B, the annual benefit is based on 2.2% of final average salary multiplied by the actual years of service for the first 30 years of service credit and 2.5% for years of service in excess of 30 years. For Group C, the annual benefit applies a factor of 2.2% for the first 35 years and a factor of 2.5% for the years of service in excess of 35. FAS represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of annual cost-of-living adjustment.</p> <p><b>OPEB</b> – The Ohio Revised Code permits, but does not require, OPERS to offer post-employment health care coverage. The ORC allows a portion of the employers' contributions to be used to fund health care coverage. The health care portion of the employer contribution rate for the Traditional Pension Plan and Combined Plan is comparable, as the same coverage options are provided to participants in both plans. Beginning January 1, 2015, the service eligibility</p>

**Notes to Financial Statements – Years Ended June 30, 2018 and 2017**

(dollars in thousands)

	<b>STRS-Ohio</b>	<b>OPERS</b>
	<p>Medicare Part D is a federal program to help cover the costs of prescription drugs for Medicare beneficiaries. This program allows STRS Ohio to recover part of the cost for providing prescription coverage since all eligible STRS Ohio health care plans include creditable prescription drug coverage. For the year ended June 30, 2017, STRS Ohio received \$79.4 million in Medicare Part D reimbursements.</p>	<p>criteria for health care coverage increased from 10 years to 20 years with a minimum age of 60, or 30 years of qualifying service at any age. Beginning with January 2016 premiums, Medicare-eligible retirees could select supplemental coverage through the Connector, and may be eligible for monthly allowances deposited to an HRA to be used for reimbursement of eligible health care expenses. Coverage for non-Medicare retirees includes hospitalization, medical expenses and prescription drugs. The System determines the amount, if any, of the associated health care costs that will be absorbed by the System and attempts to control costs by using managed care, case management, and other programs. Additional details on health care coverage can be found in the Plan Statement in the OPERS 2017 CAFR.</p> <p>OPERS no longer participates in the Medicare Part D program as of December 31, 2016. OPERS will receive the final distribution of funds from the Medicare Part D program for calendar year 2016 in 2018. Total federal subsidies received for the year ended December 31, 2017 were \$812,170.</p>
<b>Cost-of-Living Adjustments (COLAs)</b>	<p>Effective July 1, 2017, the COLA was reduced to 0%.</p>	<p>Once a benefit recipient retiring under the Traditional Pension Plan has received benefits for 12 months, current law provides for an annual COLA. The COLA is calculated on the member's base pension benefit at the date of retirement and is not compounded. Members retiring under the Combined Plan receive a COLA on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, current law provides for a 3% COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the adjustment will be based on the average percentage increase in the Consumer Price Index, capped at 3%.</p>
<b>Contribution Rates</b>	<p>Employer and member contribution rates are established by the State</p>	<p>Employee and member contribution rates are established by the OPERS Board and</p>



## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

	STRS-Ohio	OPERS
	Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory employer rate is 14% and the statutory member rate is 14% of covered payroll effective July 1, 2016. Under Ohio law, funds to pay health care costs may be deducted from employer contributions. For the year ended June 30, 2017, no employer allocation was made to the health care fund.	limited by Chapter 145 of the Ohio Revised Code. For 2016, employer rates for the State and Local Divisions were 14% of covered payroll (and 18.1% for the Law Enforcement and Public Safety Divisions). Member rates for the State and Local Divisions were 10% of covered payroll (13% for Law Enforcement and 12% for Public Safety).
<b>Measurement Date</b>	June 30, 2017	December 31, 2017 (OPEB is rolled forward from December 31, 2016 actuarial valuation date)
<b>Actuarial Assumptions</b>	<p><b>Valuation Date:</b> July 1, 2017 for pensions; June 30, 2017 for OPEB</p> <p><b>Actuarial Cost Method:</b> Individual entry age</p> <p><b>Investment Rate of Return:</b> 7.45%</p> <p><b>Inflation:</b> 2.50%</p> <p><b>Projected Salary Increases:</b> 12.50% at age 20 to 2.50% at age 65</p> <p><b>Cost-of-Living Adjustments:</b> 0% effective July 1, 2017</p> <p><b>Payroll Increases:</b> 3.00%</p> <p><b>Health Care Cost Trends:</b> 6%-11% initial; 4.50% ultimate</p>	<p><b>Valuation Date:</b> December 31, 2017 for pensions; December 31, 2016 for OPEB</p> <p><b>Actuarial Cost Method:</b> Individual entry age</p> <p><b>Investment Rate of Return:</b> 7.5% for pensions; 6.5% for OPEB</p> <p><b>Inflation:</b> 3.25%</p> <p><b>Projected Salary Increases:</b> 3.25% - 10.75%</p> <p><b>Cost-of-Living Adjustments:</b> 3.00% Simple – for those retiring after January 7, 2013, 3.00% Simple through 2018, then 2.15% Simple.</p> <p><b>Health Care Cost Trends:</b> 7.5% initial; 3.25% ultimate</p>
<b>Mortality Rates</b>	Post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.	Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

	STRS-Ohio	OPERS
		for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.
<b>Date of Last Experience Study</b>	June 30, 2016	December 31, 2015
<b>Discount Rate</b>	<p><b>Pensions</b> -- The discount rate used to measure the total pension liability was 7.45% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2017.</p> <p><b>OPEB</b> -- The discount rate used to measure the total OPEB liability was 4.13% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, a blended discount rate of 4.13%, which represents the long-term expected rate of return of 7.45% for the</p>	<p><b>Pensions</b> -- The discount rate used to measure the total pension liability was 7.5% for the Traditional Pension Plan, the Combined Plan and the Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.</p> <p><b>OPEB</b> – A single discount rate of 3.85% was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50% and a municipal bond rate of 3.31%. The</p>

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

	STRS-Ohio	OPERS
	<p>funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58% for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017.</p>	<p>projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.</p>
<p><b>Changes in Assumptions Since the Prior Measurement Date</b></p>	<p><b>Pensions</b> -- The Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.</p> <p><b>OPEB</b> -- The discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, <i>Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)</i> and the long term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were</p>	<p>There has been no change in assumptions compared to prior year.</p>

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

	STRS-Ohio			OPERS		
	decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.					
<b>Benefit Term Changes Since the Prior Measurement Date</b>	<b>Pensions</b> – Effective July 1, 2017, the COLA was reduced to 0%.  <b>OPEB</b> -- The subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.			<b>Pensions</b> -- For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA adjustment will be based on the average percentage increase in the Consumer Price Index, capped at 3%.		
<b>Sensitivity of Net Pension Liability to Changes in Discount Rate</b>	1% Decrease (6.45%)	Current Rate (7.45%)	1% Increase (8.45%)	1% Decrease (6.5%)	Current Rate (7.5%)	1% Increase (8.5%)
	\$ 1,549,653	\$ 1,081,053	\$ 686,328	\$ 2,621,235	\$ 1,466,955	\$ 505,528
<b>Sensitivity of Net OPEB Liability to Changes in Discount Rate</b>	1% Decrease (3.13%)	Current Rate (4.13%)	1% Increase (5.13%)	1% Decrease (2.85%)	Current Rate (3.85%)	1% Increase (4.85%)
	\$ 238,366	\$ 177,556	\$ 129,496	\$ 1,401,965	\$ 1,055,239	\$ 774,788
<b>Sensitivity of Net OPEB Liability to Changes in Medical Trend Rate</b>	1% Decrease in Trend Rate	Current Trend Rate	1% Increase in Trend Rate	1% Decrease in Trend Rate	Current Trend Rate	1% Increase in Trend Rate
	\$ 123,358	\$ 177,556	\$ 248,886	\$ 1,009,663	\$ 1,055,239	\$ 1,102,370

### Defined Contribution Plans

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

OPERS also offers a defined contribution plan, the Member-Directed Plan (MD). The MD plan does not provide disability benefits, annual cost-of-living adjustments, post-retirement health care benefits or death benefits to plan members and beneficiaries. Benefits are entirely

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

dependent on the sum of contributions and investment returns earned by each participant's choice of investment options.

STRS Ohio also offers a defined contribution plan in addition to its long established defined benefit plan. All employee contributions and employer contributions at a rate of 9.5% are placed in an investment account directed by the employee. Disability benefits are limited to the employee's account balance. Employees electing the defined contribution plan receive no post-retirement health care benefits.

### Combined Plans

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

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

### Summary of Employer Pension and OPEB Expense

Total pension and OPEB expense for the year ended June 30, 2018, including employer contributions and accruals associated with recognition of net pension liabilities, net OPEB liabilities and related deferrals, is presented below.

	STRS-Ohio	OPERS	ARP	Total
Employer Contributions	\$ 74,356	\$ 201,072	\$ 60,366	\$ 335,794
GASB 68 Pension Accruals	(481,055)	219,081		(261,974)
GASB 75 OPEB Accruals	(54,180)	74,701		20,521
Total Pension and OPEB Expense	<b>\$ (460,879)</b>	<b>\$ 494,854</b>	<b>\$ 60,366</b>	<b>\$ 94,341</b>

Total pension expense for the year ended June 30, 2017, including employer contributions and accruals associated with recognition of net pension liabilities and related deferrals, is presented below.

	STRS-Ohio	OPERS	ARP	Total
Employer Contributions	\$ 70,373	\$ 188,762	\$ 56,425	\$ 315,560
GASB 68 Accruals	49,919	298,941		348,860
Total Pension Expense	<b>\$ 120,292</b>	<b>\$ 487,703</b>	<b>\$ 56,425</b>	<b>\$ 664,420</b>

Pension and OPEB expenses are allocated to institutional functions on the Statement of Revenues, Expenses and Other Changes in Net Position.

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

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Both STRS Ohio and OPERS issue separate, publicly available financial reports that include financial statements and required supplemental information. These reports may be obtained by contacting the two organizations.

### STRS Ohio

275 East Broad Street  
Columbus, OH 43215-3371  
(614) 227-4090  
(888) 227-7877  
[www.strsoh.org](http://www.strsoh.org)

### OPERS

277 East Town Street  
Columbus, OH 43215-4642  
(614) 222-5601  
(800) 222-7377  
[www.opers.org/investments/cafr.shtml](http://www.opers.org/investments/cafr.shtml)

### OSU Physicians Retirement Plan

Retirement benefits are provided for the employees of OSUP through a tax-sheltered 403(b) and 401(a) program administered by an insurance company. OSUP is required to make nondiscretionary contributions of no less than 7.5% under the Interim Retirement Plan; however, some subsidiaries make an additional discretionary contribution of up to 17.5%, for a range of total employer contributions of 7.5% to 25%. Employees are allowed, but not required, to make contributions to the 403(b) plan. OSUP's share of the cost of these benefits was \$5,191 and \$4,619 for the years ended June 30, 2018 and 2017, respectively.

Employee contributions were \$1,893 and \$1,745 for the years ended June 30, 2018 and 2017.

### NOTE 16 — CAPITAL PROJECT COMMITMENTS

At June 30, 2018, the university is committed to future contractual obligations for capital expenditures of approximately \$330,460.

These projects are funded by the following sources:

State appropriations	\$ 98,122
Internal and other sources	232,338
Total	<u>\$ 330,460</u>

### NOTE 17 — CONTINGENCIES AND RISK MANAGEMENT

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

The university is self-insured for the Health System's professional malpractice liability, employee health benefits, workers' compensation and employee life, accidental death and dismemberment benefits. Additional details regarding these self-insurance arrangements are provided in Note 8. The university also carries commercial insurance policies for various

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

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property, casualty and excess liability risks. Over the past three years, settlement amounts related to these insured risks have not exceeded the university's coverage amounts.

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

### **NOTE 18 — PARKING LEASE AND CONCESSION AGREEMENT**

On September 21, 2012, the university entered into a 50-year lease and concession agreement with QIC Global Infrastructure (QIC GI). CampusParc LP, a QIC GI affiliate, owns and operates the university's parking concession on QIC GI's behalf. Under the agreement, CampusParc operates, maintains and retains parking revenues from the university's parking lots and garages. This agreement also regulates the parking rates that may be charged and future increases in these rates. The university received lump-sum payments totaling \$483,000 from QIC GI and used the proceeds to establish endowment funds, with income distributions internally designated to support student scholarships, faculty initiatives and research, transportation and sustainability and the university arts district.

The lump-sum payment under this service concession arrangement is reported as a deferred inflow of resources and is being amortized to operating revenue over the life of the agreement. Deferred inflows related to the parking agreement were \$426,176 and \$435,807 at June 30, 2018 and 2017, respectively. The university reports the parking lots and garages as capital assets with a carrying amount of \$124,508 and \$124,417 at June 30, 2018 and 2017, respectively.

### **NOTE 19 — UTILITY SYSTEM LEASE AND CONCESSION AGREEMENT**

On April 10, 2017, the university entered into a 50-year agreement to lease the university's utility system to Ohio State Energy Partners (OSEP) and grant it the exclusive right to operate the utility system and provide utility services to the Columbus campus. On July 6, 2017, the university received an upfront payment of \$1,089,914. The upfront payment is reported as an Advance from Concessionaire and is being amortized as a reduction to operating expense (Operation and Maintenance of Plant) on a straight-line basis over the term of the agreement.

Under the agreement, OSEP operates, maintains and makes capital investments in the utility system and charges the university a Utility Fee, which includes fixed, variable and operating and maintenance (O&M) components. OSEP capital investments in the utility system are recognized as capital assets and a related long-term payable to the concessionaire. The fixed and O&M components of the Utility Fee are recognized as operating expense. The variable component of the Utility Fee will be recognized as a reduction in the long-term payable to the concessionaire and interest expense. For the year ended June 30, 2018, the university recognized fixed and O&M utility fees totaling \$53,309. The carrying amounts of OSEP capital investments and related long-term payable to the concessionaire at June 30, 2018 were \$10,316.

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

Related to this transaction, the university entered into an interest-rate swap agreement with a bank on April 10, 2017 for a notional amount of \$397,000 to hedge interest-rate risk prior to the closing of utility lease and concession agreement. The university terminated the swap on May 26, 2017 and made a \$15,713 payment to Barclays on July 6, 2017. This payment was reflected in the university's June 30, 2017 financial statements as a non-operating loss and a corresponding current liability.

### NOTE 20 – COMBINING INFORMATION FOR BLENDED COMPONENT UNITS

As indicated in the Basis of Presentation in Note 1, the university consolidates certain component units in a blended presentation. Condensed combining financial information for the years ended June 30, 2018 and 2017 is presented below.

#### Condensed Combining Information – Year Ended June 30, 2018

	OSU Foundation	OSU Health Plan	Oval Limited
<b>Condensed statements of net position:</b>			
Current assets	\$ 61,573	\$ 5,054	\$ 50,081
Capital assets, net	3,137	114	-
Other assets	1,084,966	637	-
Total assets	<u>\$ 1,149,676</u>	<u>\$ 5,805</u>	<u>\$ 50,081</u>
Current liabilities	\$ 3,177	\$ 1,223	\$ 43
Noncurrent liabilities	44,987	494	19,287
Amounts payable to the university	21,908	-	-
Deferred inflows	14,843	-	-
Total liabilities and deferred inflows	<u>84,915</u>	<u>1,717</u>	<u>19,330</u>
Net investment in capital assets	3,137	-	-
Restricted:			
Nonexpendable	877,276	-	-
Expendable	170,695	-	-
Unrestricted	13,653	4,088	30,751
Total net position	<u>1,064,761</u>	<u>4,088</u>	<u>30,751</u>
Total liabilities, deferred inflows and net position	<u>\$ 1,149,676</u>	<u>\$ 5,805</u>	<u>\$ 50,081</u>



## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

	OSU Foundation	OSU Health Plan	Oval Limited
<b>Condensed statements of revenues, expenses and changes in net position:</b>			
Operating revenues:			
Other sales, services and rental income	\$ 1,713	\$ 13,088	\$ 143
Total operating revenues	1,713	13,088	143
Operating expenses, excluding depreciation	21,333	12,937	171
Depreciation expense	242	55	-
Total operating expenses	21,575	12,992	171
Net operating income (loss)	(19,862)	96	(28)
Non-operating revenues and expenses:			
Gifts for current use	167,843	-	-
Net investment income (loss)	79,809	-	2,084
Other non-operating revenue (expense)	2,087	-	-
Net non-operating revenue (expense)	249,739	-	2,084
Capital contributions and additions to permanent endowments	71,591	-	-
Transfers from (to) the university	(223,325)	-	-
Change in net position	78,143	96	2,056
Beginning net position	986,618	3,992	28,695
Ending net position	\$ 1,064,761	\$ 4,088	\$ 30,751
<b>Condensed statements of cash flows:</b>			
Net cash provided (used) by:			
Operating activities	\$ (21,219)	\$ (1,288)	\$ (2,187)
Noncapital financing activities	25,033	-	-
Capital and related financing activities	15,904	-	-
Investing activities	(1,222)	(51)	(39)
Net increase (decrease) in cash	18,496	(1,339)	(2,226)
Beginning cash and cash equivalents	4,363	5,654	3,516
Ending cash and cash equivalents	\$ 22,859	\$ 4,315	\$ 1,290

**Notes to Financial Statements – Years Ended June 30, 2018 and 2017**  
(dollars in thousands)

**Condensed Combining Information – Year Ended June 30, 2017**

	OSU Foundation	OSU Health Plan	Oval Limited
<b>Condensed statements of net position:</b>			
Current assets	\$ 47,236	\$ 6,252	\$ 50,634
Capital assets, net	3,271	168	-
Other assets	1,002,456	585	-
Total assets	<u>\$ 1,052,963</u>	<u>\$ 7,005</u>	<u>\$ 50,634</u>
Current liabilities	\$ 3,748	\$ 2,546	\$ 44
Noncurrent liabilities	48,025	467	21,895
Amounts payable to the university	1,853	-	-
Deferred inflows	12,719	-	-
Total liabilities and deferred inflows	<u>66,345</u>	<u>3,013</u>	<u>21,939</u>
Net investment in capital assets	3,271	-	-
Restricted:			
Nonexpendable	824,383	-	-
Expendable	146,014	-	-
Unrestricted	12,950	3,992	28,695
Total net position	<u>986,618</u>	<u>3,992</u>	<u>28,695</u>
Total liabilities, deferred inflows and net position	<u>\$ 1,052,963</u>	<u>\$ 7,005</u>	<u>\$ 50,634</u>

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

	OSU Foundation	OSU Health Plan	Oval Limited
<b>Condensed statements of revenues, expenses and changes in net position:</b>			
Operating revenues:			
Other sales, services and rental income	\$ 1,885	\$ 10,730	\$ 1,406
Total operating revenues	1,885	10,730	1,406
Operating expenses, excluding depreciation	20,586	10,787	193
Depreciation expense	247	-	-
Total operating expenses	20,833	10,787	193
Net operating income (loss)	(18,948)	(57)	1,213
Non-operating revenues and expenses:			
Gifts for current use	179,912	-	-
Net investment income (loss)	113,610	-	3,010
Other non-operating revenue (expense)	722	-	-
Net non-operating revenue (expense)	294,245	-	3,010
Capital contributions and additions to permanent endowments	79,229	-	-
Transfers from (to) the university	(235,448)	-	-
Change in net position	119,078	(57)	4,223
Net Position - Beginning of Year			
Beginning of year, as previously reported	879,763	4,049	24,472
Cumulative effect of accounting change	(12,223)	-	-
Beginning of Year, as restated	867,540	4,049	24,472
Ending net position	\$ 986,618	\$ 3,992	\$ 28,695
<b>Condensed statements of cash flows:</b>			
Net cash provided (used) by:			
Operating activities	\$ (19,578)	\$ 1,817	\$ (1,264)
Noncapital financing activities	(6,519)	(2,081)	-
Capital and related financing activities	26,771	(138)	-
Investing activities	1,195	62	3,023
Net increase (decrease) in cash	1,869	(340)	1,759
Beginning cash and cash equivalents	2,494	5,994	1,758
Ending cash and cash equivalents	\$ 4,363	\$ 5,654	\$ 3,517

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

### NOTE 21 – COMBINING INFORMATION FOR DISCRETELY PRESENTED COMPONENT UNITS

As indicated in the Basis of Presentation in Note 1, the university consolidates certain component units in a discrete presentation. Condensed combining financial information for the years ended June 30, 2018 and 2017 is presented below.

#### Condensed Combining Information – Year Ended June 30, 2018

	OSU Physicians	Campus Partners	Transportation Research Center	Dental Faculty Practice Plan
<b>Condensed statements of net position:</b>				
Current assets	\$ 179,489	\$ 5,331	\$ 12,268	\$ 1,810
Capital assets, net	27,209	93,867	13,185	298
Other assets	1,481	2,548	-	-
Amounts receivable from the university	12,853	-	4,133	-
Deferred outflows	-	-	56	-
Total assets and deferred outflows	<u>\$ 221,032</u>	<u>\$ 101,746</u>	<u>\$ 29,642</u>	<u>\$ 2,108</u>
Current liabilities	\$ 18,599	\$ 4,179	\$ 4,500	\$ 187
Noncurrent liabilities	13,046	26,328	5,076	-
Amounts payable to the university	20,011	81,741	8,420	372
Deferred inflows	-	-	52	-
Total liabilities and deferred inflows	<u>51,656</u>	<u>112,248</u>	<u>18,048</u>	<u>559</u>
Net investment in capital assets	13,282	90,382	8,188	(73)
Unrestricted	156,094	(100,884)	3,406	1,622
Total net position	<u>169,376</u>	<u>(10,502)</u>	<u>11,594</u>	<u>1,549</u>
Total liabilities, deferred inflows and net position	<u>\$ 221,032</u>	<u>\$ 101,746</u>	<u>\$ 29,642</u>	<u>\$ 2,108</u>

**Notes to Financial Statements – Years Ended June 30, 2018 and 2017**  
(dollars in thousands)

	OSU Physicians	Campus Partners	Transportation Research Center	Dental Faculty Practice Plan
<b>Condensed statements of revenues, expenses and changes in net position:</b>				
Operating revenues:				
Grants and contracts	\$ -	\$ 11,093	\$ 47,096	\$ -
Sales and services of OSU Physicians	525,796	-	-	-
Other sales, services and rental income	-	-	-	9,466
Total operating revenues	525,796	11,093	47,096	9,466
Operating expenses, excluding depreciation				
Depreciation expense	484,133	9,892	45,217	8,933
Total operating expenses	3,574	3,352	694	54
	487,707	13,244	45,911	8,987
Net operating income (loss)	38,089	(2,151)	1,185	479
Non-operating revenues and expenses:				
Net investment income (loss)	826	122	291	-
Interest expense	(299)	(37)	(555)	-
Other non-operating revenue (expense)	(21,788)	1,598	114	(446)
Net non-operating revenue (expense)	(21,261)	1,683	(150)	(446)
Change in net position	16,828	(468)	1,035	33
Beginning net position, as previously reported	152,548	(10,034)	10,701	1,516
Cumulative effect of accounting change	-	-	(142)	-
Ending net position	\$ 169,376	\$ (10,502)	\$ 11,594	\$ 1,549
<b>Condensed statements of cash flows:</b>				
Net cash provided (used) by:				
Operating activities	\$ 36,676	\$ (562)	\$ 3,417	\$ 550
Noncapital financing activities	(21,790)	5,444	2,404	(448)
Capital and related financing activities	(7,509)	(9,909)	(3,686)	105
Investing activities	5,331	122	291	(65)
Net increase (decrease) in cash	12,708	(4,905)	2,426	142
Beginning cash and cash equivalents	115,624	7,349	2,353	401
Ending cash and cash equivalents	\$ 128,332	\$ 2,444	\$ 4,779	\$ 543

**Notes to Financial Statements – Years Ended June 30, 2018 and 2017**  
(dollars in thousands)

**Condensed Combining Information – Year Ended June 30, 2017**

	OSU Physicians	Campus Partners	Transportation Research Center	Dental Faculty Practice Plan
<b>Condensed statements of net position:</b>				
Current assets	\$ 164,004	\$ 9,581	\$ 11,319	\$ 1,485
Capital assets, net	24,330	88,410	9,341	86
Other assets	1,602	2,612	-	-
Amounts receivable from the university	8,663	-	4,002	-
Deferred outflows	-	-	155	-
Total assets and deferred outflows	<u>\$ 198,599</u>	<u>\$ 100,603</u>	<u>\$ 24,817</u>	<u>\$ 1,571</u>
Current liabilities	\$ 12,719	\$ 7,370	\$ 7,724	\$ 55
Noncurrent liabilities	13,931	25,373	382	-
Amounts payable to the university	19,401	77,894	6,000	-
Deferred inflows	-	-	10	-
Total liabilities and deferred inflows	<u>46,051</u>	<u>110,637</u>	<u>14,116</u>	<u>55</u>
Net investment in capital assets	9,640	86,363	9,341	86
Unrestricted	142,908	(96,397)	1,360	1,430
Total net position	<u>152,548</u>	<u>(10,034)</u>	<u>10,701</u>	<u>1,516</u>
Total liabilities, deferred inflows and net position	<u>\$ 198,599</u>	<u>\$ 100,603</u>	<u>\$ 24,817</u>	<u>\$ 1,571</u>

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

	OSU Physicians	Campus Partners	Transportation Research Center	Dental Faculty Practice Plan
<b>Condensed statements of revenues, expenses and changes in net position:</b>				
Operating revenues:				
Grants and contracts	\$ -	\$ 12,693	\$ 47,007	\$ -
Sales and services of OSU Physicians	496,364	-	-	-
Other sales, services and rental income	-	-	-	8,935
Total operating revenues	496,364	12,693	47,007	8,935
Operating expenses, excluding depreciation				
Depreciation expense	3,740	3,121	250	27
Total operating expenses	448,102	13,900	46,667	6,106
Net operating income (loss)	48,262	(1,207)	340	2,829
Non-operating revenues and expenses:				
Net investment income (loss)	215	103	163	-
Interest expense	(369)	(1,154)	(61)	-
Other non-operating revenue (expense)	(18,605)	(9,451)	-	(2,713)
Net non-operating revenue (expense)	(18,759)	(10,502)	102	(2,713)
Change in net position	29,503	(11,709)	442	116
Beginning net position	123,045	1,675	10,259	1,400
Ending net position	\$ 152,548	\$ (10,034)	\$ 10,701	\$ 1,516
<b>Condensed statements of cash flows:</b>				
Net cash provided (used) by:				
Operating activities	\$ 58,225	\$ 6,596	\$ 174	\$ 2,883
Noncapital financing activities	(18,604)	(1,519)	5,667	(2,714)
Capital and related financing activities	(5,049)	(3,742)	(4,587)	(70)
Investing activities	1,357	39	162	(92)
Net increase (decrease) in cash	35,929	1,374	1,416	7
Beginning cash and cash equivalents	79,695	5,975	937	394
Ending cash and cash equivalents	\$ 115,624	\$ 7,349	\$ 2,353	\$ 401

## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

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### NOTE 22 – SEGMENT INFORMATION

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

The Office of Student Life operates student housing, dining and recreational sports facilities on the university's main and regional campuses. In January 2013, the university issued \$337,955 of Special Purpose General Receipts Bonds, Series 2013A. These bonds are solely payable from, and secured by, a pledge of the gross revenues of Special Purpose Revenue Facilities. Special Purpose Revenue Facilities are defined in the Series 2013 Supplement as all housing and dining facilities and such auxiliary facilities as shall constitute recreation facilities owned by the university. Special Purpose Pledged Revenues include all revenues, fees, rentals, rates, charges, insurance proceeds and other moneys derived from the ownership or operation of these facilities. Special Purpose Pledged Revenues totaled \$214,631 and \$213,564 for the years ended June 30, 2018 and 2017, respectively.

Condensed financial information for the Special Purpose Revenue Facilities, before the elimination of certain intra-university transactions, as of and for the years ended June 30, 2018 and 2017 is as follows:



## Notes to Financial Statements – Years Ended June 30, 2018 and 2017

(dollars in thousands)

### Segment Disclosure Information – Year Ended June 30, 2018 and June 30, 2017

	2018	2017
<b>Condensed Statement of Net Position</b>		
Assets and deferred outflows:		
Current assets	\$ 26,645	\$ 26,022
Capital assets	724,651	725,840
Other assets	-	2,356
Total assets	<u>\$ 751,296</u>	<u>\$ 754,218</u>
Liabilities and deferred inflows:		
Current liabilities	\$ 7,751	\$ 7,365
Amounts payable to the university	738,540	755,890
Total liabilities	<u>746,291</u>	<u>763,255</u>
Net position:		
Net investment in capital assets	(13,889)	(27,695)
Unrestricted	18,894	18,658
Total net position	<u>5,005</u>	<u>(9,037)</u>
Total liabilities and net position	<u>\$ 751,296</u>	<u>\$ 754,218</u>

	2018	2017
<b>Condensed Statement of Revenues, Expenses and Changes in Net Position</b>		
Special-purpose pledged revenues - operating	\$ 214,631	\$ 213,564
Operating expenses, excluding depreciation	(145,243)	(141,323)
Depreciation expense	(34,103)	(32,604)
Operating income	35,285	39,637
Nonoperating revenues, net	(39,618)	(32,499)
Net income (loss) before transfers	(4,333)	7,138
Transfers from (to) other university units, net	18,375	(14,323)
Increase (decrease) in net position	14,042	(7,185)
Beginning net position	(9,037)	(1,852)
Ending net position	<u>\$ 5,005</u>	<u>\$ (9,037)</u>

<b>Condensed Statement of Cash Flows</b>		
Net cash provided (used) by:		
Operating activities	\$ 85,641	\$ 533,452
Capital and related financing activities	(87,477)	(565,713)
Investing activities	278	180
Net increase (decrease) in cash	(1,558)	(32,081)
Beginning cash and cash equivalents	27,161	59,242
Ending cash and cash equivalents	<u>\$ 25,603</u>	<u>\$ 27,161</u>

**The Ohio State University  
Required Supplementary Information on GASB 68 Pension Liabilities (Unaudited)  
Year Ended June 30, 2018**

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

<i>(dollars in thousands)</i>	2018		2017		2016		2015	
	STRS-Ohio	OPERS	STRS-Ohio	OPERS	STRS-Ohio	OPERS	STRS-Ohio	OPERS
University's proportion of the net pension liability	4.6%	9.4%	4.5%	9.1%	4.5%	9.0%	4.4%	8.8%
University's proportionate share of the net pension liability	\$ 1,081,053	\$ 1,466,955	\$ 1,510,814	\$ 2,054,548	\$ 1,238,470	\$ 1,556,156	\$ 1,070,914	\$ 1,059,519
University's covered payroll	\$ 412,149	\$ 1,381,054	\$ 392,797	\$ 1,289,346	\$ 388,309	\$ 1,236,914	\$ 381,669	\$ 1,188,828
University's proportionate share of the net pension liability as a percentage of its covered payroll	262%	106%	385%	159%	319%	126%	281%	89%
Plan fiduciary net position as a percentage of the total pension liability	75.3%	84.9%	66.8%	77.4%	72.1%	81.2%	74.7%	86.5%

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

<i>(dollars in thousands)</i>	2018		2017		2016		2015	
	STRS-Ohio	OPERS	STRS-Ohio	OPERS	STRS-Ohio	OPERS	STRS-Ohio	OPERS
Contractually required contribution	\$ 74,356	\$ 201,072	\$ 70,373	\$ 188,762	\$ 66,975	\$ 178,293	\$ 65,738	\$ 170,979
Contributions in relation to the contractually required contribution	\$ 74,356	\$ 201,072	\$ 70,373	\$ 188,762	\$ 66,975	\$ 178,293	\$ 65,738	\$ 170,979
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 434,106	\$ 1,421,367	\$ 412,149	\$ 1,334,350	\$ 392,797	\$ 1,260,366	\$ 388,309	\$ 1,208,710
Contributions as a percentage of covered payroll	17.1%	14.1%	17.1%	14.1%	17.1%	14.1%	16.9%	14.1%

**The Ohio State University**  
**Required Supplementary Information on GASB 75 Net OPEB Liabilities (Unaudited)**  
**Year Ended June 30, 2018**

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

<i>(dollars in thousands)</i>	<b>2018</b>	
	<b>STRS-Ohio</b>	<b>OPERS</b>
University's proportion of the net OPEB liability	4.6%	9.7%
University's proportionate share of the net OPEB liability	\$ 177,556	\$ 1,055,239
University's covered payroll	\$ 412,149	\$ 1,381,054
University's proportionate share of the net OPEB liability as a percentage of its covered payroll	43%	76%
Plan fiduciary net position as a percentage of the total OPEB liability	47.1%	54.1%

**The Ohio State University**  
**Supplementary Information on the Long-Term Investment Pool (Unaudited)**  
**Year Ended June 30, 2018**

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

In 2018, the market value of the university's Long-Term Investment Pool – which includes gifted endowments, long-term investments of university operating funds and other funds internally designated to function as endowments – increased \$958 million, to \$5.21 billion at June 30, 2018. The Long-Term Investment Pool activity for 2018 is summarized below:

**Long-Term Investment Pool Activity (in thousands)**

	Gifted Endowments		Quasi-Endowments		Total
	University	Foundation	Operating	Designated	
<b>Balance at June 30, 2017</b>	<b>\$ 1,062,321</b>	<b>\$ 877,261</b>	<b>\$ 1,299,780</b>	<b>\$ 1,014,097</b>	<b>\$ 4,253,459</b>
Net Principal Additions (Withdrawals)	9,038	54,158	(130,490)	877,783	810,489
Change in Fair Value	73,672	61,637	86,698	114,220	336,227
Income Earned	21,387	18,037	24,631	33,946	98,001
Distributions	(44,120)	(37,111)	(51,049)	(71,699)	(203,979)
Expenses	(18,062)	(15,232)	(20,801)	(28,668)	(82,763)
<b>Balance at June 30, 2018</b>	<b><u>\$ 1,104,236</u></b>	<b><u>\$ 958,750</u></b>	<b><u>\$ 1,208,769</u></b>	<b><u>\$ 1,939,679</u></b>	<b><u>\$ 5,211,434</u></b>

**Net principal additions (withdrawals)** for gifted endowments include new endowment gifts and reinvestment of unused endowment distributions. **Change in fair value** includes realized gains and losses for assets sold during the year and unrealized gains and losses for assets held in the pool at June 30, 2018. **Income earned** includes interest and dividends and is used primarily to fund **distributions**. **Expenses** include investment management expenses (\$64 million), University Development related expenses (\$18 million) and other investment related expenses (\$1 million).

**Investment Returns and Expenses:**

The investment return for the Long-Term Investment Pool was 7.7% for fiscal year 2018. The annualized investment returns for the three-year and five-year periods were 6.0% and 7.2%, respectively. These returns -- which are net of investment management expenses as defined by Cambridge Associates for its annual survey -- are used for comparison purposes with other endowments and various benchmarks. In addition to the \$64 million of investment management expenses, which reduced the pool by 1.3% in fiscal year 2018, the \$18 million of University

Development expenses and \$1 million of other investment related expenses further reduced the pool by 0.4%.

**Additional Information:**

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

Additional details on university and foundation endowments, including balances for individual funds, are available on the Office of the Controller's website (click on the "Endowment Descriptions and Balances" link).

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**THE OHIO STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Research and Development Cluster —					
Funds received directly from the following agencies					
<b>Department of Agriculture</b>					
10.001	USDA Agricultural Res Service			\$ 1,239,823	\$ -
10.025	Animal & Plant Health Inspection Service			5,675	-
10.168	Agricultural Marketing Service			11,079	-
10.202	Cooperative Forestry Research			558,067	-
10.203	Pmts to Agricult Exp Station			6,380,918	-
10.207	Animal Health & Disease Research			74,885	-
10.207	National Institute of Food & Agriculture			15,137	-
10.210	National Institute of Food & Agriculture			34,971	-
10.217	National Institute of Food & Agriculture			204,123	119,752
10.220	National Institute of Food & Agriculture			66,419	-
10.250	USDA Agricultural Res Service			52,592	-
10.250	Economic Res Service			49,728	7,500
10.290	USDA Office of the Chief Economist			53,613	15,000
10.303	National Institute of Food & Agriculture			229,114	65,082
10.307	National Institute of Food & Agriculture			536,177	-
10.309	National Institute of Food & Agriculture			8,631	-
10.310	National Institute of Food & Agriculture			5,675,627	1,681,149
10.311	National Institute of Food & Agriculture			149,299	34,409
10.312	National Institute of Food & Agriculture			574,161	261,265
10.328	National Institute of Food & Agriculture			21,538	-
10.329	National Institute of Food & Agriculture			139,664	-
10.RD	USDA Forest Service		15-JV-11242302-033	23,480	-
10.RD	USDA Forest Service		15-JV-11242302-042	50,113	-
10.RD	USDA Forest Service		15-CS-11242302-122	15,733	-
10.RD	USDA Forest Service		15-CR-11242302-121	25,875	-
10.RD	USDA Forest Service		17-CR-11242302-050	3,099	-
10.RD	USDA Agricultural Res Service		58-5082-8-010	44,364	-
10.RD	Animal & Plant Health Inspection Service		15-9200-0446-CA	20,548	-
10.500	National Institute of Food & Agriculture			1,695,831	-
10.664	USDA Forest Service			32,335	-
10.680	USDA Forest Service			56,845	-
10.699	USDA Forest Service			161,900	-
10.771	USDA Rural Development			181,236	-
10.903	Natural Resources Conservation Service			13,875	-
10.912	Natural Resources Conservation Service			133,664	102,858
<b>Total Department of Agriculture Direct Awards</b>				<b>18,540,139</b>	<b>2,287,015</b>
<b>Department of Commerce</b>					
11.417	Nat Oceanic & Atmospheric Admin			1,389,582	405,377
11.431	Nat Oceanic & Atmospheric Admin			76,096	-
11.478	Nat Oceanic & Atmospheric Admin			122,023	102,379
11.609	Nat Inst of Standards & Tech			24,605	-
11.620	Nat Inst of Standards & Tech			9,386	-

**THE OHIO STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Research and Development Cluster — Funds received directly from the following agencies					
<b>Total Department of Commerce Direct Awards</b>				<b>1,621,692</b>	<b>507,756</b>
<b>Department of Defense</b>					
12.300	Office of Naval Res			3,857,603	405,759
12.300	Nav Postgraduate School			44,884	-
12.351	Defense Threat Reduction Agency			978,975	548,646
12.420	Army Medical Res Acquisition Activity			3,224,140	373,159
12.431	Army Res Office			2,205,672	788,154
12.431	Army Research, Development and Eng Cmd			146,915	-
12.431	Army			33,203	-
12.RD	Secretary of Defense Historical Office		HQ0034-15-P-0110	42,256	-
12.RD	Air Force Office of Scientific Res		No Award Number	1,262	-
12.RD	Air Force Test Center		FA9302-17-P-K054	100,050	-
12.RD	Air Force Research Laboratory		FA8650-14-C-1712	10,899	-
12.RD	Air Force Research Laboratory		FA9453-14-C-0373	106,325	-
12.RD	Air Force Research Laboratory		FA8650-15-C-6579	8,145	-
12.RD	Air Force Research Laboratory		FA8650-15-C-5206	(2,085)	-
12.RD	Air Force Research Laboratory		FA8650-16-C-1729	125,491	-
12.RD	Air Force Institute of Technology		FA860117P0164	19,534	-
12.RD	Army Corps of Engineers		W912HQ-14-C-0014	58,426	-
12.RD	Army Contracting Command		W56HZV-17-P-L530	55,914	-
12.RD	Army Medical Res Acquisition Activity		W81XWH-16-P-0259	174,682	-
12.RD	Office of Naval Res		A19-0099-S003	2,142	-
12.RD	Naval Medical Research Unit - Dayton		Agreement dated 1-31-2018	57,702	-
12.RD	Nat Geospatial-Intelligence Agcy		HM157515C0018	372,396	-
12.RD	Nat Reconnaissance Office		NRO000-18-C-0101	214,038	22,013
12.RD	Defense Threat Reduction Agency		HDTRA1-16-C-0010	425,588	425,588
12.630	Nat Geospatial-Intelligence Agcy			39,968	-
12.632	Army Corps of Engineers			295,058	229,929
12.800	Air Force Office of Scientific Res			4,038,143	1,248,948
12.800	Air Force Research Laboratory			2,377,681	1,096,628
12.800	Air Force Academy			196,929	-
12.901	Nat Security Agency			82	-
12.910	Defense Advanced Res Projects Agency			3,221,261	1,507,724
<b>Total Department of Defense Direct Awards</b>				<b>22,433,279</b>	<b>6,646,548</b>
<b>Department of Housing and Urban Development</b>					
14.506	Dept of Housing & Urban Dev			114,503	-
<b>Total Department of Housing and Urban Development Direct Awards</b>				<b>114,503</b>	<b>-</b>
<b>Department of the Interior</b>					
15.229	Bureau of Land Management			197,500	10,633
15.232	Bureau of Land Management			140,197	37,647
15.255	Ofc Surface Mining Reclam & Enforcement			82,791	-



**THE OHIO STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Research and Development Cluster —					
Funds received directly from the following agencies					
15.608	US Fish and Wildlife Service			1,801	-
15.655	US Fish and Wildlife Service			(1,918)	-
15.657	US Fish and Wildlife Service			(6,488)	-
15.678	US Fish and Wildlife Service			66,617	-
15.RD	Bureau of Indian Affairs		140A1618P0009	84,722	-
15.805	US Geological Survey			87,320	21,102
15.808	US Geological Survey			21,948	-
15.945	National Park Service			2,578	-
<b>Total Department of the Interior Direct Awards</b>				<b>677,068</b>	<b>69,382</b>
<b>Department of Justice</b>					
16.562	National Institute of Justice			35,462	-
<b>Total Department of Justice</b>				<b>35,462</b>	<b>-</b>
<b>Department of Labor</b>					
17.RD	Bureau of Labor Statistics		DOL-BLS-15-D-0005	11,220,501	7,745,002
<b>Total Department of Labor</b>				<b>11,220,501</b>	<b>7,745,002</b>
<b>Department of State</b>					
19.040	US Department of State			838	-
<b>Total Department of State</b>				<b>838</b>	<b>-</b>
<b>Department of Transportation</b>					
20.108	Federal Aviation Administration			347,771	-
20.109	Federal Aviation Administration			680,131	12,172
20.514	Federal Transit Administration			38,237	38,237
20.701	US Department of Transportation			478,822	298,768
20.RD	Federal Aviation Administration		DTFAC-13-D-00009	3,986	-
20.RD	Nat Highway Traffic Safety Admin		DTNH22-14-D-00348	634,271	-
20.RD	Nat Highway Traffic Safety Admin		DTNH2216P00068	(117)	-
20.RD	Nat Highway Traffic Safety Admin		DTNH2217P00044	5,000	-
<b>Total Department of Transportation Direct Awards</b>				<b>2,188,101</b>	<b>349,177</b>
<b>National Aeronautics and Space Administration</b>					
43.001	NASA Headquarters			1,325,002	163,658
43.001	Nat Aeronautics & Space Admin			1,382,118	276,564
43.001	Goddard Space Flight Center			1,383,399	555,442
43.002	NASA Headquarters			1,508,799	627,347
43.002	Nat Aeronautics & Space Admin			117,454	-
43.008	Nat Aeronautics & Space Admin			43,350	-
43.012	NASA Headquarters			70,444	-

**THE OHIO STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Research and Development Cluster —					
Funds received directly from the following agencies					
43.012	Nat Aeronautics & Space Admin			60,891	-
43.RD	NASA Headquarters		NNG16PJ32C	492,079	258,821
43.RD	Johnson Space Center		NNX17JA86P	39,117	-
43.RD	Jet Propulsion Lab		Subcontract No. 1580852	34,178	-
<b>Total National Aeronautics and Space Administration Direct Awards</b>				<b>6,456,831</b>	<b>1,881,832</b>
<b>National Endowment for the Humanities</b>					
45.162	National Endowment For The Humanities			2,013	-
45.169	National Endowment For The Humanities			18,324	-
<b>Total National Endowment for the Humanities Direct Awards</b>				<b>20,337</b>	<b>-</b>
<b>National Science Foundation</b>					
47.041	NSF Div Chem, Bioeng, Environ, & Trnsp S			1,104,642	14,616
47.041	NSF DIV Elect, Comm, & CyberSystems			1,765,207	52,771
47.041	NSF Industrial Innovation & Partnerships			601,725	-
47.041	NSF Div Civil, Mechanical & Maufact Innv			2,598,378	234,300
47.041	NSF Div Emerging Frontiers			654,064	413,308
47.041	NSF Div Engineering Education&Centers			73,791	-
47.041	NSF Engineering			2,272	-
47.049	NSF Div Mathematical Sciences			4,652,750	10,746
47.049	NSF DIV Elect, Comm, & CyberSystems			136,072	50,940
47.049	NSF Div Civil, Mechanical & Maufact Innv			36,897	-
47.049	NSF Div Astronomical Sciences			1,448,169	102,495
47.049	NSF Div Materials Research			4,614,059	282,924
47.049	NSF Div Design &Manufacturing Innovation			74,515	-
47.049	NSF Div Chemistry			2,134,507	76,127
47.049	NSF Div Physics			1,467,457	-
47.049	NSF Mathematical & Physical Sciences			14,164	-
47.050	NSF Div Earth Sciences			1,133,272	238,527
47.050	NSF Div Polar Programs			1,710,944	73,684
47.050	NSF Education & Human Resources			21,798	-
47.050	NSF Div Ocean Sciences			435,567	4,902
47.050	NSF Div Atmospheric Sciences			323,193	-
47.050	NSF Geosciences			7,533	-
47.070	NSF Industrial Innovation & Partnerships			241,051	-
47.070	NSF Div of Computer & Network Systems			2,996,477	-
47.070	NSF Div Computing & Communication Fdn			2,810,389	73,559
47.070	NSF Div Info and Intelligent Systems			1,310,671	14,109
47.070	NSF Computer & Info Sciences & Eng			58,715	-
47.070	NSF Div Advanced Cyberinfrastructure			855,360	14,742
47.074	NSF Biological Infrastructure			1,242,272	-
47.074	NSF Environmental Biology			998,444	76,503
47.074	NSF Integrative Organismal Biology			996,206	-
47.074	NSF Div Emerging Frontiers			51,467	17,794

**THE OHIO STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Research and Development Cluster —					
Funds received directly from the following agencies					
47.074	NSF Molecular & Cellular Biosciences			2,030,660	30,989
47.074	NSF Biological Sciences			78,289	-
47.074	Nat Science Foundation			85,057	-
47.075	NSF Behavioral & Cognitive Sciences			1,912,613	40,758
47.075	NSF Social, Behavioral & Economic Res			231,421	548
47.075	NSF Social & Economic Sciences			1,248,694	6,291
47.075	NSF Social, Behavioral & Economic Sci			131,576	-
47.075	NSF Ofc Multidisciplinary Activities SBE			234,001	24,329
47.076	NSF Education & Human Resources			229,314	-
47.076	NSF Div Undergraduate Education			608,083	-
47.076	NSF Div Graduate Educ & Res Development			2,086,093	182,302
47.076	NSF Div Human Resource Development			715,164	517,223
47.076	NSF Div of Research on Learning			628,545	55,634
47.078	NSF Div Polar Programs			121,328	-
47.079	NSF Ofc of International Science & Eng			76,515	-
47.079	NSF Office of Integrative Activities			28,741	-
47.079	NSF Engineering			61,636	-
47.080	NSF Office of Cyberinfrastructure			(64)	-
47.RD	Nat Science Foundation		No Award Number	3,699	-
47.RD	NSF Computer & Info Sciences & Eng		1523012	129,776	-
47.RD	NSF Behavioral & Cognitive Sciences		1642533	264,713	-
47.RD	NSF Office of Integrative Activities		1542230	253,227	-
47.RD	NSF Office of Integrative Activities		1558886	48,641	-
47.RD	NSF Office of Integrative Activities		1548170	71,925	-
<b>Total National Science Foundation Direct Awards</b>				<b>47,851,675</b>	<b>2,610,121</b>
<b>Veterans Affairs</b>					
64.RD	VA New Jersey Health Care System		Obligation No. 561-C73578	36,016	-
64.RD	VA New Jersey Health Care System		Obligation No. 561-C73224	38,206	-
<b>Total Veterans Affairs Direct Awards</b>				<b>74,222</b>	<b>-</b>
<b>Environmental Protection Agency</b>					
66.RD	Environmental Protection Agency		EP-C-12-048	14,502	-
66.509	Environmental Protection Agency			102,835	-
<b>Total Environmental Protection Agency Direct Awards</b>				<b>117,337</b>	<b>-</b>
<b>Nuclear Regulatory Commission</b>					
77.006	Nuclear Regulatory Commission			(8,140)	-
77.008	Nuclear Regulatory Commission			124,239	-
77.009	Nuclear Regulatory Commission			58,014	-
<b>Total Nuclear Regulatory Commission Direct Awards</b>				<b>174,113</b>	<b>-</b>

**THE OHIO STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Research and Development Cluster — Funds received directly from the following agencies					
<b>Department of Energy</b>					
81.049	US Department of Energy			10,519,775	1,786,183
81.086	US Department of Energy			737,697	180,840
81.086	Nat Energy Tech Lab			(1,254)	-
81.087	US Department of Energy			1,624,885	429,965
81.089	US Department of Energy			339,628	-
81.089	Nat Energy Tech Lab			1,815,234	350,847
81.112	Nat Nuclear Security Admin			288,011	-
81.121	US Department of Energy			1,922,962	1,001,486
81.135	Advanced Res Projects Agency-Energy			1,913,140	1,600,557
81.RD	US Department of Energy		MIARIPA010 - dated 01/06/2014	28,219	-
81.RD	Oak Ridge Nat Lab		4000144624	43,881	-
<b>Total Department of Energy Direct Awards</b>				<b>19,232,178</b>	<b>5,349,878</b>
<b>Department of Education</b>					
84.015	US Department of Education			587,087	16,999
84.021	US Department of Education			15,634	-
84.200	US Department of Education			340,477	-
84.220	US Department of Education			219,628	-
84.229	US Department of Education			123,649	-
84.305	Institute of Education Sciences			3,018,996	452,830
84.305	US Department of Education			266,777	147,331
84.324	Institute of Education Sciences			356,321	15,000
84.325	US Department of Education			225,858	-
84.350	US Department of Education			363,409	192,711
84.365	US Department of Education			292,513	114,155
84.407	US Department of Education			423,206	142,855
84.411	US Department of Education			1,085,081	388,242
<b>Total Department of Education Direct Awards</b>				<b>7,318,636</b>	<b>1,470,123</b>
<b>Department of Health and Human Services</b>					
93.061	Centers for Disease Control & Prevention			80,299	-
93.077	National Cancer Institute			3,499,876	277,308
93.087	Admin Children, Youth, & Families			122,703	-
93.110	Health Resources & Services Admin			765,624	92,550
93.113	Nat Inst of Environ Health Scis			1,084,666	23,051
93.121	Nat Inst of Dental & Craniofacial Res			2,305,415	221,673
93.173	Nat In Deafness&Other Commnctn Disorders			3,577,871	759,300
93.184	Centers for Disease Control & Prevention			296,249	71,169
93.226	Agency for Healthcare Res & Quality			1,805,536	110,294
93.234	Administration for Community Living			177,228	-
93.242	National Institute of Mental Health			2,189,365	157,928
93.247	Health Resources & Services Admin			279,403	33,930
93.262	Centers for Disease Control & Prevention			4,746	-

**THE OHIO STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Research and Development Cluster —					
Funds received directly from the following agencies					
93.262	Nat Inst Occupational Safety & Health			48,202	-
93.267	Health Resources & Services Admin			(157)	-
93.273	Nat Inst on Alcohol Abuse & Alcoholism			167,390	-
93.279	National Institute on Drug Abuse			1,884,390	239,243
93.286	Nat In Biomedical Imaging&Bioengineering			3,385,834	85,816
93.307	Nat In Minority Hlth & Hlth Disparities			1,154,309	333,323
93.310	National Cancer Institute			215,069	23,003
93.318	Centers for Disease Control & Prevention			505,977	60,211
93.350	Nat Ctr for Advancing Translational Scis			4,537,641	717,980
93.351	Nat Inst of Health, Ofc of the Director			415,980	-
93.353	National Cancer Institute			174,847	24,167
93.361	National Institute of Nursing Research			1,636,082	54,313
93.393	National Cancer Institute			9,216,165	1,986,060
93.393	National Institute of Nursing Research			32,863	-
93.394	National Cancer Institute			3,120,383	649,074
93.395	National Cancer Institute			14,356,687	1,993,451
93.396	National Cancer Institute			6,773,941	1,243,358
93.397	National Cancer Institute			8,340,686	827,869
93.398	National Cancer Institute			3,481,044	-
93.399	National Cancer Institute			155,110	-
93.433	Administration for Community Living			901,001	13,314
93.464	Administration for Community Living			565,378	-
93.RD	Food and Drug Administration		HHSF223201610506P	55,083	-
93.RD	Food and Drug Administration		HHSF223201710393P	51,866	-
93.632	Administration for Community Living			492,555	-
93.632	Admin Developmental Disabilities			17,643	1,857
93.RD	Admin Developmental Disabilities		P30CA016058	(38)	-
93.RD	Admin Developmental Disabilities		HHSN261201600574P	38,675	-
93.RD	National Cancer Institute		HHSN268201600002C	1,170,335	471,360
93.RD	National Cancer Institute		HHSN268201100002C	1,376	-
93.RD	National Heart, Lung, and Blood Inst		No Award Number	66,614	-
93.RD	Nat Inst Gen Medical Scis		IPA Agreement - Russell Lonser	51,411	-
93.RD	Nat Inst Neurological Disorders & Stroke		No Award Number	2,956	-
93.RD	National Institute of Mental Health		R21HG010108	61,994	-
93.RD	National Human Genome Research Institute		200-2016-91967	189,945	-
93.RD	National Human Genome Research Institute		200-2017-M-94208	80,076	-
93.RD	National Human Genome Research Institute		200-2017-96258	280,207	-
93.837	National Heart, Lung, and Blood Inst			16,649,521	2,095,297
93.838	National Heart, Lung, and Blood Inst			2,578,555	30,587
93.839	National Heart, Lung, and Blood Inst			2,739,634	895,902
93.846	Nat In Arthritis&Muscoskeletal&Skin Ds			2,455,018	152,775
93.847	Nat In Diabetes&Digestive&KidneyDiseases			4,499,610	895,073
93.847	National Institutes of Health			9,433	-
93.853	Nat Inst Neurological Disorders & Stroke			7,636,132	321,241
93.855	Nat Inst of Allergy & Infectious Diseases			10,227,160	811,707
93.856	Nat Inst of Allergy & Infectious Diseases			144,938	-

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Research and Development Cluster — Funds received directly from the following agencies					
93.859	Nat Inst Gen Medical Scis			15,479,867	950,351
93.859	Nat Inst Child Health & HumanDevelopment			592,083	58,285
93.865	Nat Inst Child Health & HumanDevelopment			6,296,255	1,764,074
93.866	National Institute on Aging			6,169,543	780,501
93.867	National Eye Institute			5,209,218	187,967
93.879	National Library of Medicine			292,453	(14)
93.884	Health Resources & Services Admin			578,812	-
93.959	Nat Inst Gen Medical Scis			20,340	-
93.978	Centers for Disease Control & Prevention			189,352	-
93.989	John E Fogarty International Center			86,086	-
<b>Total Department of Health and Human Services Direct Awards</b>				<b>161,672,511</b>	<b>19,415,348</b>
<b>Office of the Director of National Intelligence</b>					
95.RD	Intelligence Advanced Res Projects Act		2018-17121900006	15,110	-
<b>Total Office of the Director of National Intelligence Direct Awards</b>				<b>15,110</b>	<b>-</b>
<b>Agency for International Development</b>					
98.001	Agency for Intl Dev			770,767	438,237
<b>Total Agency for International Development Direct Awards</b>				<b>770,767</b>	<b>438,237</b>
<b>National Academy of Sciences</b>					
99.RD	National Academy of Sciences		Grant #2000007273	36,010	-
<b>Total National Academy of Sciences Direct Awards</b>				<b>36,010</b>	<b>-</b>
Subtotal of Research and Development Cluster funds received directly from federal agencies				\$ 300,571,310	\$ 48,770,419

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**FOR THE YEAR ENDED JUNE 30, 2018**

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Research and Development Cluster —					
Pass-through from other sources:					
<b>Department of Agriculture</b>					
10.001	US Department of Agriculture	USDA Agricultural Res Service	59-5012-6-002	\$ 1,502	\$ -
10.001	USDA Agricultural Res Service	Univ of Arkansas	UA AES 05665-01	78,663	-
10.001	Intl Plant Nutrition Institute	USDA Agricultural Res Service	59-5080-5-005	18,251	-
10.001	United Soybean Board	USDA Agricultural Res Service	59-5080-5-001	(4,533)	-
10.001	Bill & Melinda Gates Fdn	USDA Agricultural Res Service	59-5082-7-001	69,606	-
10.170	Agricultural Marketing Service	Ohio Department Of Agriculture	AGR-SCGB-2015-04	44,403	-
10.170	Agricultural Marketing Service	Ohio Department Of Agriculture	AGR-SCBG-2015-03	17,827	-
10.170	Agricultural Marketing Service	Ohio Department Of Agriculture	2016-08	21,603	-
10.170	Agricultural Marketing Service	Ohio Department Of Agriculture	2016-05	36,833	-
10.170	Agricultural Marketing Service	Ohio Department Of Agriculture	2016-09	24,017	-
10.170	Agricultural Marketing Service	Ohio Department Of Agriculture	16SCBGPOH0028	74,816	-
10.170	Agricultural Marketing Service	Ohio Department Of Agriculture	SCBG2017-06	38,265	-
10.170	Agricultural Marketing Service	Ohio Department Of Agriculture	2017-05	6,692	-
10.170	Agricultural Marketing Service	Ohio Department Of Agriculture	SCBG 2017-04	21,999	-
10.170	Agricultural Marketing Service	Ohio Department Of Agriculture	AGR-SCG-15-07	566	-
10.170	US Department of Agriculture	Ohio Department Of Agriculture	No Award Number	(2,472)	-
10.170	Agricultural Marketing Service	Ohio Department Of Agriculture	AGR-SCBG-15-05	23,609	-
10.200	National Institute of Food & Agriculture	Iowa State Univ	416-41-15C	39,998	-
10.200	National Institute of Food & Agriculture	Iowa State Univ	416-41-15J	630	-
10.200	National Institute of Food & Agriculture	Iowa State Univ	416-41-15U	4,145	-
10.200	National Institute of Food & Agriculture	Iowa State Univ	416-41-15T	16,374	-
10.200	National Institute of Food & Agriculture	Michigan State Univ	PO #265830	2,583	-
10.200	National Institute of Food & Agriculture	Michigan State Univ	PO # 265835	(1,051)	-
10.200	National Institute of Food & Agriculture	Michigan State Univ	PO #388918	15,458	-
10.200	National Institute of Food & Agriculture	Michigan State Univ	PO# 388154	20,563	-
10.200	National Institute of Food & Agriculture	Univ of Maine at Orono	UMS-1022	2,250	-
10.200	National Institute of Food & Agriculture	Univ of Maine at Orono	UMS-1055	6,112	-
10.200	National Institute of Food & Agriculture	Purdue Univ	8000073492-AG	6,957	-
10.212	US Department of Agriculture	3Bar Biologics	2017-33610-27301	91,938	-
10.215	National Institute of Food & Agriculture	Univ of Minnesota	H003679405	11,452	-
10.215	National Institute of Food & Agriculture	Univ of Minnesota	H004991224	2,972	-
10.215	National Institute of Food & Agriculture	Univ of Minnesota	H004991227	9,053	-
10.215	National Institute of Food & Agriculture	Univ of Minnesota	H005722913	42,824	-
10.215	National Institute of Food & Agriculture	Univ of Minnesota	H004991246	1,781	-
10.215	National Institute of Food & Agriculture	Univ of Minnesota	H005722946	720	-
10.215	National Institute of Food & Agriculture	Univ of Minnesota	H006607411	4,653	-
10.215	National Institute of Food & Agriculture	Univ of Minnesota	H004991250	7,232	-
10.215	National Institute of Food & Agriculture	Univ of Minnesota	0000001190	25,582	-
10.216	National Institute of Food & Agriculture	Central State University	8499-001	1,854	-
10.216	National Institute of Food & Agriculture	Central State University	8497-001	30,720	-
10.217	National Institute of Food & Agriculture	Cornell University	73365-10456	(7,749)	-
10.217	National Institute of Food & Agriculture	Texas A & M Univ	06-S150647	71,408	-
10.217	US Department of Agriculture	Iowa State Univ	416-23-31B	27,147	-
10.250	US Department of Agriculture	Cornell University	77867-10624	569	-
10.250	USDA Agricultural Res Service	Pennsylvania State Univ	5463-OSU-USDA-0095	26,093	-
10.253	Economic Res Service	Res Triangle Inst	1-312-0215523-52768L	33,150	-

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Research and Development Cluster —					
Pass-through from other sources:					
10.303	National Institute of Food & Agriculture	Michigan State Univ	RC106420C	10,519	-
10.304	National Institute of Food & Agriculture	Michigan State Univ	RC106556D	26,037	-
10.309	National Institute of Food & Agriculture	USDA Agricultural Res Service	5950826005	175,488	-
10.309	National Institute of Food & Agriculture	Purdue Univ	8000076814-AG	113,468	-
10.309	National Institute of Food & Agriculture	North Carolina State Univ	2016-1498-02	230,782	-
10.309	National Institute of Food & Agriculture	North Carolina State Univ	2017-0398-17	43,528	-
10.309	National Institute of Food & Agriculture	Univ of Florida	UFDSP00010640	6,789	-
10.309	National Institute of Food & Agriculture	Univ of Florida	UFDSP00011007	195,876	-
10.309	National Institute of Food & Agriculture	Univ of Florida	UFDSP00011703	37,951	-
10.310	National Institute of Food & Agriculture	USDA Agricultural Res Service	59-8042-5-005	520	-
10.310	National Institute of Food & Agriculture	Iowa State Univ	416-23-11B	(5,948)	-
10.310	National Institute of Food & Agriculture	Iowa State Univ	416-17-01H	(2,761)	-
10.310	National Institute of Food & Agriculture	Michigan State Univ	RC103522OSU	101,342	-
10.310	National Institute of Food & Agriculture	Univ of Maine at Orono	UMS-1012	143,777	-
10.310	National Institute of Food & Agriculture	Purdue Univ	8000066472-AG	26,474	-
10.310	National Institute of Food & Agriculture	Purdue Univ	8000067463-AG	56,552	-
10.310	National Institute of Food & Agriculture	Purdue Univ	8000081703-AG	21,465	-
10.310	National Institute of Food & Agriculture	Cornell University	73687-10442	49,998	-
10.310	National Institute of Food & Agriculture	Cornell University	80665-10858	4,794	-
10.310	National Institute of Food & Agriculture	Res Triangle Inst	2-312-0215837-65023L	11,435	-
10.310	National Institute of Food & Agriculture	North Carolina State Univ	2011-0494-13	1,361	-
10.310	National Institute of Food & Agriculture	Univ of Florida	UFDSP00012026	10,231	-
10.310	National Institute of Food & Agriculture	Kansas State Univ	S14177	(738)	-
10.310	National Institute of Food & Agriculture	Kansas State Univ	S13021	125,943	-
10.310	National Institute of Food & Agriculture	Kansas State Univ	S13167	66,436	-
10.310	National Institute of Food & Agriculture	Univ of Delaware	48757	785	-
10.310	National Institute of Food & Agriculture	Univ of Delaware	42952	64,547	-
10.310	National Institute of Food & Agriculture	Pennsylvania State Univ	4709-OSU-USDA-9703	4,045	-
10.310	National Institute of Food & Agriculture	Pennsylvania State Univ	5272-OSU-USDA-1979	19,063	-
10.310	National Institute of Food & Agriculture	Univ at Buffalo	R812458	14,790	-
10.310	National Institute of Food & Agriculture	South Dakota State University	3TF462	69,396	-
10.310	National Institute of Food & Agriculture	Auburn University	15-AGR-373040-OSU	3,278	-
10.310	National Institute of Food & Agriculture	Univ of Missouri	C00046787-2	53,877	-
10.310	National Institute of Food & Agriculture	Univ of Nebraska	26-6322-0458-441	917	-
10.310	National Institute of Food & Agriculture	Univ of Nebraska	25-6222-0816-003	88,303	-
10.310	National Institute of Food & Agriculture	Colorado State Univ	G-14765-1	56,503	-
10.310	National Institute of Food & Agriculture	Oregon State Univ	C0513A-A	28,299	-
10.311	National Institute of Food & Agriculture	Ohio Ecological Food and Farm Assn	No Award Number	10,344	-
10.320	National Institute of Food & Agriculture	Oklahoma State University	2560020.OHS1	33,592	-
10.320	National Institute of Food & Agriculture	West Virginia Univ	16-710-OSU	4,769	-
10.330	National Institute of Food & Agriculture	Univ of Maryland	Z5741002	16,291	-
10.330	National Institute of Food & Agriculture	Univ of Maryland	55063-Z5040201	9,285	-
10.RD	National Institute of Food & Agriculture	Iowa State Univ	No Award Number	10,343	-
10.500	National Institute of Food & Agriculture	Pennsylvania State Univ	5569-OSU-USDA-5879	41,165	-
10.664	USDA Forest Service	OH Dept of Natural Resources	No Award Number	12,227	-
10.912	Natural Resources Conservation Service	Ohio Soybean Cncl	OSC-16-C-26	11,659	-



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Research and Development Cluster — Pass-through from other sources:					
<b>Total Department of Agriculture Pass-Through Awards</b>				<b>2,971,862</b>	<b>-</b>
<b>Department of Commerce</b>					
11.417	Nat Oceanic & Atmospheric Admin	Univ of Wisconsin	695K660	188	-
11.419	Nat Oceanic & Atmospheric Admin	OH Dept of Natural Resources	DNRFH020 306-15	62,114	62,114
11.419	Nat Oceanic & Atmospheric Admin	OH Dept of Natural Resources	DNRFH020 306-15	(7,321)	-
11.419	Nat Oceanic & Atmospheric Admin	OH Dept of Natural Resources	DNRFH017 306-19	8	-
11.419	Nat Oceanic & Atmospheric Admin	OH Dept of Natural Resources	DNRFHCZ16B 306-02	65,026	-
11.431	US Department of Commerce	Nat Oceanic & Atmospheric Admin	NA17OAR4310136	85,668	-
11.432	Nat Oceanic & Atmospheric Admin	Univ of Michigan	3004491689	60,517	-
11.432	Nat Oceanic & Atmospheric Admin	Univ of Michigan	3004715115	14,008	-
11.432	Nat Oceanic & Atmospheric Admin	Univ of Illinois	089354-16820	261	-
11.463	Nat Oceanic & Atmospheric Admin	The Nature Conservancy	No Award Number	10,776	-
11.611	Nat Inst of Standards & Tech	OH Development Services Agency	TECG20170007	149,032	-
11.611	Nat Inst of Standards & Tech	OH Development Services Agency	TECG20180251	798,849	-
<b>Total Department of Commerce Pass-Through Awards</b>				<b>1,239,126</b>	<b>62,114</b>
<b>Department of Defense</b>					
12.225	US Department of Defense	Nat Ctr for Manufacturing Sci's	201630-140824	71,638	-
12.300	Navy	Univ of California - Santa Barbara	KK1717	27,257	-
12.300	Office of Naval Res	Univ of California - Santa Barbara	KK1316	86,747	-
12.300	Navy	Univ of Notre Dame	Subaward # 202837	145,682	-
12.300	Navy	Duke Univ	353-1318	296,315	-
12.300	Navy	Univ of Texas at Dallas	1705415	22,058	-
12.330	Office of Naval Res	Lorain County Community College	No Award Number	(393)	-
12.351	Defense Threat Reduction Agency	Univ of Nebraska	25-1123-0030-002	133	-
12.351	US Department of Defense	Univ of North Carolina	5108444	36,917	-
12.420	Army Medical Res & Materiel Command	Tulane University	TUL-HSC-504-13/14	2,206	-
12.420	Army Medical Res Acquisition Activity	Johns Hopkins Univ	No Award Number	(3,642)	-
12.420	Army Medical Res & Materiel Command	Wake Forest Univ	WFUHS 441073 CF-03	122,515	-
12.420	Army Medical Res & Materiel Command	Univ of Louisville	ULRF 15-0183-01	3,080	-
12.420	Army Medical Res & Materiel Command	Roswell Park Cancer Institute	243-01	2,519	-
12.420	National Institutes of Health	Army Medical Res Acquisition Activity	W81XWH-12-2-0054	(461)	-
12.420	US Department of Defense	Army Medical Res Acquisition Activity	W81XWH-17-1-0227	66,046	-
12.420	US Department of Defense	Metis Foundation	S-W81XWH-17-2-0069	53,689	-
12.431	Army	Georgia Inst of Tech	RH541-G5	86,888	-
12.431	Army Res Office	Univ of California - Davis	Subaward A15-0264-S001	100,404	-
12.431	Army Res Office	Duke Univ	313-0670	19,856	-
12.431	Army Res Office	Univ of Chicago	FP054294-D	82,350	-
12.431	Army Res Office	Univ of California - Los Angeles	2301 G SG500	10,150	-
12.431	Army Res Office	Georgia Inst of Tech	RG885-G1	64,111	-
12.431	Army Res Office	Univ of South Carolina	16-2978	39,520	-
12.431	Army Res Office	Univ of Texas at Arlington	126040162061	140,800	-
12.431	Army Research, Development and Eng Cmd	Cornell University	Subaward No. 66220-9901	46,280	-
12.431	Army Research, Development and Eng Cmd	Virginia Polytechnic Inst	450277-19074	233,068	-
12.RD	US Department of Defense	Johns Hopkins Univ	APL Contract #139002	16,751	-

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Research and Development Cluster —					
Pass-through from other sources:					
12.RD	US Department of Defense	Northrop Grumman Corp	Sub. no. 7600008039	64,809	-
12.RD	US Department of Defense	High Performance Technologies Inc	14463-PETTT-OHIOSTATE	122,633	-
12.RD	US Department of Defense	Engility Corporation	14463-PETTT-OHIOSTATE, TO 02	20,187	-
12.RD	US Department of Defense	BioFire Defense	DX-SDY-020450	23,776	-
12.RD	US Department of Defense	Global Res & Dev Inc	1700073G	45,325	-
12.RD	Air Force	Massachusetts Inst Tech - Lincoln Lab	7000300729	108,609	-
12.RD	Air Force	Massachusetts Inst Tech - Lincoln Lab	PO# 7000387228	142,930	-
12.RD	Air Force	Leidos, Inc	P010173970	(3,405)	-
12.RD	Air Force	Hyper Tech Res Inc	PO 15000179H	39,494	-
12.RD	Air Force	Hyper Tech Res Inc	PO 16000160H	14,070	-
12.RD	Air Force	Battelle Memorial Inst	PO US001-600930-19	(286)	-
12.RD	Air Force	TallannQuest	No Award Number	113,609	-
12.RD	Air Force	Innovative Scientific Solutions Inc	Subcontract No. SB20225	26,969	-
12.RD	Air Force	Carnegie-Mellon Univ	17-00107-SUB-000	26,503	-
12.RD	Air Force	Innoveering, LLC.	STTR 1901-5164	44,776	-
12.RD	Air Force Materiel Command	Leidos, Inc	P010188631	191,044	-
12.RD	Air Force Office of Scientific Res	Voss Scientific, LLC	PO #1704017	109,157	-
12.RD	Air Force Office of Scientific Res	MetroLaser Inc	OSU07EG13	71,112	-
12.RD	Air Force Office of Scientific Res	Ahmic Aerospace LLC	PO#17107	39,824	-
12.RD	Air Force Research Laboratory	Northrop Grumman Corp	7500133146	162,045	-
12.RD	Air Force Research Laboratory	BerrieHill Research Corp	Subcontract No. OSU-S2002	339,024	-
12.RD	Air Force Research Laboratory	Universal Tech Corp	17-7612-00-C2	25,141	-
12.RD	Air Force Research Laboratory	Universal Tech Corp	16-7900-0003-02-C8	76,350	-
12.RD	Air Force Research Laboratory	Universal Tech Corp	16-7900-0008-15-C5	33	-
12.RD	Air Force Research Laboratory	Universal Tech Corp	17-7900-0008-32-C5	13,840	-
12.RD	Air Force Research Laboratory	Massachusetts Inst Tech - Lincoln Lab	7000369680	101,118	-
12.RD	Air Force Research Laboratory	Leidos, Inc	P010151903-2	(646)	-
12.RD	Air Force Research Laboratory	Metron, Inc.	6F52-OSU	89,698	-
12.RD	Air Force Research Laboratory	Wyle Laboratories	APSC02189/A10522-0013-S006	156,555	-
12.RD	Air Force Research Laboratory	Wyle Laboratories	PO APSC02183	100,237	-
12.RD	Air Force Research Laboratory	UES Inc	S-109-1D7-001	12,551	-
12.RD	Air Force Research Laboratory	SolAero Technologies, Corp.	No Award Number	66,579	-
12.RD	Air Force Research Laboratory	The Design Knowledge Co	SubK# 1919.02.05.92	(13,002)	-
12.RD	Air Force Research Laboratory	The Design Knowledge Co	1919.06.04.91	64,040	-
12.RD	Air Force Research Laboratory	IRflex Corporation	No Award Number	66,691	-
12.RD	Air Force Research Laboratory	Univ of Dayton	Subcontract No. RSC15058	274,524	-
12.RD	Air Force Research Laboratory	Tennessee State Univ	No Award Number	(1,367)	-
12.RD	Air Force Research Laboratory	Applied Dynamics International	PO ADI 15002	71,630	-
12.RD	Air Force Research Laboratory	Honeywell International Inc	PO 6400328741E	(688)	-
12.RD	Air Force Research Laboratory	Wright State Applied Research Corp	No Award Number	147,678	-
12.RD	Air Force Research Laboratory	Ahmic Aerospace LLC	No Award Number	194,426	-
12.RD	Air Force Research Laboratory	Systems & Technology Research	2016-1140	82,685	-
12.RD	Air Force Research Laboratory	Univ of Toledo	N-122296-01	(628)	-
12.RD	Air Force Research Laboratory	EDAptive Computing, Inc	093015-OSU-01	1,090	-
12.RD	Air Force Research Laboratory	EDAptive Computing, Inc	SETS03-OSU-2017	34,228	-
12.RD	Air Force Research Laboratory	SelectTech Services Corporation	P.O. # 6159-35-2947	20,585	-
12.RD	Air Force Research Laboratory	Mile Two LLC	6778-S001	15,053	-

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Research and Development Cluster —					
Pass-through from other sources:					
12.RD	Air Force Research Laboratory	Parry Labs	PL2017-SB-001	45,127	-
12.RD	Air Force Research Laboratory	Nimbus Services, Inc.	Nimbus-F-1068-OSU	99,118	-
12.RD	Air Force Research Laboratory	Barron Associates Inc.	539-SC01	39,998	-
12.RD	Air Force Research Laboratory	Riverside Research Institute	DRC.1265.00107.18	3,656	-
12.RD	Army	Leidos, Inc	P010203155	59,474	-
12.RD	Army	Aptima, Inc.	Subcontract No.: 0962-1856	(36,014)	-
12.RD	Army	Honeywell International Inc	PO 3502150254E	17,419	-
12.RD	Army	Honeywell International Inc	PO 4207871551E	27,269	-
12.RD	Army	Triton Systems, Inc.	TSI-2521-17-106667	45,000	15,000
12.RD	Army	Concepts to Systems Inc.	C17-01_rev1	31,579	-
12.RD	Army Contracting Command	Survive Engineering Company	S17-095008/DOTC-17-01-INIT0086	33,300	-
12.RD	Army Contracting Command	Environmental Tectonics Corporation	W911W6-17-C-0011	65,816	-
12.RD	Army Res Office	Iowa State Univ	4212070A	242	-
12.RD	Army Res Office	Mide Technology	P.O. 007205	5,086	-
12.RD	Missile Defense Agency	Applied Radar, Inc.	No Award Number	5,848	-
12.RD	Missile Defense Agency	SK Infrared	Subaward No. PO7802-02	51,269	-
12.RD	Army Medical Res Acquisition Activity	Unveil, LLC	W81XWH-17-C-0162	15,165	-
12.RD	Navy	Johns Hopkins Univ	135638 PO # CLIN 1	30,626	-
12.RD	Navy	Innovative Scientific Solutions Inc	SB20204	6,823	-
12.RD	Navy	Charles River Analytics Inc.	SC1602303	56,360	-
12.RD	Office of Naval Res	Northrop Grumman Corp	7600019785	14,620	-
12.RD	Office of Naval Res	Scientific Forming Technologies Corp	STTR Subcontract dtd 8/3/16	8,050	-
12.RD	Office of Naval Res	Applied Physical Sciences Corp	APS-17-01	51,483	-
12.RD	Office of Naval Res	Am Lightweight Materials Innovation Inst	No Award Number	12,368	-
12.RD	Defense Advanced Res Projects Agency	RNET Technologies	DARPA_SB151_004_2_OSU	111,624	-
12.RD	Defense Advanced Res Projects Agency	Univ of Maryland, Baltimore County	0000012879	9,623	-
12.RD	Defense Advanced Res Projects Agency	Raytheon BBN Technologies	BBN Ref ID # 14520	237,005	-
12.RD	Defense Advanced Res Projects Agency	Scientific Systems Company, Inc.	Subcontract 1627-OSU	4,175	-
12.RD	US Special Operations Command	Trident Systems Inc.	ESEG-17-05	60,754	-
12.RD	Defense Logistics Agency	Advanced Technology International	2012-529	24,083	-
12.RD	Nat Security Agency	Univ of Maryland	59946-Z9163201	25,006	-
12.RD	Defense Threat Reduction Agency	Technology Management Company	HDTRA117C006	6,029	-
12.611	US Department of Defense	Univ of Michigan	3004036862	1,262,486	-
12.630	Air Force Office of Scientific Res	Univ of California - Santa Barbara	Subaward No. KK1849	26,432	-
12.630	Air Force Research Laboratory	Dayton Area Graduate Studies Inst	RY3-OSU-15-4-AFRL	13,290	-
12.630	Air Force Office of Scientific Res	Dayton Area Graduate Studies Inst	RY10-OSU-15-3-AFRL	1,081	-
12.630	Air Force Office of Scientific Res	Dayton Area Graduate Studies Inst	RY1-OSU-16-2-AFRL	21,246	-
12.630	Air Force Office of Scientific Res	Dayton Area Graduate Studies Inst	RX-OSU-16-7-OC-AFRL	40,285	-
12.630	Air Force Office of Scientific Res	Dayton Area Graduate Studies Inst	RX9-OSU-16-3-AFRL	27,829	-
12.630	Air Force Office of Scientific Res	Dayton Area Graduate Studies Inst	RY2-OSU-17-3-AFRL	39,457	-
12.630	Air Force Office of Scientific Res	Univ of Dayton	RSC13024	45,089	-
12.630	Army Contracting Command	Edison Welding Inst Inc	EWI Proj. #56282GTH	37,165	-
12.630	Army Contracting Command	UI Labs	Contract number 0220160032	263,185	128,366
12.630	Office of Naval Res	Am Lightweight Materials Innovation Inst	No Award Number	530,927	-
12.630	Office of Naval Res	Am Lightweight Materials Innovation Inst	Subaward Agmt. 0003A-4	149,292	-
12.630	Office of Naval Res	Am Lightweight Materials Innovation Inst	Subaward 0002B-7	39,268	-
12.630	Office of Naval Res	Am Lightweight Materials Innovation Inst	Subaward # 0003B-5	122,563	-

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Research and Development Cluster —					
Pass-through from other sources:					
12.630	Office of Naval Res	Am Lightweight Materials Innovation Inst	Subaward No. 0004A-6	79,275	-
12.630	Office of Naval Res	Am Lightweight Materials Innovation Inst	Sub Agreement 0005A-4	270,720	-
12.630	Office of Naval Res	Am Lightweight Materials Innovation Inst	Subaward No. 0007A-5	238,539	-
12.630	Office of Naval Res	Am Lightweight Materials Innovation Inst	003C-10	178,629	-
12.630	Office of Naval Res	Am Lightweight Materials Innovation Inst	003C-8 (Pourboghrat)	129,910	-
12.630	Office of Naval Res	Am Lightweight Materials Innovation Inst	Sub Agreement 0004C-7	42,907	-
12.630	Office of Naval Res	Am Lightweight Materials Innovation Inst	Sub Agmt 0005C-5	774	-
12.750	Uniformed Services Univ Health Sci's	Henry M Jackson Fdn	3358	3,566	-
12.750	Uniformed Services Univ Health Sci's	Henry M Jackson Fdn	3360	80,602	-
12.750	Uniformed Services Univ Health Sci's	Geneva Foundation	S-10452-01	43,874	-
12.800	Air Force	Univ of California - Santa Barbara	Subaward No. KK1505	82,498	-
12.800	Air Force Office of Scientific Res	Cornell University	71656-10671	(10,613)	-
12.800	Air Force Office of Scientific Res	Univ of Michigan	Subaward No. 3003448381	88,500	-
12.800	Air Force Office of Scientific Res	Univ of Utah	10032657-OHIO	127,655	-
12.800	Air Force Office of Scientific Res	Univ of New Mexico	271387-8749	7,723	-
12.800	Air Force Office of Scientific Res	Florida State Univ	FSU Subaward No. R01747	167,982	-
12.800	Air Force Office of Scientific Res	Univ of Central Florida	24086151-03	328,969	-
12.800	Air Force Office of Scientific Res	Indiana Univ	BL-4331206-OSU	51,933	-
12.800	Air Force Office of Scientific Res	Syracuse University	28245-04086-S01	134,270	-
12.800	Air Force Office of Scientific Res	Univ of Texas at Dallas	1401651	577	-
12.800	Air Force Research Laboratory	Dayton Area Graduate Studies Inst	RY11-OSU-14-1-AFRL	(1)	-
12.800	Air Force Research Laboratory	Dayton Area Graduate Studies Inst	RY8-OSU-14-3-AFRL	1,628	-
12.800	Air Force Research Laboratory	Honeywell International Inc	6400378403E	32,262	-
12.800	Air Force Research Laboratory	Rolls-Royce North American Technologies	PO 5003631256	51,209	-
12.800	Air Force Research Laboratory	Wright State Univ	669737-1	143,854	-
12.800	Air Force Research Laboratory	Wright State Univ	669737-2	104,513	-
12.910	Air Force Research Laboratory	North Carolina State Univ	2017-1659-01	90,420	-
12.910	Defense Advanced Res Projects Agency	Univ of Utah	10038364-Ohio	277,066	-
12.910	Defense Advanced Res Projects Agency	Univ of Illinois	077825-15609	23,824	-
12.RD	Air Force Research Laboratory	Dayton Area Graduate Studies Inst	RX14-0416-OSU-15-6-OC3	(3,006)	-
<b>Total Department of Defense Pass-Through Awards</b>				<b>11,630,725</b>	<b>143,366</b>
<b>Department of the Interior</b>					
15.232	Bureau of Land Management	Univ of Washington	UWSC8686	17,219	-
15.608	US Fish and Wildlife Service	OH Division of Wildlife	No Award Number	10,363	-
15.615	US Fish and Wildlife Service	OH Division of Wildlife	No Award Number	13,839	-
15.634	US Fish and Wildlife Service	OH Division of Wildlife	No Award Number	1,098,196	-
15.634	US Fish and Wildlife Service	OH Division of Wildlife	WASX01	41,871	-
15.657	US Fish and Wildlife Service	OH Division of Wildlife	No Award Number	914	-
15.RD	US Fish and Wildlife Service	OH Division of Wildlife	No Award Number	259	-
15.RD	Bureau of Land Management	USDA Forest Service	16-JV-11221637-045	18,746	-
15.805	US Geological Survey	Univ of Illinois	2015-06806-04	37,913	-
15.805	US Geological Survey	Univ of Illinois	078687-16553	46,984	-
15.820	US Geological Survey	Oklahoma State University	2-510780.OhioState	48,713	-
<b>Total Department of the Interior Pass-Through Awards</b>				<b>1,335,017</b>	<b>-</b>

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Research and Development Cluster —					
Pass-through from other sources:					
<b>Department of Justice</b>					
16.560	National Institute of Justice	Pennsylvania State Univ	5697-OSU-NIJ-0011	35,996	-
16.575	US Department of Justice	Ohio Office of Attorney General	2017-VOCA-72451220	217,649	-
16.575	US Department of Justice	Ohio Office of Attorney General	2018-VOCA-109853760	429,195	-
16.582	Office of Justice Programs	Ohio Domestic Violence Network	No Award Number	18,581	-
16.606	Bureau of Justice Assistance	Ohio Dept Rehabilitation & Correction	AGRT-12-16 OSU-DRCODPE	142,805	-
16.738	US Department of Justice	Univ of Cincinnati	009301-007	19,867	-
<b>Total Department of Justice Pass-Through Awards</b>				<b>864,093</b>	<b>-</b>
<b>Department of Labor</b>					
17.282	Employment and Training Administration	Lorain County Community College	No Award Number	54,084	-
17.283	US Department of Labor	OH Dept of Job & Family Services	C-1718-15-0310	287,493	49,000
17.RD	US Department of Labor	New Growth Group, LLC	No Award Number	138,763	-
<b>Total Department of Labor Pass-Through Awards</b>				<b>480,340</b>	<b>49,000</b>
<b>Department of State</b>					
19.021	US Department of State	Inst of International Education	2664_OSU_5/1/2016	(3)	-
19.401	US Department of State	Inst of International Education	GI/ECA/A/S/S-13-05	39,885	21,983
19.401	US Department of State	Inst of International Education	S-ECAGD-13-CA-149	96,708	-
<b>Total Department of State Pass-Through Awards</b>				<b>136,590</b>	<b>21,983</b>
<b>Department of Transportation</b>					
20.514	Federal Transit Administration	Easter Seals Central and Southeast Ohio	No Award Number	7,643	-
20.701	US Department of Transportation	Purdue Univ	4108-47671	173,380	-
20.701	US Department of Transportation	Carnegie-Mellon Univ	1080376-379207	163,703	-
20.RD	US Department of Transportation	Battelle Memorial Inst	PO US001-600930-18	4,721	-
20.RD	Federal Aviation Administration	Univ of Maryland	SUBCONTRACT No. 57658-Z91562	34,481	-
20.RD	Federal Aviation Administration	Mitre Corporation	115994	11,046	-
20.RD	Nat Highway Traffic Safety Admin	Transportation Res Ctr Inc	No Award Number	66,622	-
<b>Total Department of Transportation Pass-Through Awards</b>				<b>461,596</b>	<b>-</b>
<b>National Aeronautics and Space Administration</b>					
43.001	NASA Headquarters	Smithsonian Astrophysical Observatory	GO4-15111X	822	-
43.001	NASA Headquarters	Jet Propulsion Lab	1565819	9,743	-
43.001	NASA Headquarters	Jet Propulsion Lab	RSA No. 1569897	102,766	-
43.001	NASA Headquarters	Jet Propulsion Lab	1571312	23,254	-
43.001	NASA Headquarters	Jet Propulsion Lab	1598624	29,508	-
43.001	Nat Aeronautics & Space Admin	Univ of California - Los Angeles	2095G SA139	11,640	-
43.001	Nat Aeronautics & Space Admin	Univ of California - Los Angeles	1295 G TA003	152,112	-
43.001	Nat Aeronautics & Space Admin	Univ of Washington	UWSC7031	107,497	-
43.001	Nat Aeronautics & Space Admin	Univ of Washington	BPO1711	(500)	-
43.001	Nat Aeronautics & Space Admin	Arizona State Univ	15-726	(146)	-

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Research and Development Cluster —					
Pass-through from other sources:					
43.001	Nat Aeronautics & Space Admin	Jet Propulsion Lab	1604740	4,304	-
43.001	Nat Aeronautics & Space Admin	Univ of New Hampshire	18-002	36,492	-
43.002	Nat Aeronautics & Space Admin	Georgia Inst of Tech	RH056-G2	21,633	-
43.003	Nat Aeronautics & Space Admin	Nat Space Grant Foundation	XHab 2017-01	14,085	-
43.003	Nat Aeronautics & Space Admin	Nat Space Grant Foundation	XHab 2018-02	8,841	-
43.009	Nat Aeronautics & Space Admin	Univ of Michigan	3004441341	289,234	-
43.RD	Nat Aeronautics & Space Admin	Univ of Michigan	3002485425	70,529	-
43.RD	Nat Aeronautics & Space Admin	Georgia Inst of Tech	RH399-S2	16,634	-
43.RD	Nat Aeronautics & Space Admin	Vantage Partners, LLC	VPL-12-045	26,306	-
43.RD	Nat Aeronautics & Space Admin	Vantage Partners, LLC	VPL-14-005	98,194	-
43.RD	Nat Aeronautics & Space Admin	Vantage Partners, LLC	VPL-16-324	82,540	-
43.RD	Nat Aeronautics & Space Admin	Vantage Partners, LLC	VPL-17-380	31,770	-
43.RD	Nat Aeronautics & Space Admin	Jet Propulsion Lab	1555747 / 1582638/ 1607776	283,200	-
43.RD	Nat Aeronautics & Space Admin	Jet Propulsion Lab	1559907	161,291	-
43.RD	Nat Aeronautics & Space Admin	N&R Engineering and Management Svcs Corp	NNX17CC24C-01	45,177	-
43.RD	Nat Aeronautics & Space Admin	Tech4Imaging LLC	No Award Number	73,159	-
43.RD	Nat Aeronautics & Space Admin	Space Telescope Sci Inst	HST-GO-13737.004-A	(92)	-
43.RD	Nat Aeronautics & Space Admin	Space Telescope Sci Inst	HST-GO-14678.004A	13,027	-
43.RD	Nat Aeronautics & Space Admin	Space Telescope Sci Inst	HST-GO-14628.005-A	159	-
43.RD	NASA Headquarters	Hyper Tech Res Inc	PO 14000145H/16000158H	5,772	-
43.RD	NASA Headquarters	Hyper Tech Res Inc	PO1700082H	10,428	-
43.RD	NASA Headquarters	Hyper Tech Res Inc	PO1700081H	10,704	-
43.RD	NASA Headquarters	Vantage Partners, LLC	VPL-17-204	64,066	-
43.RD	NASA Headquarters	Jet Propulsion Lab	1500811	362	-
43.RD	NASA Headquarters	Jet Propulsion Lab	1512389	36,717	-
43.RD	NASA Headquarters	Jet Propulsion Lab	1526224	26,536	26,536
43.RD	NASA Headquarters	Jet Propulsion Lab	1548033	1,502	-
43.RD	NASA Headquarters	Jet Propulsion Lab	1580849	5,875	-
43.RD	NASA Headquarters	Space Telescope Sci Inst	HST-GO-13470.001-A	(6)	-
43.RD	NASA Headquarters	Space Telescope Sci Inst	HST-GO-13330.001-A	7,993	-
43.RD	NASA Headquarters	Space Telescope Sci Inst	HST-GO-13512.001-A	(541)	-
43.RD	NASA Headquarters	Space Telescope Sci Inst	HST-AR-13896.005-A	5,211	-
43.RD	NASA Headquarters	Space Telescope Sci Inst	HST-GO-13732.007-A	5,099	-
43.RD	NASA Headquarters	Space Telescope Sci Inst	HST-GO-13765.001-A	782	-
43.RD	NASA Headquarters	Space Telescope Sci Inst	HST-GO-13730.006-A	910	-
43.RD	NASA Headquarters	Space Telescope Sci Inst	HST-GO-14049.001-A	31,755	-
43.RD	NASA Headquarters	Space Telescope Sci Inst	HST-GO-14166.004-A	11,725	-
43.RD	NASA Headquarters	Space Telescope Sci Inst	HST-GO-14156.001-A	28,973	-
43.RD	NASA Headquarters	Space Telescope Sci Inst	HST-GO-14346.001-A	13,557	-
43.RD	NASA Headquarters	Space Telescope Sci Inst	HST-GO-14708.001-A	17,340	-
43.RD	NASA Headquarters	Space Telescope Sci Inst	HST-GO-14844.001-A	1,842	-
43.RD	NASA Headquarters	Space Telescope Sci Inst	HST-AR-14321.005-A	5,378	-
43.RD	NASA Headquarters	ASCA Inc.	ASCA-2014-S-NNA14AB55C-01	98,770	-
43.RD	NASA Headquarters	Paragon TEC	No Award Number	1,860	-
43.RD	NASA Headquarters	Adaptive Aerospace Group, Inc.	NNX17CL30P	29,695	-
43.RD	NASA Headquarters	Made In Space, Inc.	MISOSU-0001	30,287	-
43.RD	Nat Aeronautics & Space Admin	Jet Propulsion Lab	1590017	51,177	-

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Research and Development Cluster —					
Pass-through from other sources:					
<b>Total National Aeronautics and Space Administration Pass-Through Awards</b>				<b>2,216,948</b>	<b>26,536</b>
<b>National Endowment for the Humanities</b>					
45.161	National Endowment For The Humanities	Univ of Oregon	238910A	38,047	-
45.310	Institute Of Museum And Library Services	Cols Metropolitan Library	No Award Number	4,988	-
45.310	Institute Of Museum And Library Services	State Library Board	No Award Number	2,577	-
<b>Total National Endowment for the Humanities Pass-Through Awards</b>				<b>45,612</b>	<b>-</b>
<b>National Science Foundation</b>					
47.041	NSF Industrial Innovation & Partnerships	LiveFocus, LLC	No Award Number	46,842	-
47.041	NSF Industrial Innovation & Partnerships	AwareAbility, LLC	No Award Number	16,797	-
47.041	NSF Industrial Innovation & Partnerships	Core Quantum Technologies, Inc	No Award Number	14,929	-
47.041	NSF Div Chem, Bioeng, Environ, & Trnsp S	Univ of Minnesota	49255	42,863	-
47.041	NSF Div Civil, Mechanical & Maufact Innv	Univ of Florida	UFDSP00011627	54,664	-
47.041	NSF Div Civil, Mechanical & Maufact Innv	Virginia Polytechnic Inst	479597-19074	3,115	-
47.041	NSF Div Engineering Education&Centers	Kansas State Univ	S18051	9,538	-
47.041	NSF Div Engineering Education&Centers	North Carolina A&T State University	0812348 / 260116E	65,000	-
47.041	NSF DIV Elect, Comm, & CyberSystems	Florida Intl Univ	800009055-01UG	26,685	-
47.049	Nat Science Foundation	American Physical Society	INC-002-2016	3,082	-
47.049	NSF Div Chemistry	Univ of Minnesota	No Award Number	32,873	-
47.049	NSF Div Chemistry	Indiana Univ	BL-4824906-OSU	81,773	-
47.049	NSF Div Chemistry	Univ of California - San Diego	45345218	175,158	-
47.049	NSF Div Chemistry	Univ of Connecticut	113722	56,949	-
47.049	NSF Div Chemistry	Worcester Polytechnic Institute	17-204160-01	4,223	-
47.049	NSF Div Physics	Princeton Univ	00002035	2,857	-
47.049	NSF Div Physics	Princeton Univ	SUB0000180	246,557	-
47.049	NSF Div Physics	Univ of Cincinnati	009221-002	35,525	-
47.049	NSF Div Materials Research	Univ of California - Santa Barbara	Subaward No. KK1511	88,415	-
47.049	NSF Div Materials Research	Case Western Reserve Univ	Subaward No. RES512787	85,304	-
47.049	NSF Div Astronomical Sciences	Nat Radio Astronomy Observatory	359067	16,435	-
47.050	NSF Div Ocean Sciences	Univ of Michigan	3004293394	34,817	-
47.050	NSF Div Ocean Sciences	Columbia University	61 (GG009393)	32,522	-
47.050	NSF Div Ocean Sciences	Univ of Texas at Arlington	12610057761	15,892	-
47.050	NSF Div Atmospheric Sciences	Texas A & M Univ	14-13	16,190	-
47.050	NSF Div Atmospheric Sciences	George Mason Univ	E2043102	62,740	-
47.050	NSF Div Polar Programs	Univ of Colorado	1548196	3,666	-
47.050	NSF Geosciences	Univ of Minnesota	A005265701	162,295	-
47.050	NSF Geosciences	Univ of North Carolina	577910-18-04	40,020	-
47.050	NSF Geosciences	Univ of Texas at Arlington	1261006430-61	22,451	-
47.050	NSF Geosciences	Univ of Texas at San Antonio	1000001598	3,086	-
47.070	NSF Div of Computer & Network Systems	New York University	F8637-01	179,058	-
47.070	NSF Div of Computer & Network Systems	Case Western Reserve Univ	Subaward No. RES512371	50,163	-
47.070	NSF Office of Cyberinfrastructure	Univ of Illinois	2007-01077-36	48,286	-
47.070	NSF Office of Cyberinfrastructure	Univ of Illinois	16109	84	-
47.070	NSF Office of Cyberinfrastructure	Univ of Texas at Austin	UTA17-001232	20,290	-

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Research and Development Cluster —					
Pass-through from other sources:					
47.070	NSF Office of Cyberinfrastructure	Washington Univ	WU-17-373	43,441	-
47.070	NSF Div Info and Intelligent Systems	Univ of Notre Dame	Subaward no. 202405OSU	(912)	-
47.070	NSF Div Advanced Cyberinfrastructure	Univ of Illinois	083842-16111	96,875	-
47.070	NSF Computer & Info Sciences & Eng	Univ of California - Davis	A18-1014-S001	12,993	-
47.070	NSF Div Computing & Communication Fdn	Cornell University	72954-10868	32,866	-
47.074	NSF Environmental Biology	Univ of California - Berkeley	00009263	19	-
47.074	NSF Biological Sciences	Univ of Florida	UFDSP00010444	52,075	-
47.074	NSF Biological Sciences	Univ of Tennessee	A16-0172-S001	9,598	-
47.074	NSF Integrative Organismal Biology	Univ of Michigan	3004090976	108,250	-
47.074	NSF Integrative Organismal Biology	Carnegie Institution of Washington	Subcontract NO. 6-10548-01	43,108	-
47.074	NSF Biological Infrastructure	Northern Arizona Univ	1003017-05	43,421	-
47.075	NSF Social & Economic Sciences	Arizona State Univ	16-803	21,041	-
47.075	NSF Social, Behavioral & Economic Res	Univ of California - Merced	E315GSA025	2,743	-
47.075	NSF Social, Behavioral & Economic Sci	Univ of Chicago	FP043343-02-D	25,451	-
47.075	NSF Social, Behavioral & Economic Sci	Univ of Utah	10031411-Ohio	19,912	-
47.076	NSF Div Human Resource Development	American Physical Society	BP-001-2016	4,246	-
47.076	NSF Div Human Resource Development	American Physical Society	BP-001-2017-1	4,350	-
47.076	NSF Div Human Resource Development	North Dakota State Univ	FAR0025335	1,020	-
47.076	NSF Div of Research on Learning	Univ of Cincinnati	009349-002	34,973	-
47.076	NSF Div of Research on Learning	Center of Science and Industry	1420724	28,482	-
47.076	NSF Div of Research on Learning	Am Educ Res Assn	No Award Number	22,152	8,059
47.076	NSF Div Undergraduate Education	Univ of Cincinnati	009342-002	50,948	-
47.076	NSF Div Undergraduate Education	Bowling Green State University	10008257-OSU	41,584	-
47.076	NSF Education & Human Resources	National Federation of the Blind	No Award Number	4,675	-
47.079	NSF Ofc of International Science & Eng	Civilian Res & Dev Fdn	OISE-18-63888-0	6,077	-
47.080	NSF Office of Cyberinfrastructure	Univ of Texas at Austin	UTA13-000070	146,563	-
47.RD	Nat Science Foundation	Georgia Inst of Tech	No Award Number	10,965	-
47.RD	Nat Science Foundation	Univ of Virginia	GA11337.159056	27,630	-
47.RD	NSF Environmental Biology	Univ of New Hampshire	18-039	2,956	-
<b>Total National Science Foundation Pass-Through Awards</b>				<b>2,698,646</b>	<b>8,059</b>
<b>Department of Veterans Affairs</b>					
64.RD	Veterans Affairs	Univ of Pittsburgh	No Award Number	89,456	-
<b>Total Department of Veterans Affairs Pass-Through Awards</b>				<b>89,456</b>	<b>-</b>
<b>Environmental Protection Agency</b>					
66.001	Environmental Protection Agency	OH Environ Protection Agency	No Award Number	20,243	-
66.RD	Environmental Protection Agency	Res Triangle Inst	7-312-0213426-52490L	(2,653)	-
66.RD	Environmental Protection Agency	Res Triangle Inst	4-312-0215574-52874L	42,520	-
66.RD	Environmental Protection Agency	Res Triangle Inst	11-312-0213426-52905L	20,613	-
66.RD	Environmental Protection Agency	Res Triangle Inst	15-312-0213426-65186L	49,436	-
66.RD	Environmental Protection Agency	Battelle Memorial Inst	PO #US001-601421-3 tsks 5 & 6	69,715	-
66.RD	Environmental Protection Agency	Battelle Memorial Inst	PO #US001-601421-3	219,712	-
66.469	Environmental Protection Agency	Univ of Minnesota	D005322157	12,210	-
66.469	Environmental Protection Agency	Univ of Michigan	3004256430	7,536	-



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Research and Development Cluster —					
Pass-through from other sources:					
66.469	Environmental Protection Agency	OH Environ Protection Agency	OSU-FDSedm14	69,853	-
66.469	Environmental Protection Agency	OH Environ Protection Agency	OSU2-FDSedm14	123,767	52,500
66.469	Environmental Protection Agency	Great Lakes Comsn	No Award Number	25,781	-
66.509	Environmental Protection Agency	Univ of Colorado	PO1000660618	15,141	-
66.509	Environmental Protection Agency	Meharry Medical College	170207PJ027-01	13,701	-
66.605	Environmental Protection Agency	Ohio Department Of Agriculture	No Award Number	6,094	-
<b>Total Environmental Protection Agency Pass-Through Awards</b>				<b>693,669</b>	<b>52,500</b>
<b>Department of Nuclear Regulatory Commission</b>					
77.RD	Nuclear Regulatory Commission	Edison Welding Inst Inc	Subcontract #55189GTR05	26,510	-
77.RD	Nuclear Regulatory Commission	Edison Welding Inst Inc	55189GTR05	18,658	-
<b>Total Nuclear Regulatory Commission Pass-Through Awards</b>				<b>45,168</b>	<b>-</b>
<b>Department of Energy</b>					
81.RD	US Department of Energy	Lawrence Berkeley National Laboratory	7096915	209,579	146,593
81.049	US Department of Energy	Michigan State Univ	RC102649-OSU	86,753	-
81.049	US Department of Energy	Michigan State Univ	RC107839-OSU	42,519	-
81.049	US Department of Energy	Cornell University	Subaward No. 60457-9762	3,429	-
81.049	US Department of Energy	Univ of Florida	UFDSP00011243	80,016	-
81.049	US Department of Energy	Univ of Michigan	3001346248	171,671	-
81.049	US Department of Energy	Hyper Tech Res Inc	PO 16000161H	51,963	-
81.049	US Department of Energy	Hyper Tech Res Inc	PO 1700145H	22,268	-
81.049	US Department of Energy	Hyper Tech Res Inc	PO 1700144H	22,486	-
81.049	US Department of Energy	RNET Technologies	DOE14-01c-2	208,510	-
81.049	US Department of Energy	MetroLaser Inc	OSU05DE07	15,768	-
81.049	US Department of Energy	Tech4Imaging LLC	No Award Number	171,306	-
81.049	US Department of Energy	Univ of California - San Diego	94967918	33,424	-
81.049	US Department of Energy	Louisiana State University	94536	264,697	-
81.049	US Department of Energy	Global Res & Dev Inc	PO #1600019G	92,085	-
81.049	US Department of Energy	Global Res & Dev Inc	PO #1600001G	1,183	-
81.049	US Department of Energy	ITN Energy Systems, Inc	PO#16i-0321	(258)	-
81.049	US Department of Energy	Univ of Arizona	PO 385464	86,299	-
81.049	US Department of Energy	Univ of California - Riverside	S-000946	176,172	-
81.049	US Department of Energy	Univ of California - Riverside	S-000978	27,437	-
81.086	US Department of Energy	North Carolina State Univ	2014-0654-68	30,745	-
81.086	US Department of Energy	US Automotive Material Partnership	17-2999-AMP	82,995	-
81.086	US Department of Energy	Intermolecular	Subcontract - DE-EE0007213	315	-
81.086	US Department of Energy	Cummins, Inc	PO IND3875513	102,001	-
81.086	US Department of Energy	Arconic Inc	DE-EE0007741	72,947	-
81.087	US Department of Energy	PPG Industries	No Award Number	270,776	-
81.087	US Department of Energy	Sustainable Manufacturing Innov Alliance	SA-17-08	39,496	-
81.087	US Department of Energy	Colorado School of Mines	Subaward No. 401230-5801	160,139	-
81.089	Nat Energy Tech Lab	Univ of Texas at Austin	UTA14-001158	287,703	-
81.089	Nat Energy Tech Lab	West Virginia Univ	14-954-OSURF	138,062	-
81.089	US Department of Energy	Univ of Texas at Austin	UTA13-001087	47,726	-

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Research and Development Cluster —					
Pass-through from other sources:					
81.089	US Department of Energy	Florida Intl Univ	DE-FE0027800	12,368	-
81.112	US Department of Energy	Univ of Rochester	PO# U1439636-17	38,589	-
81.121	US Department of Energy	Univ of Wisconsin	572K364	167,539	-
81.121	US Department of Energy	Pennsylvania State Univ	Subaward #5032-OSU-DOE-8280	43,233	-
81.121	US Department of Energy	Univ of Tennessee	Subaward A-16-0370-S003	95,133	-
81.121	US Department of Energy	Georgia Inst of Tech	RF764-G1	(97)	-
81.121	US Department of Energy	Univ of Utah	10035152 OSU	(970)	-
81.121	US Department of Energy	Arizona State Univ	16-870	64,262	-
81.121	US Department of Energy	Univ of Massachusetts - Lowell	S51900000030483	76,020	-
81.124	US Department of Energy	Univ of Illinois	069787-14294 (2012-06395-01)	183,832	-
81.RD	US Department of Energy	Universities Res Assn Inc	P.O. No. 584298	66,681	-
81.RD	US Department of Energy	Lawrence Berkeley National Laboratory	No Award Number	441,717	-
81.RD	US Department of Energy	Lawrence Berkeley National Laboratory	7004227	2,288	-
81.RD	US Department of Energy	Lawrence Berkeley National Laboratory	No. 7004869	62,689	-
81.RD	US Department of Energy	Lawrence Berkeley National Laboratory	7089119	32,433	-
81.RD	US Department of Energy	Lawrence Berkeley National Laboratory	7218128	151,684	-
81.RD	US Department of Energy	Battelle Energy Alliance, LLC	Contract No. 00127692	56,468	-
81.RD	US Department of Energy	Battelle Energy Alliance, LLC	Master Cont 00145659 Rel 1	58,915	-
81.RD	US Department of Energy	Battelle Energy Alliance, LLC	Master Contract 00145659 rel 3	43,652	-
81.RD	US Department of Energy	Battelle Energy Alliance, LLC	Master Contract 00145659 rel 5	20,135	-
81.RD	US Department of Energy	Battelle Energy Alliance, LLC	Rls no. 8 under No. 145659	68,921	-
81.RD	US Department of Energy	Battelle Energy Alliance, LLC	Rls. 10 under 145659	68,153	-
81.RD	US Department of Energy	Battelle Energy Alliance, LLC	Rls no. 1 under master 173354	22,612	-
81.RD	US Department of Energy	Battelle Energy Alliance, LLC	Rls. 12 under 145659	57,532	-
81.RD	US Department of Energy	Battelle Energy Alliance, LLC	Rls 14 under 145659	11,004	-
81.RD	US Department of Energy	UT-Battelle LLC	4000121023	80,588	-
81.RD	US Department of Energy	UT-Battelle LLC	4000160875	27,610	-
81.RD	US Department of Energy	Brookhaven Sci Assoc, LLC	No. 244420	86,382	-
81.RD	US Department of Energy	Brookhaven Sci Assoc, LLC	310150	26,797	-
81.RD	US Department of Energy	Brookhaven Sci Assoc, LLC	319091	11,986	-
81.RD	US Department of Energy	Oak Ridge Nat Lab	4000135996	3,881	-
81.RD	US Department of Energy	Los Alamos Nat Lab	394618	37,844	-
81.RD	US Department of Energy	Los Alamos Nat Lab	Subcontract No. 401280	20,458	-
81.RD	US Department of Energy	Los Alamos Nat Lab	471415	35,460	-
81.RD	US Department of Energy	Lawrence Livermore National Laboratory	No. B620400	60,939	-
81.RD	US Department of Energy	Lawrence Livermore National Laboratory	B626090	68,370	-
81.RD	US Department of Energy	UChicago Argonne, LLC	4F-32161	24,320	-
81.RD	US Department of Energy	UChicago Argonne, LLC	NO. 7F-30201	134,487	-
81.RD	US Department of Energy	UChicago Argonne, LLC	8F-30022	61,122	-
81.RD	US Department of Energy	Alliance for Sustainable Energy, LLC	Subcontract AEV-6-62013-01	21,000	-
81.RD	US Department of Energy	Pacific Northwest National Laboratory	Subcontract No. 330018	22,106	-
81.RD	US Department of Energy	Pacific Northwest National Laboratory	Subcontract No. 351996	24,919	-
81.RD	US Department of Energy	Pacific Northwest National Laboratory	358917	50,414	-
81.RD	US Department of Energy	Sandia Corp	P.O. No. 1060440	(32,958)	-
81.RD	US Department of Energy	Sandia Corp	PO Number 1635697	4,265	-
81.RD	US Department of Energy	Sandia Corp	Purchase order 1671567	10,798	-
81.RD	US Department of Energy	Sandia Corp	PO 1759418	79,258	-

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Research and Development Cluster —					
Pass-through from other sources:					
81.RD	US Department of Energy	Sandia Corp	Standard PO# 1916216	48,517	-
81.RD	US Department of Energy	Nat Renewable Energy Lab	XEJ-7-70018-01	22,825	-
81.RD	US Department of Energy	Fermi National Accelerator Laboratory	PO #625664	196	-
81.RD	US Department of Energy	Fermi National Accelerator Laboratory	PO No. 633717	23,527	-
81.RD	US Department of Energy	Allegheny Science and Technology Corp	DOE0638-1022-20	46,722	-
81.RD	Nat Nuclear Security Admin	Los Alamos Nat Lab	446303	55,300	-
81.RD	Nat Nuclear Security Admin	Lawrence Livermore National Laboratory	B623170	132,311	-
<b>Total Department of Energy Pass-Through Awards</b>				<b>6,034,449</b>	<b>146,593</b>
<b>Department of Education</b>					
84.002	US Department of Education	OH Dept of Higher Education	No Award Number	633,294	-
84.004	US Department of Education	Indiana Univ	No Award Number	27,521	-
84.048	US Department of Education	OH Dept of Educ	EDU20A01666451	35	-
84.048	US Department of Education	Minnesota State Coll and Univs	PO# 49776	(1,684)	-
84.048	Ofc of Career, Tech, and Adult Education	OH Dept of Educ	No Award Number	111,738	-
84.116	US Department of Education	Georgia State University	SP00012139-07	188,952	-
84.126	Rehabilitation Services Admin	Opp for Ohioans with Disabilities	16S2094PI-15	(218)	-
84.305	US Department of Education	Univ of Delaware	48954	37,603	-
84.305	US Department of Education	American Institutes for Research	0411000002	13,875	-
84.305	Institute of Education Sciences	American Institutes for Research	03887	189,694	-
84.323	US Department of Education	OH Dept of Educ	No Award Number	95,160	-
84.323	US Department of Education	OH Dept of Educ	PO# 15752	(133)	-
84.325	US Department of Education	Salus University	OSU 88403 17-18	111,333	-
84.366	US Department of Education	OH Dept of Educ	No Award Number	1,371,676	54,201
84.366	US Department of Education	OH Dept of Educ	PO # 15291 and 16439	91,160	-
84.366	US Department of Education	OH Dept of Educ	PO #15255	54,810	-
84.366	US Department of Education	OH Dept of Educ	PO # 15254, 16193, 16440	652	-
84.366	US Department of Education	OH Dept of Educ	15290	55,764	-
84.367	US Department of Education	OH Dept of Higher Education	15-33	4,840	-
84.367	US Department of Education	OH Dept of Higher Education	16-27	122,332	-
84.367	US Department of Education	OH Dept of Higher Education	16-25	96,663	-
84.367	US Department of Education	OH Dept of Educ	No Award Number	42,574	-
84.367	US Department of Education	OH Dept of Educ	CSP905512	10,629	8,588
<b>Total Department of Education Pass-Through Awards</b>				<b>3,258,270</b>	<b>62,789</b>
<b>Department of Health and Human Services</b>					
93.077	National Cancer Institute	Univ of Minnesota	P003398602	244,129	-
93.077	National Cancer Institute	Univ of Minnesota	P002498101	4,387	-
93.080	Centers for Disease Control & Prevention	Hemophilia Fdn of Michigan	CDC12-13-HTC432	17,350	-
93.103	Food and Drug Administration	Univ of Florida	UFDSP00011480	87,042	-
93.103	Food and Drug Administration	Univ of North Carolina	5108357	17,270	-
93.103	Food and Drug Administration	Nat Inst for Pharma Tech and Education	NIPTE-U01-OSU-2018-001	42,295	-
93.104	Substance Abuse & Mental Health Servs Admin	OH Dept of Mental Hlth & Addiction Svcs	1700240	(40)	-
93.110	Health Resources & Services Admin	Research Institute at Nationwide Childrn	90103015/90103016	8,026	-
93.110	Health Resources & Services Admin	Research Institute at Nationwide Childrn	82207717	6,424	-

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Research and Development Cluster —					
Pass-through from other sources:					
93.110	Health Resources & Services Admin	Massachusetts General Hospital	226859	37,957	-
93.110	Maternal & Child Health Bureau	Hemophilia Fdn of Michigan	H30MC24047	31,770	-
93.113	Nat Inst of Environ Health Scis	Tulane University	TUL-HSC-555629-17/18	50,129	-
93.113	Nat Inst of Environ Health Scis	Univ of Louisville	ULRF 15-0177	11,362	-
93.113	Nat Inst of Environ Health Scis	Univ of Kentucky	3048112475-15-235	39,002	-
93.117	Health Resources & Services Admin	Acad Consort Integrative Med & Health	No Award Number	2,427	-
93.121	Nat Inst of Dental & Craniofacial Res	Univ of Florida	UFDSP00011251	9,160	-
93.121	Nat Inst of Dental & Craniofacial Res	Univ of California - Los Angeles	441930VS29549/20151428	50,153	-
93.121	Nat Inst of Dental & Craniofacial Res	UT-Battelle LLC	4000135802	233,018	-
93.121	Nat Inst of Dental & Craniofacial Res	LSU Health Sciences Center	SOD-16-136-005	156,256	-
93.121	Nat Inst of Dental & Craniofacial Res	Univ of Alabama at Birmingham	000412838-035	(57)	-
93.136	Centers for Disease Control & Prevention	Research Institute at Nationwide Childrn	5243JD	12,017	-
93.136	Centers for Disease Control & Prevention	Research Institute at Nationwide Childrn	710005-0718-06	11,660	-
93.136	Centers for Disease Control & Prevention	OH Dept of Health	19725-1	32,241	-
93.145	Health Resources & Services Admin	Univ of Illinois	2015-04958-06-00	152,901	-
93.172	National Human Genome Research Institute	Univ of Michigan	3002746351	5,402	-
93.172	National Human Genome Research Institute	Univ of North Carolina	5105159	6,135	-
93.172	National Human Genome Research Institute	Univ of North Carolina	5108831	68,895	-
93.173	Nat In Deafness&Other Commnctn Disorders	Univ of California - Davis	201501715-01	19,086	-
93.173	Nat In Deafness&Other Commnctn Disorders	Research Institute at Nationwide Childrn	719111	45,838	-
93.173	Nat In Deafness&Other Commnctn Disorders	Florida State Univ	R01771	142,389	-
93.173	Nat In Deafness&Other Commnctn Disorders	Univ of Pittsburgh	9009672	246,166	-
93.173	Nat In Deafness&Other Commnctn Disorders	Oregon Health and Science University	1003809_Ohio	18,051	-
93.173	Nat In Deafness&Other Commnctn Disorders	Vanderbilt Univ	VUMC65494	3,577	-
93.173	Nat In Deafness&Other Commnctn Disorders	Gateway Biotechnology Inc	No Award Number	63,577	-
93.173	Nat In Deafness&Other Commnctn Disorders	Massachusetts Eye and Ear Infirmary	Lewis R21 DC14909	14,720	-
93.173	Nat In Deafness&Other Commnctn Disorders	Massachusetts Eye and Ear Infirmary	Lewis R01 DC013069	32,973	-
93.213	Nat Ctr Complementary & Integrative Hlth	West Virginia Univ	14-627-OSU	26,382	-
93.213	Nat Ctr Complementary & Integrative Hlth	Case Western Reserve Univ	RES511333	8,446	-
93.226	Agency for Healthcare Res & Quality	Case Western Reserve Univ	RES511425	225	-
93.226	Agency for Healthcare Res & Quality	Univ of California - San Francisco	8383sc	12,043	-
93.226	Agency for Healthcare Res & Quality	Washington Univ	WU-18-310	4,264	-
93.242	National Institute of Mental Health	Univ of South Carolina	16-3128	22,723	-
93.242	National Institute of Mental Health	Univ of South Carolina	17-3233	11,583	-
93.242	National Institute of Mental Health	Univ of Washington	UWSC8662	6,496	-
93.242	National Institute of Mental Health	Univ of North Carolina	5103869	31,044	-
93.242	National Institute of Mental Health	Emory Univ	T146931	(1,595)	-
93.242	National Institute of Mental Health	Kitware, Inc	K0001010-00S01/9R42MH106302-0	(15,724)	-
93.242	National Institute of Mental Health	Univ of Massachusetts - Worcester	RFS2016006	32,403	-
93.242	National Institute of Mental Health	McMaster University	82118515	11,870	-
93.242	National Institute of Mental Health	Univ of Oregon	215680B	188,805	-
93.242	National Institute of Mental Health	Univ of Pennsylvania	568947/10052478/19815	46,492	-
93.242	National Institute of Mental Health	Brigham & Women's Hosp Inc	117655	28,995	-
93.243	Substance Abuse &MentalHealthServsAdmin	OH Dept of Mental Hlth & Addiction Svcs	1800362	8,000	-
93.243	Substance Abuse &MentalHealthServsAdmin	OH Dept of Mental Hlth & Addiction Svcs	1800599	67,496	-
93.243	Substance Abuse &MentalHealthServsAdmin	Hoh Indian Tribe	No Award Number	39,959	-
93.262	Centers for Disease Control & Prevention	Univ of Wisconsin	173405015	8,832	-

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Research and Development Cluster —					
Pass-through from other sources:					
93.262	Centers for Disease Control & Prevention	Univ of Wisconsin	183405350	32,512	-
93.262	Nat Inst Occupational Safety & Health	Univ of Louisville	ULRF140202A-01	31,160	-
93.262	Centers for Disease Control & Prevention	New York University School of Medicine	15-A1-00-003772-01	57,728	-
93.273	Nat Inst on Alcohol Abuse & Alcoholism	Pennsylvania State Univ	5292-OSU-DHHS-3210	14,399	-
93.273	Nat Inst on Alcohol Abuse & Alcoholism	Pacific Inst for Research and Evaluation	0097	86,507	-
93.279	National Institute on Drug Abuse	Case Western Reserve Univ	RES512265	9,350	-
93.279	National Institute on Drug Abuse	Pacific Inst for Research and Evaluation	0727	3,416	-
93.279	National Institute on Drug Abuse	Dartmouth College	Subaward #R846	118,020	-
93.279	National Institute on Drug Abuse	Dartmouth College	Subaward No. R956	69,015	-
93.279	National Institute on Drug Abuse	Univ of Memphis	PO114847 NIH-R01DA035502	11,146	-
93.286	Nat In Biomedical Imaging&Bioengineering	Case Western Reserve Univ	RES511497	1,977	-
93.286	Nat In Biomedical Imaging&Bioengineering	Wayne State Univ	WSU13053	25,342	-
93.286	Nat In Biomedical Imaging&Bioengineering	Univ of Memphis	5-40312	95,705	-
93.286	Nat In Biomedical Imaging&Bioengineering	Univ of Memphis	PO160703	45,924	-
93.286	Nat In Biomedical Imaging&Bioengineering	Cold Spring Harbor Laboratory	64360312	196,719	-
93.307	Nat In Minority Hlth & Hlth Disparities	Univ of Utah	Subaward No. 10044779-05	36,706	-
93.307	Nat In Minority Hlth & Hlth Disparities	Wayne State Univ	WSU17109	18,379	-
93.307	Nat In Minority Hlth & Hlth Disparities	Indiana State Univ	17-049-01	98,821	-
93.307	Nat In Minority Hlth & Hlth Disparities	Boston College	5105521-2	203,482	15,075
93.310	Nat Ctr for Advancing Translational Scis	Univ of Florida	UFDSP00011862	356,583	-
93.310	Nat Ctr for Advancing Translational Scis	Univ of Florida	UFDSP00011523	9,856	-
93.310	Nat Ctr for Advancing Translational Scis	Univ of Louisville	ULRF 13-0593D1-01	151,481	-
93.310	Nat Inst of Health, Ofc of the Director	New York University	F0018-04	34,121	-
93.310	Nat In Diabetes&Digestive&KidneyDiseases	Univ of Florida	UFDSP00010017/UFDSP00010460	22,997	-
93.322	Centers for Disease Control & Prevention	Assn of Public Health Laboratories	56401-200-820-18-02	8,734	-
93.325	Administration for Community Living	Univ of Louisville	170582z05	23,384	-
93.350	Nat Ctr for Advancing Translational Scis	Univ of Michigan	3004575809	105,316	5,673
93.350	Nat Ctr for Advancing Translational Scis	Vanderbilt Univ	VUMC 59242	45,315	-
93.350	Nat Ctr for Advancing Translational Scis	Oregon State Univ	P0453A-B	41,321	-
93.351	Nat Inst of Health, Ofc of the Director	Harvard Univ	153205.5106688.0002	135,474	-
93.353	National Cancer Institute	Fred Hutchinson Cancer Research Center	SubK# 000918470	(6,306)	-
93.361	National Institute of Nursing Research	Vidatak, LLC	No Award Number	150,690	-
93.361	National Institute of Nursing Research	MetalloPharm, LLC	1 R43NR16164	(42,108)	-
93.393	National Cancer Institute	Univ of Arkansas	51710	27,359	-
93.393	National Cancer Institute	Univ of Minnesota	P006804201	15,877	-
93.393	National Cancer Institute	Duke Univ	2037083	11,041	-
93.393	National Cancer Institute	Univ of Utah	10019427	(6,652)	-
93.393	National Cancer Institute	Univ of Utah	Subaward No. 10044693-04	40,648	-
93.393	National Cancer Institute	Univ of Washington	UWSC6941	1,884	-
93.393	National Cancer Institute	Univ of Washington	UWSC9238	9,123	-
93.393	National Cancer Institute	Fred Hutchinson Cancer Research Center	897303/218203	282,551	-
93.393	National Cancer Institute	Kaiser Permanente	1474-03	57,580	-
93.393	National Cancer Institute	Nat Opinion Res Ctr	G019.OSU.01	28,143	-
93.393	National Cancer Institute	City of Hope	60294.2004197.669301	14,742	-
93.393	National Cancer Institute	Virginia Commonwealth Univ	FP00005690_SA002	251,876	-
93.394	National Cancer Institute	Wake Forest Univ	WFUHS 11585	32,267	-
93.394	National Cancer Institute	Univ of Louisville	ULRF 14-0517-01	307	-

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Research and Development Cluster —					
Pass-through from other sources:					
93.394	National Cancer Institute	Hyper Tech Res Inc	PO 15000111H / 16000162H	(22,593)	-
93.394	National Cancer Institute	Univ of Pittsburgh	0053387 (129061-6)	13,457	-
93.394	National Cancer Institute	West Virginia Univ	16-289 OSU	24,695	-
93.394	National Cancer Institute	Case Western Reserve Univ	RES512429	36,706	-
93.394	National Cancer Institute	Washington Univ	WU-15-398/16-151/16-383/18-6	1,092,816	-
93.394	National Cancer Institute	Univ of Texas M D Anderson Cancer Center	00001960	138,585	-
93.394	National Cancer Institute	Univ of Texas M D Anderson Cancer Center	3001108385	4,654	-
93.394	National Cancer Institute	ImCare BioTech	R44CA165314-02A1	(7,062)	-
93.394	National Cancer Institute	City of Hope	52422.2001475.669301	24,113	-
93.394	National Cancer Institute	Luna Innovations Inc	2447-NIH-2S/OSU	(465)	-
93.395	National Cancer Institute	Univ of Minnesota	P005570003	37,698	-
93.395	National Cancer Institute	Univ of Houston	R-17-0036	264,506	-
93.395	National Cancer Institute	Univ of Michigan	3004700803	5,322	-
93.395	National Cancer Institute	Univ of California - Los Angeles	1568 G TA901	15,910	-
93.395	National Cancer Institute	Univ of California - Los Angeles	1568 VA565	15,399	-
93.395	National Cancer Institute	Univ of California - San Diego	34051999	142,480	-
93.395	National Cancer Institute	Univ of North Carolina	SubK #5105024/LCCC 1543	(49,614)	-
93.395	National Cancer Institute	West Virginia Univ	16-323 OSU	16,463	-
93.395	National Cancer Institute	Univ of Kentucky	3200000318-16-184	71,896	-
93.395	National Cancer Institute	Univ of Kentucky	3200000803-17-061	20,669	-
93.395	National Cancer Institute	Fred Hutchinson Cancer Research Center	SubK #0000849635/proj. 207806	(4,173)	-
93.395	National Cancer Institute	Fred Hutchinson Cancer Research Center	SubK 0000849671/proj #207806	8,205	-
93.395	National Cancer Institute	Oregon Health and Science University	9009627_OhioSU	10,923	-
93.395	National Cancer Institute	Case Western Reserve Univ	RES510725	4,577	-
93.395	National Cancer Institute	Emory Univ	T398442/T589710	130,979	-
93.395	National Cancer Institute	Emory Univ	T957511	3,118	-
93.395	National Cancer Institute	Icahn School of Medicine at Mount Sinai	SubK 0285-6740-4605	5,554	-
93.395	National Cancer Institute	Georgetown Univ	GR412017	54,862	-
93.395	National Cancer Institute	City of Hope	52124.2001945.669301	340,793	-
93.395	National Cancer Institute	City of Hope	53261.2003487.669301	47,696	-
93.395	National Cancer Institute	John Wayne Cancer Inst	JWCI-CA029605	(8,431)	-
93.395	National Cancer Institute	Brigham & Women's Hosp Inc	111278	60,677	-
93.395	National Cancer Institute	Brigham & Women's Hosp Inc	110408	33,941	-
93.395	National Cancer Institute	Am Coll of Radiology	1610	1,313,519	-
93.395	National Cancer Institute	Stanford Univ	60368872-15310-A	325,480	-
93.395	National Cancer Institute	Mayo Fdn for Medical Educ & Res	No Award Number	130,057	-
93.395	National Cancer Institute	Mayo Fdn for Medical Educ & Res	OHI-194321	64,869	-
93.395	National Cancer Institute	Mayo Fdn for Medical Educ & Res	THE-194114	8,771	-
93.395	National Cancer Institute	Mayo Fdn for Medical Educ & Res	OHI-188695	50,085	-
93.395	National Cancer Institute	NRG Oncology	No Award Number	98,252	-
93.395	National Cancer Institute	NRG Oncology	OSU - Yr. 1	15,742	-
93.395	National Cancer Institute	NRG Oncology	NCTN05-Backes	7,535	-
93.395	National Cancer Institute	Dana-Farber Cancer Inst	1236001/1236002/1236003	41,825	-
93.395	National Cancer Institute	Univ of Texas Hlth Sci Ctr - San Antonio	159054/159050	204,067	76,176
93.395	National Cancer Institute	Univ of Texas Hlth Sci Ctr - San Antonio	159057/159050	101,584	-
93.395	National Cancer Institute	The Children's Hospital of Philadelphia	9500080218-XX	91,838	-
93.395	National Cancer Institute	Harvard Univ	1298801	173,719	-

**THE OHIO STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Research and Development Cluster —					
Pass-through from other sources:					
93.395	National Cancer Institute	Marquette Univ	17-306-01	26,669	-
93.395	National Cancer Institute	Univ of Texas Hlth Sci Ctr - Houston	0012938A	19,774	-
93.396	National Cancer Institute	Univ of Arizona	272957	55,141	-
93.396	National Cancer Institute	Univ of Kentucky	3200000395-13-176	56,624	-
93.396	National Cancer Institute	Stanford Univ	61135382-118022	135,380	-
93.396	National Cancer Institute	Tufts Medical Ctr	5012104-SERV	275,603	-
93.397	National Cancer Institute	Univ of Kentucky	3048111939-15-046 UKY	80,088	-
93.397	National Cancer Institute	Washington Univ	WU-17-351	6,366	-
93.397	National Cancer Institute	Univ of Texas Hlth Sci Ctr - San Antonio	162108/161586	4,170	-
93.397	National Cancer Institute	Univ of Texas Hlth Sci Ctr - San Antonio	162132/161586	113,059	-
93.397	National Cancer Institute	Univ of Texas Hlth Sci Ctr - San Antonio	163628/163613 - 162125/161586	34,005	-
93.397	National Cancer Institute	Univ of Texas Southwestern Med Ctr	161014	11,884	-
93.397	National Cancer Institute	SARC	13.2	49,387	-
93.397	National Cancer Institute	SARC	SARC018	27,052	-
93.424	Centers for Disease Control & Prevention	OH Dept of Health	18370/16014	59,945	-
93.424	Centers for Disease Control & Prevention	OH Dept of Aging	No Award Number	(129)	-
93.424	Centers for Disease Control & Prevention	Assn State and Territorial Hlth Ofcls	74-11014	4,454	-
93.433	Administration for Community Living	Univ of Minnesota	A005198603	15,460	-
93.506	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201428	15,137	-
93.516	Health Resources & Services Admin	Univ of Illinois	2014-06897-09-00/0066682-00001	89,129	-
93.524	Centers for Disease Control & Prevention	OH Dept of Aging	No Award Number	9,827	-
93.524	Centers for Disease Control & Prevention	Nat Assn of Chronic Disease Directors	1322018	8,792	-
93.524	Centers for Disease Control & Prevention	Nat Assn of Chronic Disease Directors	2122018	22,948	-
93.590	Administration for Children and Families	OH Children's Trust Fund	G-1617-22-0601	5,408	-
93.600	Administration for Children and Families	OH Dept of Educ	PO 17129	3	-
93.RD	Ctrs for Medicare & Medicaid Services	Case Western Reserve Univ	RES512700	91,090	-
93.RD	Public Health Service	Nat Marrow Donor Prog	AGMT201284/PO200993/BMTCTNO	1,244	-
93.RD	Agency for Healthcare Res & Quality	Truven Health Analytics	AHRQ-HCUP2013-OSU	34,727	-
93.RD	Agency for Healthcare Res & Quality	Truven Health Analytics	156709	3,010	-
93.RD	Administration for Community Living	Lewin Group (The)	Proj. #01.05176.200.040.01.01	42,526	8,780
93.624	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201757	752,327	-
93.640	National Institutes of Health	Univ of California - Los Angeles	1568 G VA733	19,500	-
93.640	National Institutes of Health	Viocare, Inc.	No Award Number	(5,482)	-
93.640	National Institutes of Health	Vanderbilt Univ	No Award Number	8,604	-
93.640	National Cancer Institute	Univ of Michigan	No Award Number	20,684	-
93.RD	National Cancer Institute	Leidos, Inc	P9455 (CTEP)	9,757	-
93.RD	National Cancer Institute	Leidos, Inc	P13013 (CTEP)	(557)	-
93.RD	National Cancer Institute	Leidos, Inc	AGRMT #15X040	14,467	2,074
93.RD	National Cancer Institute	ECOG-ACRIN Cancer Research Group	E1609	7,622	-
93.RD	Nat Inst of Allergy & Infectious Diseases	St. Jude Children's Research Hospital	111978041-7753861/7753863	764,403	-
93.RD	Nat Inst Child Health & Human Development	Univ of Kansas	FY2019-022	18,600	-
93.RD	National Institute on Aging	Texas Biomedical Research Institute	PO 61005	12,951	-
93.RD	National Institute on Aging	Texas Biomedical Research Institute	PO 61004	7,345	-
93.RD	Nat In Arthritis&Muscoskeletal&Skin Ds	Medical Univ of South Carolina	No Award Number	9,518	-
93.RD	National Institute on Drug Abuse	Research Institute at Nationwide Childrn	720080-121700	14,067	-
93.RD	National Institute on Drug Abuse	Mu Therapeutics	RDA045414A	15,404	-
93.647	Administration for Children and Families	Univ of Denver	SC37325-01-00	(1,002)	-

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Research and Development Cluster —					
Pass-through from other sources:					
93.652	Administration for Children and Families	Franklin Co Children Services	90CO1104	121,504	-
93.669	Administration for Children and Families	OH Dept of Job & Family Services	C-1617-06-0455	97	-
93.669	Administration for Children and Families	OH Dept of Job & Family Services	C-1819-06-0128	244,560	-
93.757	Centers for Disease Control & Prevention	OH Dept of Health	15747-1	65,637	-
93.788	Substance Abuse & Mental Health Servs Admin	OH Dept of Mental Hlth & Addiction Svcs	18000625	100,000	-
93.837	National Heart, Lung, and Blood Inst	Univ of Michigan	3003963187	70,162	-
93.837	National Heart, Lung, and Blood Inst	Duke Univ	Duke #177494/218214	193	-
93.837	National Heart, Lung, and Blood Inst	Research Institute at Nationwide Childrn	820525AA	110,876	-
93.837	National Heart, Lung, and Blood Inst	Research Institute at Nationwide Childrn	821283AA	75,926	-
93.837	National Heart, Lung, and Blood Inst	Research Institute at Nationwide Childrn	946915	5,291	-
93.837	National Heart, Lung, and Blood Inst	Research Institute at Nationwide Childrn	820501SA	5,095	-
93.837	National Heart, Lung, and Blood Inst	Wake Forest Univ	WFUHS 113029	33,874	-
93.837	National Heart, Lung, and Blood Inst	Univ of Louisville	ULRF 17-0344H1	9,848	-
93.837	National Heart, Lung, and Blood Inst	Univ of Pittsburgh	0053396 (129213-3)	4,976	-
93.837	National Heart, Lung, and Blood Inst	Massachusetts General Hospital	224978	47,337	-
93.837	National Heart, Lung, and Blood Inst	Massachusetts General Hospital	224838	9,098	-
93.837	National Heart, Lung, and Blood Inst	Univ of Alabama at Birmingham	000503570-021	22,384	-
93.837	National Heart, Lung, and Blood Inst	Fred Hutchinson Cancer Research Center	0000932731	4,293	-
93.837	National Heart, Lung, and Blood Inst	Oregon Health and Science University	1002459_OhioStateU	(3,032)	-
93.837	National Heart, Lung, and Blood Inst	Rice University	R22631	105,361	-
93.837	National Heart, Lung, and Blood Inst	Icahn School of Medicine at Mount Sinai	0255-3104-4605	(48,133)	-
93.837	National Heart, Lung, and Blood Inst	Icahn School of Medicine at Mount Sinai	0255-A341-4605	24,641	-
93.837	National Heart, Lung, and Blood Inst	Brigham & Women's Hosp Inc	INVESTED	826	-
93.837	National Heart, Lung, and Blood Inst	Cleveland Clinic	397SUB / 744SUB	17,812	-
93.837	National Heart, Lung, and Blood Inst	Cleveland Clinic	769-SUB	2,049	-
93.837	National Heart, Lung, and Blood Inst	Cleveland Clinic	801-SUB/884-SUB	77,335	-
93.837	National Heart, Lung, and Blood Inst	Northeast Ohio Medical University	34524-B	499	-
93.837	National Heart, Lung, and Blood Inst	New England Research Institutes	No Award Number	8,257	-
93.837	National Heart, Lung, and Blood Inst	Memorial Hospital of Rhode Island	5001191-Jackson	5,800	-
93.837	National Heart, Lung, and Blood Inst	Cleveland Clinic Fdn	827-SUB	33,859	6,801
93.837	National Heart, Lung, and Blood Inst	Cleveland Clinic Fdn	891-SUB	122,585	-
93.838	National Heart, Lung, and Blood Inst	Research Institute at Nationwide Childrn	700143-0719-00	12,468	-
93.838	National Heart, Lung, and Blood Inst	Univ of Illinois	2015-05202-01-00 KN/RM	44,418	-
93.838	National Heart, Lung, and Blood Inst	Univ of Pittsburgh	0050513 (126976-2)	25,160	-
93.838	National Heart, Lung, and Blood Inst	Univ of Pittsburgh	90192549(130129-30)	1,000	-
93.838	National Heart, Lung, and Blood Inst	Case Western Reserve Univ	RES512324	715	-
93.838	National Heart, Lung, and Blood Inst	Univ of California - San Francisco	9043sc	(1,603)	-
93.838	National Heart, Lung, and Blood Inst	Stanford Univ	61576926-126644	41,698	-
93.838	National Heart, Lung, and Blood Inst	Cleveland Clinic	976-SUB	46,665	-
93.838	National Heart, Lung, and Blood Inst	Cleveland Clinic Lerner College of Med	643-SUB	84,643	-
93.838	National Heart, Lung, and Blood Inst	Cleveland Clinic Lerner College of Med	724-SUB	(64)	-
93.838	National Heart, Lung, and Blood Inst	Cleveland Clinic Lerner College of Med	814-SUB	93,544	-
93.838	National Heart, Lung, and Blood Inst	George Washington Univ	1-AF-15	7,582	-
93.838	National Heart, Lung, and Blood Inst	Vanderbilt Univ	VUMC 59747	1,811	-
93.838	National Heart, Lung, and Blood Inst	COPD Foundation	001	209	-
93.839	National Heart, Lung, and Blood Inst	Emory Univ	T659911	197	-
93.839	National Heart, Lung, and Blood Inst	Nat Marrow Donor Prog	No Award Number	(114,897)	-



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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Research and Development Cluster —					
Pass-through from other sources:					
93.839	National Heart, Lung, and Blood Inst	Sloan-Kettering Institute	BD522221	4,319	-
93.846	Nat In Arthritis&Muscoskeletal&Skin Ds	Research Institute at Nationwide Childrn	8220617	11,798	-
93.846	Nat In Arthritis&Muscoskeletal&Skin Ds	Univ of Arizona	255342	86,151	-
93.846	Nat In Arthritis&Muscoskeletal&Skin Ds	Univ of Alabama at Birmingham	000500033-SP004-001	161,464	-
93.846	Nat In Arthritis&Muscoskeletal&Skin Ds	Univ of Pennsylvania	572114	6,139	-
93.846	Nat In Arthritis&Muscoskeletal&Skin Ds	Icahn School of Medicine at Mount Sinai	0255-6131-4609	20,181	-
93.846	Nat In Arthritis&Muscoskeletal&Skin Ds	Univ of Miami	SPC-000404	45,223	-
93.846	Nat In Arthritis&Muscoskeletal&Skin Ds	Mayo Fdn for Medical Educ & Res	OSU-205886	63,627	-
93.846	Nat In Arthritis&Muscoskeletal&Skin Ds	Cleveland Clinic Lerner College of Med	933-SUB	1,272	-
93.846	Nat In Arthritis&Muscoskeletal&Skin Ds	Northwestern University	60043486 OSU	6,455	-
93.846	Nat In Arthritis&Muscoskeletal&Skin Ds	Northwestern University	60036404 OSU	58,720	-
93.846	Nat In Arthritis&Muscoskeletal&Skin Ds	Cincinnati Children's Hos Med Ctr	138708	20,044	-
93.846	Nat In Arthritis&Muscoskeletal&Skin Ds	Sharklet Technologies, Inc.	No Award Number	186,723	-
93.846	Nat In Arthritis&Muscoskeletal&Skin Ds	Boston Children's Hospital	GENFD0001450491	6,018	-
93.846	Nat In Arthritis&Muscoskeletal&Skin Ds	Medical Univ of South Carolina	MUSC17-123-8D089	22,723	-
93.847	Nat In Diabetes&Digestive&KidneyDiseases	Univ of Minnesota	N005115008	2,409	-
93.847	Nat In Diabetes&Digestive&KidneyDiseases	Research Institute at Nationwide Childrn	755116	(2,891)	-
93.847	Nat In Diabetes&Digestive&KidneyDiseases	Research Institute at Nationwide Childrn	70038-0418-00	5,549	-
93.847	Nat In Diabetes&Digestive&KidneyDiseases	Research Institute at Nationwide Childrn	720144-0618-00	9,879	-
93.847	Nat In Diabetes&Digestive&KidneyDiseases	Indiana Univ	IN4687813OSU	30,746	-
93.847	Nat In Diabetes&Digestive&KidneyDiseases	Columbia University	1(GG011016-01)	83,996	-
93.847	Nat In Diabetes&Digestive&KidneyDiseases	Univ of North Carolina	5109347	16,988	-
93.847	Nat In Diabetes&Digestive&KidneyDiseases	Case Western Reserve Univ	RES510056	12,317	-
93.847	Nat In Diabetes&Digestive&KidneyDiseases	Univ of Pennsylvania	565184	18,554	-
93.847	Nat In Diabetes&Digestive&KidneyDiseases	Univ of Texas M D Anderson Cancer Center	3000970771	25,682	-
93.847	Nat In Diabetes&Digestive&KidneyDiseases	The EMMES Corp	No Award Number	3,134	-
93.847	Nat In Diabetes&Digestive&KidneyDiseases	Univ of Texas Southwestern Med Ctr	GMO-161125	83,327	-
93.847	Nat In Diabetes&Digestive&KidneyDiseases	Univ of Texas Southwestern Med Ctr	GMO 160217	19,844	-
93.847	Nat In Diabetes&Digestive&KidneyDiseases	Univ of Texas Southwestern Med Ctr	GMO-170911	13,218	-
93.847	Nat In Diabetes&Digestive&KidneyDiseases	Minneapolis Medical Research Foundation	No Award Number	13,895	-
93.847	Nat In Diabetes&Digestive&KidneyDiseases	Medical College of Wisconsin	No Award Number	26,090	-
93.847	Nat In Diabetes&Digestive&KidneyDiseases	Univ of South Florida	TN-01	35	-
93.847	Nat In Diabetes&Digestive&KidneyDiseases	Augusta Univ	30835-3	12,707	-
93.847	Nat In Diabetes&Digestive&KidneyDiseases	Augusta Univ	30835-18	57,878	-
93.847	Nat In Diabetes&Digestive&KidneyDiseases	Augusta Univ	30835-38	62,052	30,183
93.847	Nat In Diabetes&Digestive&KidneyDiseases	Univ of Virginia	GB10398/154697	120,454	-
93.853	Nat Inst Neurological Disorders & Stroke	Univ of Florida	UFDSP00011691	236,996	-
93.853	Nat Inst Neurological Disorders & Stroke	Univ of Michigan	3002348524-SHN	149,388	21,600
93.853	Nat Inst Neurological Disorders & Stroke	Univ of Michigan	3002419065-PNT	3,667	-
93.853	Nat Inst Neurological Disorders & Stroke	Univ of Michigan	3002672038-ISPOT	9,651	-
93.853	Nat Inst Neurological Disorders & Stroke	Univ of Michigan	SUBK00004098-ESETT	24,931	-
93.853	Nat Inst Neurological Disorders & Stroke	Indiana Univ	IN4684145OSU	29,459	-
93.853	Nat Inst Neurological Disorders & Stroke	Univ of California - San Diego	73096329	52,835	-
93.853	Nat Inst Neurological Disorders & Stroke	Univ of California - San Diego	91549602	94,633	-
93.853	Nat Inst Neurological Disorders & Stroke	Univ of Cincinnati	010085-135725	39,274	-
93.853	Nat Inst Neurological Disorders & Stroke	Univ of Cincinnati	009723-003	1,838	-
93.853	Nat Inst Neurological Disorders & Stroke	Univ of Cincinnati	010785-135725	1,385	-

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Research and Development Cluster —					
Pass-through from other sources:					
93.853	Nat Inst Neurological Disorders & Stroke	Columbia University	1(GG010509-01)	90,992	-
93.853	Nat Inst Neurological Disorders & Stroke	Massachusetts General Hospital	228186	11,454	-
93.853	Nat Inst Neurological Disorders & Stroke	Massachusetts General Hospital	NeuroNext NN102 Sprint MS	40,758	-
93.853	Nat Inst Neurological Disorders & Stroke	Massachusetts General Hospital	NN103 - Myasthenia Gravis	82,423	-
93.853	Nat Inst Neurological Disorders & Stroke	Massachusetts General Hospital	NN104 - Rhapsody	52,822	-
93.853	Nat Inst Neurological Disorders & Stroke	Massachusetts General Hospital	226396	6,733	-
93.853	Nat Inst Neurological Disorders & Stroke	Massachusetts General Hospital	NN105 - STAIR	7,833	-
93.853	Nat Inst Neurological Disorders & Stroke	Massachusetts General Hospital	NN106-CYTO-C	2,950	-
93.853	Nat Inst Neurological Disorders & Stroke	Massachusetts General Hospital	NN108-TopCSPN	602	-
93.853	Nat Inst Neurological Disorders & Stroke	Univ of California - San Francisco	7931sc	14,223	-
93.853	Nat Inst Neurological Disorders & Stroke	Mayo Fdn for Medical Educ & Res	OSU-187276	21,986	-
93.853	Nat Inst Neurological Disorders & Stroke	Northwestern University	60036745 OSU	12,103	-
93.853	Nat Inst Neurological Disorders & Stroke	Northwestern University	901519-OSU	36,887	-
93.853	Nat Inst Neurological Disorders & Stroke	Baylor College of Medicine	R01NS084919-01A1 (5601143224)	161,736	-
93.853	Nat Inst Neurological Disorders & Stroke	Beth Israel Deaconess Medical Center	01028180	20,547	-
93.853	Nat Inst Neurological Disorders & Stroke	Marquette Univ	70781-001-01	(11,750)	-
93.853	Nat Inst Neurological Disorders & Stroke	Univ of Texas Hlth Sci Ctr - Houston	0013021A	24,059	-
93.855	Nat Inst of Allergy &Infectious Diseases	Univ of Florida	UFDSP00011934	19,100	-
93.855	Nat Inst of Allergy &Infectious Diseases	Kansas State Univ	S14157	202,358	-
93.855	Nat Inst of Allergy &Infectious Diseases	Univ of Michigan	3004610084	41,552	-
93.855	Nat Inst of Allergy &Infectious Diseases	Research Institute at Nationwide Childrn	700109-0119-05/820368CF	190,863	-
93.855	Nat Inst of Allergy &Infectious Diseases	Research Institute at Nationwide Childrn	700109-0119-01/820368CB	211,184	-
93.855	Nat Inst of Allergy &Infectious Diseases	Research Institute at Nationwide Childrn	82020815	(4,312)	-
93.855	Nat Inst of Allergy &Infectious Diseases	Research Institute at Nationwide Childrn	82117817	7,832	-
93.855	Nat Inst of Allergy &Infectious Diseases	Research Institute at Nationwide Childrn	700154-0119-00	5,987	-
93.855	Nat Inst of Allergy &Infectious Diseases	Univ of Louisville	ULRF 14-0588A5-02	29,898	-
93.855	Nat Inst of Allergy &Infectious Diseases	Univ of Louisville	ULRF 17-0672-01	83,363	-
93.855	Nat Inst of Allergy &Infectious Diseases	Univ of Washington	UWSC7831	116,138	-
93.855	Nat Inst of Allergy &Infectious Diseases	Columbia University	2(GG010480)	80,558	-
93.855	Nat Inst of Allergy &Infectious Diseases	Columbia University	3(GG10483)	162,603	-
93.855	Nat Inst of Allergy &Infectious Diseases	Columbia University	1(GG010482)	(164)	-
93.855	Nat Inst of Allergy &Infectious Diseases	Univ of North Carolina	5050220	(10,614)	-
93.855	Nat Inst of Allergy &Infectious Diseases	Univ of North Carolina	5105420	73,691	-
93.855	Nat Inst of Allergy &Infectious Diseases	Univ of North Carolina	5110153	3,749	-
93.855	Nat Inst of Allergy &Infectious Diseases	Univ of Pittsburgh	0010255/0038529	314,347	-
93.855	Nat Inst of Allergy &Infectious Diseases	Univ of Pittsburgh	0035825	486,321	-
93.855	Nat Inst of Allergy &Infectious Diseases	Univ of Pittsburgh	0053589 (412171-1)	469,333	-
93.855	Nat Inst of Allergy &Infectious Diseases	Univ of Pittsburgh	0054948(129999-3)	69,250	-
93.855	Nat Inst of Allergy &Infectious Diseases	Univ of California - San Francisco	9311SC	300	-
93.855	Nat Inst of Allergy &Infectious Diseases	Univ of California - San Francisco	9283SC	2,806	-
93.855	Nat Inst of Allergy &Infectious Diseases	Washington Univ	WU-17-441(PO # 2928961C)	68,665	-
93.855	Nat Inst of Allergy &Infectious Diseases	Icahn School of Medicine at Mount Sinai	0255-8405-4609	85,910	-
93.855	Nat Inst of Allergy &Infectious Diseases	Brigham & Women's Hosp Inc	110009	89,735	-
93.855	Nat Inst of Allergy &Infectious Diseases	Brigham & Women's Hosp Inc	110209	663,944	-
93.855	Nat Inst of Allergy &Infectious Diseases	Albert Einstein College of Medicine Inc	31614F, 311201, 311273	245,399	-
93.855	Nat Inst of Allergy &Infectious Diseases	Sorrento Therapeutics	No Award Number	3,935	-
93.855	Nat Inst of Allergy &Infectious Diseases	Benaroya Research Institute	ITN120	20,704	-

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Research and Development Cluster —					
Pass-through from other sources:					
93.855	Nat Inst of Allergy &Infectious Diseases	Benaroya Research Institute	FY17ITN234	17,279	-
93.855	Nat Inst of Allergy &Infectious Diseases	Hospital for Sick Children	6610100082	175,237	-
93.855	Nat Inst of Allergy &Infectious Diseases	Tufts University	100638-00001	30,399	-
93.855	Nat Inst of Allergy &Infectious Diseases	Family Health Intl	PO16001935	50,990	-
93.855	Nat Inst of Allergy &Infectious Diseases	Clemson University	1990-209-2011694	24,219	-
93.855	Nat Inst of Allergy &Infectious Diseases	Inst for Clinical Research Inc	Contract M58-OS-073-1101-3	33,665	-
93.855	Nat Inst of Allergy &Infectious Diseases	Inst for Clinical Research Inc	INSIGHT 005 / INSIGHT 006	(995)	-
93.855	Nat Inst of Allergy &Infectious Diseases	Eastern Virginia Medical School	S170401-1	9,609	-
93.855	Nat Inst of Allergy &Infectious Diseases	Yale Univ	GR102880 (CON-80001240)	3,852	-
93.855	Nat Inst of Allergy &Infectious Diseases	Univ of Iowa	W001065381/ 1001945138	12,147	-
93.855	Nat Inst of Allergy &Infectious Diseases	Univ of Iowa	S00218-01	289	-
93.856	Nat Inst of Allergy &Infectious Diseases	North Carolina State Univ	2015-2367-01	76,208	-
93.856	Nat Inst of Allergy &Infectious Diseases	Univ of North Carolina	5104142	12,731	-
93.859	Nat Inst Gen Medical Scis	Iowa State Univ	430-23-45B	25,000	-
93.859	Nat Inst Gen Medical Scis	Michigan State Univ	RC104246OSU	10,886	-
93.859	Nat Inst Gen Medical Scis	Rutgers Univ	5497/5799/6057	13,826	-
93.859	Nat Inst Gen Medical Scis	Univ of California - Davis	201402518-01	27,408	-
93.859	Nat Inst Gen Medical Scis	Pennsylvania State Univ	5602-OSU-DHHS-1858	117,131	-
93.859	Nat Inst Gen Medical Scis	Research Institute at Nationwide Childrn	700132-0319-03	82,336	-
93.859	Nat Inst Gen Medical Scis	Florida State Univ	R01827	9,564	-
93.859	Nat Inst Gen Medical Scis	Univ of Colorado	FY18.914.002	194,018	-
93.859	Nat Inst Gen Medical Scis	New York University	F7621-01	89,464	-
93.859	Nat Inst Gen Medical Scis	Univ of North Carolina	5110021	13,814	-
93.859	Nat Inst Gen Medical Scis	Univ of Pittsburgh	0026281 (128405-1)	(14,500)	-
93.859	Nat Inst Gen Medical Scis	Univ of Pittsburgh	0021102 (121768-20)	267	-
93.859	Nat Inst Gen Medical Scis	Univ of Pittsburgh	0045462 (125032-11)	56	-
93.859	Nat Inst Gen Medical Scis	Fred Hutchinson Cancer Research Center	0000911849/0000947532	22,342	-
93.859	Nat Inst Gen Medical Scis	Oregon Health and Science University	1002249-OSU	(961)	-
93.859	Nat Inst Gen Medical Scis	Univ of Texas Hlth Sci Ctr - San Antonio	158124/158074	79,948	-
93.859	Nat Inst Gen Medical Scis	Cleveland Clinic	334-SUB / 646-SUB	86,482	-
93.859	Nat Inst Gen Medical Scis	The Scripps Research Institute	5-24592	13,179	-
93.859	Nat Inst Gen Medical Scis	The Scripps Research Institute	5-53755, 5-53861	21,228	-
93.859	Nat Inst Gen Medical Scis	NeuroWave Systems Inc.	OptiSED Phase I	(428)	-
93.859	Nat Inst Gen Medical Scis	Northeastern Univ	500429-78051	63,296	-
93.859	Nat Inst Gen Medical Scis	TRIM-edicine, Inc.	R43GM123877	(4,431)	-
93.859	National Institutes of Health	Columbus NanoWorks, Inc	No Award Number	12,626	-
93.865	Nat Inst Child Health & HumanDevelopment	Pennsylvania State Univ	5471-OSU-DHHS-0659	36,380	-
93.865	Nat Inst Child Health & HumanDevelopment	Virginia Polytechnic Inst	431941-19074	97,378	30,174
93.865	Nat Inst Child Health & HumanDevelopment	Virginia Polytechnic Inst	431800-19074	141,158	-
93.865	Nat Inst Child Health & HumanDevelopment	Research Institute at Nationwide Childrn	82056115/82056116/82056117	300,538	-
93.865	Nat Inst Child Health & HumanDevelopment	Research Institute at Nationwide Childrn	82119516	15,212	-
93.865	Nat Inst Child Health & HumanDevelopment	Research Institute at Nationwide Childrn	700097-1118-00	33,860	-
93.865	Nat Inst Child Health & HumanDevelopment	Univ of Utah	10040070-01	10,751	-
93.865	Nat Inst Child Health & HumanDevelopment	Indiana Univ	IN4681993OSU	17,855	-
93.865	Nat Inst Child Health & HumanDevelopment	Univ of Connecticut	87290	13,244	-
93.865	Nat Inst Child Health & HumanDevelopment	Univ of Colorado	1555882	62,765	-
93.865	Nat Inst Child Health & HumanDevelopment	Univ of North Carolina	5100710	135,944	-

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Research and Development Cluster —					
Pass-through from other sources:					
93.865	Nat Inst Child Health & HumanDevelopment	Univ of North Carolina	5106224	16,031	-
93.865	Nat Inst Child Health & HumanDevelopment	Univ of North Carolina	5105414	22,676	-
93.865	Nat Inst Child Health & HumanDevelopment	Bowling Green State University	10008712-OSU	36,920	-
93.865	Nat Inst Child Health & HumanDevelopment	Univ of Texas at Austin	UTA16-000486	312,705	-
93.865	Nat Inst Child Health & HumanDevelopment	Univ of Kansas	ZAC00050	111,116	-
93.865	Nat Inst Child Health & HumanDevelopment	Emory Univ	T594902	34,225	-
93.865	Nat Inst Child Health & HumanDevelopment	Stanford Univ	61676813-47273	1,715	-
93.865	Nat Inst Child Health & HumanDevelopment	Northwestern University	60033996 OSU	(4,046)	-
93.865	Nat Inst Child Health & HumanDevelopment	Cincinnati Children's Hos Med Ctr	137578	10,324	-
93.865	Nat Inst Child Health & HumanDevelopment	Cincinnati Children's Hos Med Ctr	136930	14,783	-
93.865	Nat Inst Child Health & HumanDevelopment	George Washington Univ	No Award Number	269,991	58,477
93.865	Nat Inst Child Health & HumanDevelopment	Ball State Univ	G0993-OSU	28,458	-
93.865	Nat Inst Child Health & HumanDevelopment	Univ of Toronto	503689-Subgrant1	15,944	-
93.866	National Institute on Aging	Univ of Florida	UFDSP00011745	37,332	-
93.866	National Institute on Aging	Johns Hopkins Univ	2003050473	8,666	-
93.866	National Institute on Aging	Univ of California - Los Angeles	2000 G SD114	20,908	-
93.866	National Institute on Aging	Univ of Pittsburgh	0034034 (123602-2)	13,009	-
93.866	National Institute on Aging	Case Western Reserve Univ	RES512673	1,077	-
93.866	National Institute on Aging	Case Western Reserve Univ	RES512674	350	-
93.866	National Institute on Aging	Univ of California - San Francisco	10478sc	25,333	-
93.866	National Institute on Aging	Univ of Pennsylvania	571838	129,301	-
93.866	National Institute on Aging	Nat Opinion Res Ctr	G029-OSU	20,249	-
93.866	National Institute on Aging	Northwestern University	60040682 OSU	21,534	-
93.866	National Institute on Aging	Vanderbilt Univ	UNIV 58632	70,559	-
93.866	National Institute on Aging	Nat Bur Econ Res	33-4051-OSU	127,178	-
93.866	National Institute on Aging	Vanderbilt University Medical Center	VUMC38278	4,238	-
93.866	National Institute on Aging	Gradient Biomodeling, LLC	SA-R43AG053137-OSU	221	-
93.866	National Institute on Aging	Univ of Southern California	CTAADNI130	98,548	-
93.866	National Institute on Aging	Univ of Southern California	88622159	43,129	-
93.866	National Institute on Aging	Univ of Southern California	79686018	79,734	-
93.866	National Institute on Aging	Texas Biomedical Research Institute	PO# 61003	5,306	-
93.867	National Eye Institute	Univ of Notre Dame	202913OSU	146,858	-
93.867	National Eye Institute	Univ of Louisville	ULRF 13-1546-01	136,445	-
93.867	National Eye Institute	Univ of Cincinnati	009549-002	(1,129)	-
93.867	National Eye Institute	Salus University	87701-2014-OSU	1,785	-
93.867	National Eye Institute	Washington Univ	WU-16-118	22,202	-
93.867	National Eye Institute	Jaeb Ctr for Health Res	No Award Number	4,702	-
93.867	National Eye Institute	Jaeb Ctr for Health Res	Cooperative Agrmnt U10 EY14231	8,272	-
93.867	National Eye Institute	Jaeb Ctr for Health Res	Prime Agmt U10EY020797	9,136	-
93.867	National Eye Institute	Jaeb Ctr for Health Res	EY11751 Ltrs Dtd 7/02 & 8/04	165	-
93.867	National Eye Institute	Univ of California - Irvine	2015-3256	73,015	-
93.867	National Eye Institute	Precision Vision	R42EY022545	114,810	10,986
93.879	National Library of Medicine	Rutgers Univ	8214	12,050	-
93.879	National Library of Medicine	Univ of Iowa	No Award Number	1,864	-
93.945	Centers for Disease Control & Prevention	OH Dept of Health	Contract No.8113	3,332	-
93.945	Centers for Disease Control & Prevention	OH Dept of Health	14000	45,063	-
93.946	Centers for Disease Control & Prevention	Cincinnati Children's Hos Med Ctr	134940/137560	5,442	-

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Research and Development Cluster —					
Pass-through from other sources:					
93.958	Substance Abuse & Mental Health Servs Admin	OH Dept of Mental Hlth & Addiction Svcs	1800368	37,191	-
93.994	Maternal & Child Health Bureau	OH Dept of Health	Contract No.8113	13,327	-
93.994	Maternal & Child Health Bureau	OH Dept of Health	18235	17,281	-
<b>Total Department of Health and Human Services Pass-Through Awards</b>				<b>25,747,736</b>	<b>265,999</b>
<b>Office of the Director of National Intelligence</b>					
95.RD	Intelligence Advanced Res Projects Act	Univ of Notre Dame	208107OSU/208126OSU	25,232	-
95.RD	Intelligence Advanced Res Projects Act	Univ of Memphis	Subaward No. A17-0190-S004	394,994	-
<b>Total Office of the Director of National Intelligence Pass-through Awards</b>				<b>420,226</b>	<b>-</b>
<b>Department of Homeland Security</b>					
97.061	US Department of Homeland Security	Northeastern Univ	599797-78051	15,224	-
97.061	US Department of Homeland Security	Univ of Southern California	75727558	39,916	-
<b>Total Department of Homeland Security Pass-through Awards</b>				<b>55,140</b>	<b>-</b>
<b>Agency for International Development</b>					
98.001	Agency for Intl Dev	Michigan State Univ	RC102095	71,572	-
98.001	Agency for Intl Dev	Purdue Univ	8000063003	(163)	-
98.001	Agency for Intl Dev	Purdue Univ	8000075672	16,343	-
98.001	Agency for Intl Dev	Res Triangle Inst	No Award Number	20,554	-
98.001	Agency for Intl Dev	Univ of California - Davis	201121454-09	91,072	74,304
98.001	Agency for Intl Dev	Univ of California - Davis	201502879-02	14,630	-
98.001	Agency for Intl Dev	Univ of California - Davis	016258-159	8,744	-
98.001	Agency for Intl Dev	Univ of California - Davis	201700999-03	21,055	-
98.001	Agency for Intl Dev	Univ of California - Davis	016258-163	66,166	-
98.001	Agency for Intl Dev	Virginia Polytechnic Inst	451364-19074	44,031	-
98.001	Agency for Intl Dev	Virginia Polytechnic Inst	451364-19074A	384,663	245,663
98.001	Agency for Intl Dev	Research Institute at Nationwide Childrn	973115	(7,371)	-
98.001	Agency for Intl Dev	National Academy of Sciences	2000007138	905	-
98.001	Agency for Intl Dev	National Academy of Sciences	200008312	25,399	-
98.001	Agency for Intl Dev	Aurum Institute	No Award Number	367,011	339,418
98.011	Agency for Intl Dev	Purdue Univ	8000072725	12,280	-
98.011	Agency for Intl Dev	Purdue Univ	8000072697	7,109	-
98.011	Agency for Intl Dev	Global Environment and Technology Fdn	No Award Number	17,528	10,600
<b>Total Agency for International Development Pass-Through Awards</b>				<b>1,161,528</b>	<b>669,985</b>
<b>National Academy of Sciences</b>					
99.RD	National Academy of Sciences	Spy Pond Partners, LLC	TCRP E-12	13,175	-
<b>Total National Academy of Sciences Pass-Through Awards</b>				<b>13,175</b>	<b>-</b>
Subtotal pass-through from other sources				\$ 61,599,372	\$ 1,508,924

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**FOR THE YEAR ENDED JUNE 30, 2018**

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Research and Development Cluster — Pass-through from other sources:					
Total Research and Development Cluster				<u>\$ 362,170,682</u>	<u>\$ 50,279,343</u>

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Student Financial Aid Cluster – Funds received directly from the following federal agencies:					
<b>Department of Education</b>					
84.007	Supplemental Education Opportunity Grant			\$ 1,224,159	\$ -
84.033	Federal Workstudy Program			2,998,009	-
84.038	Perkins Loans outstanding balance at 7/1/2017			36,094,017	-
84.038	Perkins Loans advances during fiscal year			6,832,724	-
84.038	Perkins administrative cost allowance and collection costs			776,505	-
84.063	Pell Grant Program			55,369,468	-
84.268	Direct Lending subsidized student advances during fiscal year 2018			65,779,647	-
84.268	Direct Lending unsubsidized student advances during fiscal year 2018			188,687,497	-
84.268	Direct Lending parent (undergraduate) advances during fiscal year 2018			54,908,300	-
84.268	Direct Lending parent (graduate) advances during fiscal year 2018			33,833,948	-
84.379	Teacher Ed Assistance for College and Higher Ed Grants			65,200	-
<b>Total Department of Education Direct Awards</b>				<b>446,569,474</b>	<b>-</b>
<b>Department of Health and Human Services</b>					
93.264	Nursing Faculty Loans outstanding balance at 7/1/2017			681,355	-
93.264	Nursing Faculty Loans advances during fiscal year			178,837	-
93.342	Health Professions Student Loans outstanding balance at 7/1/2017			15,202,333	-
93.342	Health Professions Student Loans advances during fiscal year			2,430,599	-
93.342	Primary Care Loans, outstanding balance at 7/1/2017			797,326	-
93.342	Disadvantaged Student Loans outstanding balance at 7/1/2017			199,738	-
93.364	Nursing Student Loans outstanding balance at 7/1/2017			1,137,901	-
93.364	Nursing Student Loans advances during fiscal year			108,142	-
93.408	ARRA Nursing Faculty Loan outstanding balance at 7/1/2017			14,822	-
<b>Total Department of Health and Human Services Direct Awards</b>				<b>20,751,053</b>	<b>-</b>
Subtotal Student Financial Aid Cluster				\$ 467,320,527	\$ -
Economic Development Cluster – Funds received directly from the following federal agencies:					
<b>Department of Commerce</b>					
11.307	Econ Dev Admin			\$ 2,240,887	\$ 197,857
<b>Total Department of Commerce Direct Awards</b>				<b>2,240,887</b>	<b>197,857</b>
Subtotal Economic Development Cluster				\$ 2,240,887	\$ 197,857
Trio Cluster – Funds received directly from the following federal agencies:					

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**FOR THE YEAR ENDED JUNE 30, 2018**

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
<b>Department of Education</b>					
84.042	US Department of Education			\$ 334,225	\$ -
84.047	US Department of Education			482,296	-
<b>Total Department of Education Direct Awards</b>				<b>816,521</b>	<b>-</b>
Subtotal Trio Cluster				\$ 816,521	\$ -
Child Care Development Fund (CCDF) - Funds received directly from the following federal agencies:					
<b>Department of Health and Human Services</b>					
93.575	Administration for Children and Families			\$ 14,809	\$ -
<b>Total Department of Health and Human Services</b>				<b>14,809</b>	<b>-</b>
Subtotal Child Care and Development Fund (CCDF) Cluster				\$ 14,809	\$ -



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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Fish and Wildlife Cluster – Pass throughs from other sources:					
<b>Department of the Interior</b>					
15.605	US Fish and Wildlife Service	OH Division of Wildlife	No Award Number	\$ (131)	\$ -
15.605	US Fish and Wildlife Service	OH Division of Wildlife	No Award Number	83,785	8,262
15.605	US Fish and Wildlife Service	OH Division of Wildlife	No Award Number	1,296,094	-
15.605	US Fish and Wildlife Service	OH Division of Wildlife	No Award Number	2,712	-
15.611	US Fish and Wildlife Service	OH Dept of Natural Resources	DNRPIOHX02	27,116	-
15.611	US Fish and Wildlife Service	OH Division of Wildlife	No Award Number	23,430	-
15.611	US Fish and Wildlife Service	OH Division of Wildlife	W-134-P-20	501,489	-
15.611	US Fish and Wildlife Service	OH Division of Wildlife	No Award Number	172,463	-
15.611	US Department of the Interior	OH Division of Wildlife	W-134_P-20	107,964	5,350
<b>Total Department of the Interior Pass-Through Awards</b>				<b>2,214,922</b>	<b>13,612</b>
Subtotal Fish and Wildlife Cluster				\$ 2,214,922	\$ 13,612
Highway Planning and Construction Cluster – Pass throughs from other sources:					
<b>Department of Transportation</b>					
20.205	Federal Highway Administration	OH Dept of Transportation	27250	\$ 117,674	\$ 31,346
20.205	Federal Highway Administration	OH Dept of Transportation	27174	173,028	-
20.205	Federal Highway Administration	OH Dept of Transportation	27885	13,859	-
20.205	Federal Highway Administration	OH Dept of Transportation	30268	36,796	-
20.205	Federal Highway Administration	OH Dept of Transportation	30571	166,137	69,676
<b>Total Department of Transportation Pass-Through Awards</b>				<b>507,494</b>	<b>101,022</b>
Subtotal Highway Planning and construction Cluster				\$ 507,494	\$ 101,022
Federal Transit Cluster - Pass throughs from other sources:					
<b>Department of Transportation</b>					
20.500	Federal Transit Administration	Ctr Transportation and the Environment	No Award Number	\$ 109,030	\$ -
<b>Total Department of Transportation Pass-Through Awards</b>				<b>109,030</b>	<b>-</b>
Subtotal Federal Transit Cluster				\$ 109,030	\$ -
Highway Safety Cluster - Pass throughs from other sources:					

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
<b>Department of Transportation</b>					
20.600	Nat Highway Traffic Safety Admin	Virginia Polytechnic Inst	451420-19074	\$ 4,466	\$ -
<b>Total Department of Transportation Pass-Through Awards</b>				<b>4,466</b>	<b>-</b>
Subtotal Highway Safety Cluster				\$ 4,466	\$ -
Special Education (IDEA) Cluster – Pass throughs from other sources:					
<b>Department of Education</b>					
84.027	US Department of Education	OH Dept of Educ	6517C	\$ 228,828	\$ -
84.027	US Department of Education	OH Dept of Educ	No Award Number	(135)	-
84.027	US Department of Education	OH Dept of Educ	No Award Number	84,956	-
84.027	US Department of Education	OH Dept of Educ	EDU2018053	15,368	14,000
84.027	US Department of Education	Univ of Cincinnati	010994-002	159,470	-
<b>Total Department of Education Pass-Through Awards</b>				<b>488,487</b>	<b>14,000</b>
Subtotal Special Education (IDEA) Cluster				\$ 488,487	\$ 14,000
Medicaid Cluster - Pass throughs from other sources:					
<b>Department of Health and Human Services</b>					
93.778	Ctrs for Medicare & Medicaid Services	Cincinnati Children's Hos Med Ctr	137153	\$ 104,143	\$ -
93.778	Ctrs for Medicare & Medicaid Services	Cincinnati Children's Hos Med Ctr	140015	1,081	-
93.778	Ctrs for Medicare & Medicaid Services	Cincinnati Children's Hos Med Ctr	140745	12,671	-
93.778	Ctrs for Medicare & Medicaid Services	Cincinnati Children's Hos Med Ctr	301901	28,668	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201429	786	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201435	25,400	23,083
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201441	(843)	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201540	25,055	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201438	(53)	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201534	37,200	33,771
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201601	10,741	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201609	607,107	593,288
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201608	37,556	34,142
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201603	6,455	(3,905)
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201605	18,689	16,990
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201604	43,075	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201602	17,698	16,161
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201636	78,725	60,365
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201609	36,449	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201645	69,236	-

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**FOR THE YEAR ENDED JUNE 30, 2018**

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201646	(450)	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201647	(2,184)	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201650	16,866	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201649	13,335	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201650	29,830	27,119
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201752	16,336	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201751	14,922	14,922
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201751	(6,865)	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201707	35,269	18,805
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201754	45,367	41,243
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201755	22,257	20,233
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201758	65,750	40,523
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201706	33,000	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201761	1,552	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201804A-1	918,294	742,431
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201802	212,788	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201805	265,560	223,507
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201803	128,770	103,669
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201707	3,006,050	14,764
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201751	171,371	88,265
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201754	84,448	73,022
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201534	135,909	85,588
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201860	53,124	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201758	109,497	38,517
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201761	221,376	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201849	463,690	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201840	466,084	421,932
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201836	202,379	175,846
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201429	96,649	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201759-A1	37,573	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201801	281,174	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201847	163,565	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201755	31,670	25,833
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201858	368,585	161,234
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201808	750,118	690,876
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201845	906,885	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201850	258,466	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201810	67,646	57,288
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201854	71,518	60,752
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201855	30,385	23,608
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201812	222,564	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201811	85,149	-
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Medicaid	ODM201813	160,018	-

**Total Department of Health and Human Services Pass-Through Awards**

**11,416,129 3,923,872**

Subtotal Medicaid Cluster

**\$ 11,416,129 \$ 3,923,872**

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
WIOA Cluster - Pass throughs from other sources:					
<b>Department of Labor</b>					
17.258	US Department of Labor	OH Dept of Job & Family Services	C-1617-15-0666	\$ 398	\$ -
17.259	US Department of Labor	OH Dept of Job & Family Services	C-1617-15-0666	574	-
17.278	Employment and Training Administration	OH Dept of Job & Family Services	C-1819-15-0311	450,652	-
17.278	US Department of Labor	OH Dept of Job & Family Services	C-1617-15-0666	486	-
<b>Total Department of Labor Pass-Through Awards</b>				<b>452,110</b>	<b>-</b>
Subtotal WIOA Cluster				\$ 452,110	\$ -
Supplemental Nutrition Assistance Program Cluster – Pass throughs from other sources:					
<b>Department of Agriculture</b>					
10.561	USDA Food and Nutrition Service	OH Dept of Job & Family Services	G-1617-17-0452	\$ 975,421	\$ 3,901
10.561	USDA Food and Nutrition Service	OH Dept of Job & Family Services	G-1617-17-1017	3,358,433	302,561
10.561	USDA Food and Nutrition Service	OH Dept of Job & Family Services	G-1819-17-0539	5,869,916	-
<b>Total Department of Agriculture Pass-Through Awards</b>				<b>10,203,770</b>	<b>306,462</b>
Subtotal Supplemental Nutrition Assistance Program Cluster				\$ 10,203,770	\$ 306,462
CDBG Entitlements Grants Cluster – Pass throughs from other sources:					
<b>Department of Housing and Urban Development</b>					
14.218	Dept of Housing & Urban Dev	City of Columbus	No Award Number	\$ 524	\$ -
14.218	Dept of Housing & Urban Dev	City of Columbus	No Award Number	3,664	-
14.218	Dept of Housing & Urban Dev	Cleveland Dept of Community Development	CT8006 SG 2018-052	53,421	-
14.218	Dept of Housing & Urban Dev	Franklin Co Board of Commissioners	611-16	11,087	-
<b>Total Department of Housing and Urban Development Pass-Through Awards</b>				<b>68,696</b>	<b>-</b>
Subtotal CDBG Entitlements Grants Cluster				\$ 68,696	\$ -
TANF Cluster – Pass throughs from other sources:					
<b>Department of Health and Human Services</b>					
93.558	Administration for Children and Families	OH Gov Ofc Faith-Based & Comm Initiative	G-1415-21-0756	\$ 235,783	\$ -
93.558	Administration for Children and Families	Butler County Board of Commissioners	G-1718-11-0528	213,737	-

**THE OHIO STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
<b>Total Department of Health and Human Services Pass-Through Awards</b>				<b>449,520</b>	<b>-</b>
Subtotal TANF Grants Cluster				\$ 449,520	\$ -
Aging Cluster —					

**THE OHIO STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Funds received directly from the following federal agencies					
Other Programs:					
<b>Department of Agriculture</b>					
10.025	Animal & Plant Health Inspection Service			\$ 880	\$ -
10.226	National Institute of Food & Agriculture			24,908	-
10.310	National Institute of Food & Agriculture			44,139	-
10.319	National Institute of Food & Agriculture			47,877	-
10.329	National Institute of Food & Agriculture			135,386	-
10.500	National Institute of Food & Agriculture			627,057	138,352
10.500	Cooperative Extension Service			12,601,784	-
10.558	Child and Adult Care Food Program			81,372	-
<b>Total Department of Agriculture Direct Awards</b>				<b>13,563,403</b>	<b>138,352</b>
<b>Department of State</b>					
19.040	US Department of State			129,542	-
<b>Total Department of State Direct Awards</b>				<b>129,542</b>	<b>-</b>
<b>Department of Transportation</b>					
20.106	Airport Improvement Program			268,717	-
20.U00	Nat Highway Traffic Safety Admin		693JJ918P000030	210	-
<b>Total Department of Transportation Direct Awards</b>				<b>268,927</b>	<b>-</b>
<b>Department of Veterans Affairs</b>					
64.011	Veterans Outpatient Care			106,889	-
64.125	Voc and Educ Counseling for Veterans			10,241	-
<b>Total Department of Veterans Affairs Direct Awards</b>				<b>117,130</b>	<b>-</b>
<b>Department of Education</b>					
84.015	US Department of Education			474,746	4,196
84.022	Student Research Abroad			20,540	-
84.325	US Department of Education			150,274	-
84.327	US Department of Education			194,130	37,262
<b>Total Department of Education Direct Awards</b>				<b>839,690</b>	<b>41,458</b>
<b>Department of Health and Human Services</b>					
93.600	Administration for Children and Families			3,572,320	-
93.632	Administration for Community Living			27,549	10,440
93.667	Title XX - Child Care			114,116	-

**THE OHIO STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

---

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Funds received directly from the following federal agencies					
Other Programs:					
<b>Total Department of Health and Human Services Direct Awards</b>				<b>3,713,985</b>	<b>10,440</b>
				<hr/>	<hr/>
Subtotal funds received directly from federal agencies				\$ 18,632,677	\$ 190,250
				<hr/>	<hr/>

**THE OHIO STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Pass-through from other sources:					
Other Programs:					
<b>Department of Agriculture</b>					
10.215	National Institute of Food & Agriculture	Univ of Minnesota	H004403727	\$ 11,137	\$ -
10.215	National Institute of Food & Agriculture	Univ of Minnesota	H004991241	37,312	-
10.310	National Institute of Food & Agriculture	Univ of Wisconsin	517K285	(1,545)	-
10.319	National Institute of Food & Agriculture	Cornell University	73748-10340	16,000	-
10.329	National Institute of Food & Agriculture	Univ of Illinois	2014-07306-12	8,810	-
10.329	National Institute of Food & Agriculture	Univ of Illinois	076332-16686	768	-
10.331	National Institute of Food & Agriculture	Wholesome Wave	FINI - 326	61,112	-
10.U02	National Institute of Food & Agriculture	Utah State Univ	No Award Number	8,052	-
10.443	US Department of Agriculture	Asian Services In Action	59-2501-16-003	5,809	-
10.500	National Institute of Food & Agriculture	Kansas State Univ	S17102	9,730	-
10.500	National Institute of Food & Agriculture	Michigan State Univ	RC103176BL	15,436	-
10.558	US Department of Agriculture	OH Dept of Educ	No Award Number	61,859	-
10.575	US Department of Agriculture	Cuyahoga County Board of Health	No Award Number	4,176	-
10.664	USDA Forest Service	OH Dept of Natural Resources	15-DG-11420004-137	1,331	-
10.680	USDA Forest Service	Purdue Univ	8000064147-AG	13,119	-
10.902	Natural Resources Conservation Service	The Nature Conservancy	1599-0005	79,674	-
10.902	Natural Resources Conservation Service	Great Lakes Comsn	WS07-17-14	61,214	-
10.912	Natural Resources Conservation Service	Nat Fish & Wildlife Fdn	2004.14.047889	180,199	42,651
<b>Total Department of Agriculture Pass-Through Awards</b>				<b>574,193</b>	<b>42,651</b>
<b>Department of Defense</b>					
12.330	Office of Naval Res	Am Lightweight Materials Innovation Inst	Subaward No. 0036	112,221	-
12.U03	Army	OH Nat Guard	W91364-17-P-0066	56,685	-
<b>Total Department of Defense Pass-Through Awards</b>				<b>168,906</b>	<b>-</b>
<b>Department of Fish and Wildlife Service</b>					
15.U04	US Fish and Wildlife Service	OH Dept of Natural Resources	No Award Number	67,013	-
<b>Total Department of Fish and Wildlife Service Pass-Through Awards</b>				<b>67,013</b>	<b>-</b>
<b>Department of Justice</b>					
16.575	US Department of Justice	Ohio Office of Attorney General	2016-VOCA-1986754	(3,192)	-
16.575	US Department of Justice	Ohio Office of Attorney General	2017-VOCA-43560276	35,932	-
16.575	US Department of Justice	Ohio Office of Attorney General	2017-VOCA-43560302	78,053	-
16.575	US Department of Justice	Ohio Office of Attorney General	2018-VOCA-109310444	139,766	-
16.726	US Department of Justice	National 4-H Council	No Award Number	113,292	-
16.738	Bureau of Justice Assistance	Franklin Co Homeland Sec & Justice Progs	15-JAG-6000	14,705	-
<b>Total Department of Justice Pass-Through Awards</b>				<b>378,556</b>	<b>-</b>
<b>Department of State</b>					



**THE OHIO STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Pass-through from other sources:					
Other Programs:					
19.009	Bureau of Educ & Cultural Affairs	Intl Res and Exchanges Board	FY17-YALI-PM-OSU-02	101,255	-
<b>Total Department of State Pass-through Awards</b>				<b>101,255</b>	<b>-</b>
<b>Department of Transportation</b>					
20.514	US Department of Transportation	Ctr Transportation and the Environment	No Award Number	2,082	-
<b>Total Department of Transportation Pass-through Awards</b>				<b>2,082</b>	<b>-</b>
<b>Department of National Aeronautics and Space Administration</b>					
43.008	NASA Headquarters	Ohio Space Grant Consortium	No Award Number	5,000	-
<b>Total Department of National Aeronautics and Space Administration Pass-through Awards</b>				<b>5,000</b>	<b>-</b>
<b>National Endowment for the Humanities</b>					
45.129	National Endowment For The Humanities	OH Humanities Council	ED17-039	4,730	-
45.310	Institute Of Museum And Library Services	State Library Board	II-8-17	600,000	-
45.310	Institute Of Museum And Library Services	State Library Board	II-7-17	1,000,000	-
<b>Total National Endowment for the Humanities Pass-Through Awards</b>				<b>1,604,730</b>	<b>-</b>
<b>Department of Small Business Administration</b>					
59.037	Small Business Administration	OH Development Services Agency	OSBG-17-314	75,224	776
59.037	Small Business Administration	OH Development Services Agency	OSBG-18-314	61,137	-
59.037	Small Business Administration	OH Development Services Agency	OSBG-18-329	144,622	-
<b>Total Department of Small Business Administration Pass-Through Awards</b>				<b>280,983</b>	<b>776</b>
<b>Environmental Protection Agency</b>					
66.716	Environmental Protection Agency	eXtension	SA-2017-70	11,455	-
<b>Total Environmental Protection Agency Pass-Through Awards</b>				<b>11,455</b>	<b>-</b>
<b>Department of Energy</b>					
81.U05	US Department of Energy	Pacific Northwest National Laboratory	PNNL 214202	1,797	-
<b>Total Department of Energy Pass-Through Awards</b>				<b>1,797</b>	<b>-</b>
<b>Department of Education</b>					
84.287	US Department of Education	OH Dept of Educ	No Award Number	15,399	-
84.367	US Department of Education	OH Dept of Higher Education	15-35	528	-
84.367	US Department of Education	OH Dept of Higher Education	16-24	112,097	-
84.367	US Department of Education	Nat Writing Project Corp	04-OH05-SEED2016-ILI	9,041	-

**THE OHIO STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Additional Award Identification	Federal Expenditures	Expenditures to Subrecipients
Pass-through from other sources:					
Other Programs:					
<b>Total Department of Education Pass-Through Awards</b>				<b>137,065</b>	<b>-</b>
<b>Department of Health and Human Services</b>					
93.086	Admin Children, Youth, & Families	OH Dept of Job & Family Services	C-1617-17-0539	(21,615)	-
93.086	Admin Children, Youth, & Families	OH Dept of Job & Family Services	C-1819-17-0117	12,320	-
93.135	Centers for Disease Control & Prevention	Case Western Reserve Univ	RES511018	2,284	-
93.566	Refugee Cash and Medical Assistance	OH Dept of Job & Family Services	No Award Number	647,556	-
93.566	Refugee and Entrant Assistance-State Administered Programs	OH Dept of Health	No Award Number	45,798	-
93.602	US Department of Health & Human Services	Ohio CDC Association	No Award Number	3,000	-
93.658	Foster Care Title IV-E	OH Dept of Job & Family Services	No Award Number	266,500	-
93.738	Centers for Disease Control & Prevention	Cuyahoga County Board of Health	No Award Number	1,017	-
93.757	Centers for Disease Control & Prevention	OH Dept of Health	13632	3,994	-
93.757	Centers for Disease Control & Prevention	OH Dept of Health	13810	39,072	-
93.926	Health Resources & Services Admin	Cols Public Health	No Award Number	15,293	-
93.958	Substance Abuse & Mental Health Servs Admin	New Horizons Mental Health Services	No Award Number	13,028	-
<b>Total Department of Health and Human Services Pass-Through Awards</b>				<b>1,028,247</b>	<b>-</b>
<b>Department of Homeland Security</b>					
97.025	National Urban Search and Rescue Response System	Ohio Task Force One	No Award Number	65,813	-
<b>Total Department of Homeland Security Pass-Through Awards</b>				<b>65,813</b>	<b>-</b>
<b>Agency for International Development</b>					
98.001	Agency for Intl Dev	Michigan State Univ	RC102095 & RC102544	10,618	-
<b>Total Agency for International Development Pass-Through Awards</b>				<b>10,618</b>	<b>-</b>
Subtotal pass-through from other sources				4,437,713	43,427
Total Federal Expenditures				<b>\$ 881,556,808</b>	<b>\$ 55,069,845</b>

# THE OHIO STATE UNIVERSITY

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

### FOR THE YEAR ENDED JUNE 30, 2018

#### 1. Summary of Significant Accounting Policies

##### Basis of Presentation

The accompanying schedule of expenditures of federal awards (“the schedule”) includes the federal grant activity for the year ended June 30, 2018 for the following entities, which constitute the primary institution for financial reporting purposes:

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

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

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

In addition to the blended component units above, the university’s financial statements and schedule of expenditures of federal awards include the following discretely presented component units:

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

The schedule has been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America for state-assisted colleges and universities. Negative amounts represent current year adjustments of amounts reported in prior years. CFDA and pass-through entity numbers are included when available. The information in the schedule is presented in accordance with the requirements of Title 2 of the U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the schedule presents only a selected portion of the operations of the university, it is not intended to and does not present the financial position, changes in net position, or cash flows of the university.

#### 2. Reimbursement of Facilities and Administrative Costs and Uniform Guidance

On June 15, 2017, the U. S. Department of Health & Human Services (DHHS) established predetermined facilities and administrative cost recovery rates through June 30, 2020. The facilities and administrative cost rate structure, including the rates submitted within the certificate, is as follows:

**THE OHIO STATE UNIVERSITY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018**

Rate Type	Negotiated Rate		
	FY18	FY19	FY20
Organized Research			
On campus	55.0%	56.0%	56.0%
Off campus	26.0%	26.0%	26.0%
Instruction			
On campus	52.0%	52.0%	52.0%
Off campus	26.0%	26.0%	26.0%
Other Sponsored Activities			
On campus	30.5%	30.5%	30.5%
Off campus	26.0%	26.0%	26.0%

The university applies its predetermined approved facilities and administrative cost recovery rate when charging indirect costs to federal awards rather than the 10% de minimis cost rate as described in Section 200.414 of the Uniform Guidance.

**3. Federal Direct Loan Program**

Under the William D. Ford Federal Direct Loan Program, students and parents borrow funds directly from the federal government; the university is responsible for verifying student eligibility, electronically transmitting the loan records to the federal processor and distributing the loan funds directly to the student account or parent borrower. The amount of new loans to the university's students and parents during the fiscal year ended June 30, 2018 is shown in the schedule.

The university is responsible only for the performance of certain administrative duties with respect to the Federal Direct Loan Program and, accordingly, these loans are not included in the university's basic financial statements. It is not practical to determine the balance of loans outstanding under these programs at June 30, 2018.

**4. University-Administered Loan Programs with Continuing Compliance Requirements**

The federal loan programs listed below are administered directly by the university, and balances and transactions related to these programs are included in the university's financial statements. The amount of loans outstanding at the beginning of the fiscal year and loans made during the year are included in the federal expenditures presented in the schedule. The balances of loans outstanding as of June 30, 2018 are as follows:

**THE OHIO STATE UNIVERSITY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018**

	CFDA Number	Outstanding balance at June 30, 2018
Department of Education		
Federal Perkins Program	84.038	<u>\$ 38,695,512</u>
Department of Health and Human Services		
Health Professions Student Loan Program	93.342	
Dentistry		7,194,573
Optometry		1,879,734
Medicine		96,738
Pharmacy		911,644
Veterinary		4,820,595
Primary Care Loan Program	93.342	
Medicine		668,985
Loans to Disadvantaged Student Program	93.342	
Dentistry		80,714
Optometry		22,426
Medicine		30,869
Veterinary		2,392
		<u>15,708,670</u>
Nursing Student Loan Program	93.364	<u>988,212</u>
ARRA - Nursing Faculty Loan Program	93.408	<u>12,667</u>
Nursing Faculty Loan Program	93.264	<u>793,458</u>
Total Federal Loans Outstanding		<u><u>\$ 56,198,519</u></u>

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the primary institution and of the aggregate discretely presented component units, which collectively comprise The Ohio State University (the "University"), appearing on pages 23 to 89, which consist of the statements of net position as of June 30, 2018, and the related statements of revenues, expenses and other changes in net position and of cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated November 19, 2018, which included a matter of emphasis paragraph concerning the University's change in the manner in which it accounts for postemployment benefits other than pensions and irrevocable split-interest agreements. The University is a component unit of the State of Ohio.

***Internal Control Over Financial Reporting***

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

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

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



***Compliance and Other Matters***

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

***Purpose of this Report***

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

*PricewaterhouseCoopers LLP*

November 19, 2018





**Report of Independent Auditors on Compliance with Requirements  
That Could Have a Direct and Material Effect on Each Major Program and on Internal  
Control Over Compliance in Accordance with the Uniform Guidance**

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

**Report on Compliance for Each Major Federal Program**

We have audited The Ohio State University's (the "University") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2018. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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



### ***Opinion on Each Major Federal Program***

In our opinion, The Ohio State University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

### **Report on Internal Control Over Compliance**

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

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

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

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

*PricewaterhouseCoopers LLP*

December 21, 2018

**THE OHIO STATE UNIVERSITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**Section I - Summary of Auditor's Results**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	None identified
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	None identified
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Refer to the listing below
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 3,000,000 Type B: > \$ 750,000
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR §200.520?</b>	Yes

**Major programs (list):**

#	CFDA Number(s)	Name of Federal Program or Cluster
1	Various	Research and Development Cluster
2	Various	Student Financial Assistance Cluster
3	11.300	Economic Development Cluster
4	10.561	Supplemental Nutrition Assistance Program Cluster
5	84.042	Trio Cluster

**THE OHIO STATE UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**Section II - Financial Statement Findings**

None noted in the current year

**THE OHIO STATE UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**Section III - Federal Award Findings and Questioned Costs**

There are no findings and/or questioned costs related to federal awards to be reported.

**THE OHIO STATE UNIVERSITY  
SUMMARY OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2018**

There were no findings and/or questioned costs related to federal awards reported in the prior year.

# **The Ohio State University Wexner Center for the Arts**

**Financial Statements as of and for the  
Years ended June 30, 2018 and 2017**

**The Ohio State University Wexner Center for the Arts**  
**Index**  
**June 30, 2018 and 2017**

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## **Review Report of Independent Accountants**

To the Management of  
The Ohio State University Wexner Center for the Arts

We have reviewed the accompanying financial statements of the business-type activities of the Wexner Center for the Arts ("WCA"), a component of The Ohio State University, appearing on pages 10 to 30, which comprise the statements of net position as of June 30, 2018 and 2017, and the related statements of revenues, expenses, and other changes in net position and of cash flows and the related notes to the financial statements for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### ***Management's Responsibility for the Financial Statements***

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

### ***Accountants' Responsibility***

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountants' Conclusion**

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

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, WCA changed the manner in which it accounts for other post employment benefit liabilities during the year ended June 30, 2018. Our conclusion is not modified with respect to this matter.



***Other Matter***

The accompanying management's discussion and analysis on pages 3 through 9, the required supplementary information on GASB 68 pension liabilities on page 31 and the required supplementary information on GASB 75 other post employment benefits liabilities on page 32 are required by accounting principles generally accepted in the United States of America to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in the appropriate operational, economic, or historical context. We have applied limited procedures to the required supplementary information in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA, which consisted of inquiries with management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our reviews of the basic financial statements. We do not express a conclusion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express a conclusion or provide any assurance.

Our review was conducted for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information on the (1) schedule of net position with elimination of the effect of capital assets, pension liability and other post employment benefits liability on page 33, (2) schedule of revenues, expenses and other changes in net position with elimination of the effect of capital assets, pension liability and other post employment benefits liability on page 34, (3) schedule of net position with elimination of the effect of capital assets and pension liability on page 35, (4) schedule of revenues, expenses and other changes in net position with elimination of the effect of capital assets and pension liability on page 36, (5) Ohio Arts Council Form M on page 37, (6) Reconciliation of Ohio Arts Council Form M to Statement of Revenues, Expenses and Other Changes in Net Position on page 38, and (7) Statement of Functional Expense on page 39 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and accordingly, we do not express a conclusion or provide any assurance on it.

*PricewaterhouseCoopers LLP*

October 29, 2018

**The Ohio State University Wexner Center for the Arts  
Management's Discussion and Analysis  
As of and for the Year Ended June 30, 2018**

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The following Management's Discussion and Analysis, or MD&A, provides an overview of the financial position and activities of the Wexner Center for the Arts for the year ended June 30, 2018 and 2017. We encourage you to read this MD&A section in conjunction with the audited financial statements and footnotes appearing in this report.

**About the Wexner Center**

The Wexner Center for the Arts (WCA), which opened in November 1989 and celebrated its 25<sup>th</sup> anniversary in 2014, is a multi-disciplinary arts center located on the Columbus campus of The Ohio State University (the university). Conceived as a research laboratory for all the arts, it has emphasized commissions for new work and artist residencies since its inception. Its multidisciplinary programs encompass performing arts, exhibitions, and media arts (film/video) and have focused on cutting-edge culture from around the globe. The WCA building is named in honor of Harry L. Wexner, the father of Leslie H. Wexner, chairman and founder of Limited Brands and a major donor to the center.

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

**About the Financial Statements**

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

**Financial Highlights**

In fiscal year 2018, total net position for the WCA decreased \$5,417,622, to \$44,910,671 at June 30, 2018. Net investment in capital assets decreased \$2,404,424, primarily due to depreciation of WCA capital assets. Expendable net position, which includes unrestricted and restricted-expendable net position, decreased \$3,161,285, primarily due to the implementation of a new accounting standard, GASB Statement No. 75, which required WCA to recognize a liability

**The Ohio State University Wexner Center for the Arts  
Management's Discussion and Analysis  
As of and for the Year Ended June 30, 2018**

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for other post-employment benefits. The cumulative effect of adopting GASB 75 was a \$2,574,661 reduction in WCA's unrestricted net position as of July 1, 2017.

The following sections provide additional details on WCA's 2018 financial results and a look ahead at significant conditions that are expected to affect WCA in the future.

**Statements of Net Position**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>			
Current assets:			
Cash	\$ 1,386,686	\$ 864,512	\$ 2,893,208
Accounts receivable	233,754	72,579	93,353
Contributions receivable	264,458	1,376,009	1,667,523
Inventories and prepaid expenses	<u>616,544</u>	<u>615,696</u>	<u>610,738</u>
Total current assets	2,501,442	2,928,796	5,264,822
Noncurrent assets:			
Endowments in OSU long-term investment pool	25,146,909	24,342,883	20,312,406
Property, plant & equipment, net	<u>25,254,599</u>	<u>27,350,097</u>	<u>29,620,868</u>
Total non-current assets	<u>50,401,508</u>	<u>51,692,980</u>	<u>49,933,274</u>
Deferred Outflows:			
Pension	735,385	1,925,045	1,501,800
Other post employment benefits	<u>205,260</u>	<u>-</u>	<u>-</u>
Total deferred outflows	<u>940,645</u>	<u>1,925,045</u>	<u>1,501,800</u>
<b>Total Assets and Deferred Outflows</b>	<b><u>\$ 53,843,595</u></b>	<b><u>\$ 56,546,821</u></b>	<b><u>\$ 56,699,896</u></b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 235,340	\$ 284,126	\$ 241,245
Accrued salary and wages	29,135	25,487	9,434
Advance payments for goods and services - current	304,208	28,409	33,123
Accrued vacation and sick leave - current	<u>67,910</u>	<u>37,752</u>	<u>51,331</u>
Total current liabilities	636,593	375,774	335,133
Noncurrent liabilities:			
Net pension liability	3,877,523	5,389,518	4,238,710
Net other post employment benefits liability	2,789,255	-	-
Accrued vacation and sick leave - long term	397,198	410,366	374,215
Payable to vendor - long term	<u>53,502</u>	<u>0</u>	<u>0</u>
Total non-current liabilities	<u>7,117,478</u>	<u>5,799,884</u>	<u>4,612,925</u>
Total liabilities	7,754,071	6,175,658	4,948,058
Deferred inflows:			
Pension	971,072	42,870	90,701
Other post employment benefits	<u>207,781</u>	<u>-</u>	<u>-</u>
Total deferred inflows	<u>1,178,853</u>	<u>42,870</u>	<u>90,701</u>
<b>NET POSITION</b>			
Net investment in capital assets	24,945,673	27,350,097	29,620,868
Restricted:			
Nonexpendable	22,075,343	21,927,256	19,478,383
Expendable	5,581,778	4,263,774	4,883,160
Unrestricted	<u>(7,692,123)</u>	<u>(3,212,834)</u>	<u>(2,321,274)</u>
Total net position	<u>\$ 44,910,671</u>	<u>\$ 50,328,293</u>	<u>\$ 51,661,137</u>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b><u>\$ 53,843,595</u></b>	<b><u>\$ 56,546,821</u></b>	<b><u>\$ 56,699,896</u></b>

**The Ohio State University Wexner Center for the Arts  
Management's Discussion and Analysis  
As of and for the Year Ended June 30, 2018**

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Total **current assets** decreased \$427,354, to \$2,501,442 at June 30, 2018. The Statement of Cash Flows, which is discussed in more detail below, provides additional details on sources and uses of WCA cash.

**Endowment investments** in the university's long-term investment pool increased \$804,026, to \$25,146,909 at June 30, 2018 primarily due to an increase in market values relative to the prior year. The long-term investment pool is invested in a diversified portfolio of equities, fixed income, real estate, hedge funds, private equity, venture capital and natural resources that is intended to provide the long-term growth necessary to preserve the value of these funds, adjusted for inflation, while making distributions to support the university's mission.

The WCA's **property, plant and equipment**, net of accumulated depreciation, decreased \$2,095,498, to \$25,254,599, primarily due to building depreciation. University facilities assigned to the WCA include the WCA building and the adjacent Mershon Auditorium.

**Current liabilities** of the WCA increased \$260,819, to \$636,593 at June 30, 2018, primarily due to an increase in advance payments for goods and services not yet rendered as of June 30, 2018.

GASB Statement No. 68 requires governmental employers participating in defined benefit pension plans to recognize liabilities for plans whose actuarial liabilities exceed the plan's net assets. These liabilities are referred to as net pension liabilities. In FY2018, the university implemented a related accounting standard, GASB Statement No. 75, which requires employers participating in other post-employment benefit (OPEB) plans to recognize liabilities for plans whose actuarial liabilities exceed the plan's net assets. OPEB benefits consist primarily of post-retirement healthcare. The university participates in two multiemployer cost-sharing retirement systems, OPERS and STRS-Ohio, and is required to record a liability for its proportionate share of the net pension and OPEB liabilities of the retirement systems.

WCA's share of these **net pension liabilities** was \$3,877,523 and \$5,389,518 at June 30, 2018 and 2017, respectively. The decrease in net pension liability in 2018 is primarily due to an increase in OPERS' net position due to a 16.62% return in the OPERS defined benefit investment portfolio during calendar year 2017.

Although most year-to-year changes in net pension liabilities are charged directly to pension expense, certain types of changes are deferred and recognized as pension expense in future periods. Pension-related deferred outflows at June 30, 2018 and 2017 totaled \$735,385 and \$1,925,045, respectively. Pension related

**The Ohio State University Wexner Center for the Arts  
Management's Discussion and Analysis  
As of and for the Year Ended June 30, 2018**

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to deferred inflows at June 30, 2018 and 2017 totaled \$971,072 and \$42,870, respectively. WCA recognized total pension expense of \$1,292,423 in 2018. Total pension expense includes \$686,555 of employer contributions and \$605,867 in GASB 68 accruals.

WCA's share of the **net OPEB liabilities** was \$2,789,255 at June 30, 2018. OPEB-related deferred outflows at June 30, 2018 totaled \$205,260. OPEB-related deferred inflows at June 30, 2018 totaled \$207,781. WCA recognized total OPEB expense of \$217,115 in 2018. Total OPEB expense includes \$0 of employer contributions and \$217,115 in GASB 75 accruals.

It should be noted that, in Ohio, employer contributions to the state's cost-sharing multi-employer retirement systems are established by statute. These contributions, which are payable to the retirement systems one month in arrears, constitute the full legal claim on WCA for pension and OPEB funding. Although the liabilities recognized under GASB Statement Nos. 68 and 75 meet the GASB's definition of a liability in its conceptual framework for accounting standards, they do not represent legal claims on WCA's resources, and there are no cash flows associated with the recognition of net pension and OPEB liabilities, deferrals and expense.

**Statements of Revenues, Expenses and Changes in Net Position**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>OPERATING REVENUES:</b>			
Sales and services	\$ 814,357	\$ 901,768	\$ 814,601
Grants and contracts	512,065	522,746	505,372
Total operating revenues	1,326,422	1,424,514	1,319,973
<b>OPERATING EXPENSES:</b>			
Salaries	5,336,786	5,069,288	4,817,462
Employee benefits	2,603,596	2,637,006	1,825,254
Fees paid to performers and artists	312,323	332,048	338,690
Supplies and services	3,066,850	3,210,197	3,059,176
University overhead charges	34,108	31,568	32,242
Depreciation	2,445,267	2,405,488	2,407,294
Total operating expenses	13,798,930	13,685,595	12,480,118
<b>NET OPERATING LOSS</b>	<u>(12,472,508)</u>	<u>(12,261,081)</u>	<u>(11,160,145)</u>
<b>NON-OPERATING REVENUES AND EXPENSES:</b>			
University appropriations	3,960,328	3,911,418	4,067,964
Gifts	3,966,879	4,163,728	3,880,591
Endowment income distributions	1,007,413	973,440	835,167
Investment income	753,885	1,863,714	(1,601,482)
Transfers from University for capital projects	(58,958)	15,937	414,917
<b>INCREASE (DECREASE) IN NET POSITION</b>	(2,842,961)	(1,332,844)	(3,562,988)
<b>NET POSITION -- Beginning of Year</b>			
Beginning of year, as previously reported	50,328,293	51,661,137	55,224,125
Cumulative effect of accounting change	(2,574,661)	-	-
<b>NET POSITION -- End of Year</b>	<u>\$ 44,910,671</u>	<u>\$ 50,328,293</u>	<u>\$ 51,661,137</u>

**The Ohio State University Wexner Center for the Arts  
Management's Discussion and Analysis  
As of and for the Year Ended June 30, 2018**

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The WCA had a \$2,842,961 decrease in net position in 2018 (excluding the cumulative effect of the adoption of GASB 75). **Current operating revenues** decreased \$98,092 to \$1,326,422, primarily due to fewer facility rentals during fiscal year 2018. **Current operating expenses** increased \$113,335 to \$13,798,930, primarily reflecting increases in salaries. **Investment income** decreased \$1,109,829 to \$753,885, reflecting lower 2018 returns from WCA endowment investments. **Endowment income distributions** were relatively stable compared to 2017. **Gift revenues** totaled \$3,966,879 and \$4,163,728 for fiscal years 2018 and 2017, respectively. These gift figures include \$2,655,121 and \$2,638,109, respectively, in direct support from the Wexner Center Foundation.

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

**Statements of Cash Flows**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Cash Provided by (Used in):</b>			
Operating activities	\$ (9,144,567)	\$ (9,083,253)	\$ (8,797,282)
Noncapital financing activities	8,919,978	8,247,880	8,499,956
Capital and related financing activities	(229,488)	-	-
Investing activities	<u>976,251</u>	<u>(1,193,323)</u>	<u>639,025</u>
<b>Net Increase (Decrease) in Cash</b>	522,174	(2,028,696)	341,699
Cash - Beginning of Year	<u>864,512</u>	<u>2,893,208</u>	<u>2,551,509</u>
Cash - End of Year	<u>\$ 1,386,686</u>	<u>\$ 864,512</u>	<u>\$ 2,893,208</u>

Total WCA **cash and cash equivalents** increased \$522,174 to \$1,386,686 at June 30, 2018. Operating activities include cash flows associated with sales and services, grants and contracts, and operating expenses. Non-capital financing activities include direct operating support from the University and gifts. Capital and related financing activities include payments for purchase or construction of capital assets and transfers for capital projects from the University. Net cash provided by investing activities consists primarily of endowment income distributions.

**The Ohio State University Wexner Center for the Arts  
Management's Discussion and Analysis  
As of and for the Year Ended June 30, 2018**

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**Economic Factors That Will Affect the Future**

Ohio and the metropolitan Columbus area continue to grow solidly since the end of the "Great Recession." Central Ohio is still among the best economies in the Midwest; however, economists are expecting growth to slow down. As a result, a climate of restraint continues for all nonprofits, especially cultural organizations, which are still rebuilding from the economic setbacks of the recession.

The WCA has been fortunate over the years to have not only established but sustained a diversified financial base of private and public funding sources, which has contributed to its sound fiscal health relative to local and national peers. Each year, the WCA strives to secure private contributions from local, national, and international corporations and foundations as well as from individuals residing in central Ohio and beyond. These private funds, along with earned and investment income streams, are augmented with consistent public support from The Ohio State University and government funding agencies. The combination of these diverse income streams has ensured that the WCA remains financially stable across time.

The WCA is ever mindful of the need to further strengthen its financial foundation to mitigate the risk it may face from future economic fluctuations, the ebb and flow of annual gifts, and potential reduction of historically major funding sources. In order to anticipate and counteract these fiscal challenges, the WCA is always pursuing new avenues of support, including national funders of the arts such as the National Endowment for the Arts, the Mellon Foundation, the Warhol Foundation, the Institute of Museum and Library Services, and others.

After a multi-year advocacy campaign, the Ohio Arts Council formally voted in favor of revised guidelines to acknowledge WCA in the "over-\$1.75 million" sustainability level, which resulted in over \$150,000 in 2018 for annual operating support and will continue in the future. In addition, WCA received \$265,000 from the Greater Columbus Arts Council.

The WCA remains focused on its foremost priority to "preserve the core," which simply means securing and sustaining the quality and range of its programming as well as its present stature in the cultural field. The WCA continues to launch strategic initiatives and pursue selective investments designed to advance institutional capacity; increase the number of program "investors" and "ambassadors"; and enhance reputational standing among national and international peers. This year WCA implemented *Tessitura*, a comprehensive customer relationship manager (CRM) system, which is used by most of our peers in the cultural sector.



**The Ohio State University Wexner Center for the Arts  
Management's Discussion and Analysis  
As of and for the Year Ended June 30, 2018**

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In support of those priorities, the Wexner Center Foundation Board has concluded its capital campaign, raising \$59 million (an 11% increase above its \$53 million goal) to support new and direct investment in capital infrastructure; enhanced investment in programs and community engagement and national/international partnerships; and a significant increase in sustaining endowments. In addition, the board and senior leadership will continue the financial practices and protocols that have built and maintained its solid financial position through the years, including careful budget planning and regular fiscal reviews throughout the year.

**The Ohio State University Wexner Center for the Arts**  
**Statements of Net Position**  
**June 30, 2018 and June 30, 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash	\$ 1,386,686	\$ 864,512
Accounts receivable	233,754	72,579
Contributions receivable	264,458	1,376,009
Inventories and prepaid expenses	<u>616,544</u>	<u>615,696</u>
Total current assets	2,501,442	2,928,796
NON-CURRENT ASSETS:		
Endowments in OSU long-term investment pool	25,146,909	24,342,883
Capital assets, net	<u>25,254,599</u>	<u>27,350,097</u>
Total non-current assets	50,401,508	51,692,980
Total assets	<u>52,902,950</u>	<u>54,621,776</u>
DEFERRED OUTFLOWS:		
Pension	735,385	1,925,045
Other post employment benefits	<u>205,260</u>	<u>-</u>
Total deferred outflows	<u>940,645</u>	<u>1,925,045</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ <u>53,843,595</u></b>	<b>\$ <u>56,546,821</u></b>
<b>LIABILITIES AND NET POSITION</b>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 235,340	\$ 284,126
Accrued salary and wages	29,135	25,487
Advance payments for goods and services - current	304,208	28,409
Accrued vacation and sick leave - current	<u>67,910</u>	<u>37,752</u>
Total current liabilities	636,593	375,774
NON-CURRENT LIABILITIES:		
Net pension liability	3,877,523	5,389,518
Net other post employment benefits liability	2,789,255	-
Accrued vacation and sick leave - long term	397,198	410,366
Payable to vendor - long term	<u>53,502</u>	<u>-</u>
Total non-current liabilities	<u>7,117,478</u>	<u>5,799,884</u>
Total liabilities	<u>7,754,071</u>	<u>6,175,658</u>
DEFERRED INFLOWS:		
Pension	971,072	42,870
Other post employment benefits	<u>207,781</u>	<u>-</u>
Total deferred inflows	1,178,853	42,870
NET POSITION:		
Net investment in capital assets	24,945,673	27,350,097
Restricted:		
Nonexpendable	22,075,343	21,927,256
Expendable	5,581,778	4,263,774
Unrestricted	<u>(7,692,123)</u>	<u>(3,212,834)</u>
<b>TOTAL NET POSITION</b>	<b><u>44,910,671</u></b>	<b><u>50,328,293</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<b>\$ <u>53,843,595</u></b>	<b>\$ <u>56,546,821</u></b>

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

**The Ohio State University Wexner Center for the Arts  
Statements of Revenues, Expenses and Other Changes in Net Position  
For the Years Ended June 30, 2018 and June 30, 2017**

	<u>2018</u>	<u>2017</u>
<b>OPERATING REVENUES:</b>		
Sales and services	\$ 814,357	\$ 901,768
Grants and contracts	<u>512,065</u>	<u>522,746</u>
Total operating revenues	1,326,422	1,424,514
<b>OPERATING EXPENSES:</b>		
Salaries	5,336,786	5,069,288
Employee benefits	2,603,596	2,637,006
Fees paid to performers and artists	312,323	332,048
Supplies and services	3,066,850	3,210,197
University overhead charges	34,108	31,568
Depreciation	<u>2,445,267</u>	<u>2,405,488</u>
Total operating expenses	<u>13,798,930</u>	<u>13,685,595</u>
<b>NET OPERATING LOSS</b>	(12,472,508)	(12,261,081)
<b>NON-OPERATING REVENUES AND EXPENSES:</b>		
University appropriations	3,960,328	3,911,418
Gifts	3,966,879	4,163,728
Endowment income distributions	1,007,413	973,440
Net investment income	<u>753,885</u>	<u>1,863,714</u>
Total non-operating revenue	9,688,505	10,912,301
<b>NET INCOME BEFORE OTHER CHANGES IN NET POSITION</b>	(2,784,003)	(1,348,781)
<b>OTHER TRANSFERS AND CHANGES</b>		
Transfers from (to) University	<u>(58,958)</u>	<u>15,937</u>
<b>INCREASE IN NET POSITION</b>	<b>(2,842,961)</b>	<b>(1,332,844)</b>
<b>NET POSITION -- Beginning of Year</b>		
Beginning of year, as previously reported	50,328,293	51,661,137
Cumulative effect of accounting change	<u>(2,574,661)</u>	<u>-</u>
<b>NET POSITION -- End of Year</b>	<b>\$ <u>44,910,671</u></b>	<b>\$ <u>50,328,293</u></b>

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

**The Ohio State University Wexner Center for the Arts**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2018 and June 30, 2017**

	<u>2018</u>	<u>2017</u>
<b>Cash Flows from Operating Activities:</b>		
Grant and contract receipts	\$ 512,065	\$ 522,746
Receipts for sales and services	928,981	917,829
Payments to or on behalf of employees	(5,333,138)	(5,053,235)
University employee benefit payments	(1,763,624)	(1,934,703)
Payments to artists and performers	(312,323)	(332,048)
Payments to vendors for supplies and services	(3,176,528)	(3,203,842)
Net cash used by operating activities	<u>(9,144,567)</u>	<u>(9,083,253)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
University appropriations	3,960,328	3,911,418
Gifts	5,078,430	4,455,242
Transfers to the University	(118,780)	(118,780)
Net cash provided by noncapital financing activities	<u>8,919,978</u>	<u>8,247,880</u>
<b>Cash Flows from Capital Financing Activities:</b>		
Payments for purchase or construction of capital assets	(229,488)	-
Net cash provided (used) by capital financing activities	<u>(229,488)</u>	<u>-</u>
<b>Cash Flows from Investing Activities:</b>		
Investment purchases	(51,092)	(2,196,500)
Income and dividends received	1,008,364	1,003,177
Transfers from University for endowments	18,979	-
Net cash provided (used) by investing activities	<u>976,251</u>	<u>(1,193,323)</u>
<b>Net Increase (Decrease) in Cash</b>	522,174	(2,028,696)
Cash - Beginning of Year	864,512	2,893,208
Cash - End of Year	<u>\$ 1,386,686</u>	<u>\$ 864,512</u>
<b>Reconciliation of Net Operating Loss to Net Cash Used by Operating Activities:</b>		
Net operating loss	\$ (12,472,508)	\$ (12,261,081)
Adjustments to reconcile net operating loss to net cash used by operating activities:		
Depreciation expense	2,445,267	2,405,488
Changes in assets and liabilities:		
Accounts receivable, net	(161,175)	20,775
Inventories and prepaid expenses	(848)	(4,958)
Accounts payable and accrued expenses	(74,722)	42,881
Accrued salary and wages	3,648	16,053
Advance payments for goods and services	275,799	(4,714)
Compensated absences	16,990	22,572
Net pension liability	(1,511,995)	1,150,808
Net other post employment benefits liability	214,594	-
Deferred outflows - pensions	1,189,660	(423,245)
Deferred outflows - other post employment benefits	(205,260)	-
Deferred inflows - pensions	928,202	(47,831)
Deferred inflows - other post employment benefits	207,781	-
Net cash used by operating activities	<u>\$ (9,144,567)</u>	<u>\$ (9,083,253)</u>
<b>Non-cash Capital Financing Activities</b>		
Gifts of capital assets from the university	\$ 40,843	\$ 134,717
Capital assets in accounts payable	79,438	-

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

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

### Entity

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

### Basis of Presentation

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

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

Net investment in capital assets, net of related debt: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

#### Restricted:

*Nonexpendable* – Amounts subject to externally imposed stipulations that they be maintained permanently by WCA and invested for the purpose of generating present and future income, which may either be expended or added to the principal.

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

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

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

**The Ohio State University Wexner Center for the Arts**  
**Notes to Financial Statements**  
**June 30, 2018 and June 30, 2017**

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**Basis of Accounting**

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

**Cash**

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

**Endowment Investments**

All investments consist of amounts invested in The Ohio State University Long Term Investment Pool and are recorded at fair value. The university's Office of Financial Services commingles the funds with other university-related organizations. Earned investment income is allocated to each organization based on its share of the total funds invested at the beginning of each year.

Investments are carried at market value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. The net change in the value of investments during the years ended June 30, 2018 and 2017 is an increase of \$804,026 and \$4,030,477, respectively. These amounts take into account all changes in fair value (including purchases and sales) that occurred during each respective year.

The calculation of realized gain or loss is independent of the calculation of the net increase in fair value of investments. As of June 30, 2018, there is a cumulative unrealized gain on investments of \$2,966,758. As of June 30, 2017, there was a cumulative unrealized gain on investments of \$2,213,824.

**Contributions Receivable**

Contributions receivable of \$264,458 and \$1,376,009, as of June 30, 2018 and 2017, respectively, consist mostly of contributions received by the university's Advancement Office but not transferred to the operating accounts of WCA.

**Inventory**

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

**The Ohio State University Wexner Center for the Arts**  
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**Capital Assets**

Capital assets are long-life assets in the service of WCA and include buildings, furniture and equipment. Capital assets are stated at cost or acquisition value at date of the gift. Depreciation is computed using the straight-line method over the estimated useful life of the asset. WCA does not capitalize works of art or historical treasures that are held for exhibition, education, research and public service. These collections are not encumbered or sold for financial gain. Consequently, such collections are not recognized in the financial statements.

**Revenue Recognition**

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

**Support from the Wexner Center Foundation**

The Wexner Center Foundation is a private, non-profit partner of The Ohio State University Board of Trustees established for the overall purpose of advancing the interests of WCA. Its primary role is to provide trustee guidance and sustained support for WCA programming. The Foundation provided \$2,655,121 and \$3,254,859 of direct support to WCA for the years ended June 30, 2018 and 2017, respectively. This support is included in gift revenues on the Statement of Revenues, Expenses and Changes in Net Position.

**Management Estimates**

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

**Newly Issued Accounting Pronouncements**

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This standard establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. The deferred outflow is recognized as expense over the life of the related asset. The determination of when the liability is incurred is based on the existence of external laws, regulations, contracts, or court judgments, together with the

**The Ohio State University Wexner Center for the Arts**  
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occurrence of an internal event that obligates a government to perform asset retirement activities. Internal obligating events include the occurrence of contamination, placing into use a tangible capital asset that is required to be retired, abandoning a tangible capital asset before use begins, or acquiring a tangible capital asset that has an existing asset retirement obligation. This standard is effective for periods beginning after June 15, 2018 (FY2019).

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This standard establishes criteria for identifying and reporting fiduciary activities of all state and local governments. The focus of the criteria generally is whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Governments with activities meeting the criteria are required to present these activities in a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to this requirement is provided for a business-type activity that expects to hold assets in a custodial fund for three months or less. This standard is effective for periods beginning after December 15, 2018 (FY2020).

In June 2017, the GASB issued Statement No. 87, *Leases*. This standard establishes accounting and reporting for leases, based on the foundational principle that all leases are financings of the right to use an underlying asset for a period of time. Lessees will record an intangible right-of-use asset and corresponding lease liability. Lessors will record a lease receivable and a corresponding deferred inflow of resources. The standard provides an exception for short-term leases with a maximum possible term of 12 months or less. This standard is effective for periods beginning after December 15, 2019 (FY2021).

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This standard is intended to improve note disclosures related to debt, including direct borrowings and private placements. It defines debt, for disclosure purposes, as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) to settle an amount that is fixed at the date the contractual obligation is established. The standard requires additional disclosures related to unused lines of credit, assets pledged as collateral and significant provisions related to default, termination events and acceleration clauses. In addition, it requires that disclosures for direct borrowings and private placements be shown separately from other debt. The standard is effective for reporting periods beginning after June 15, 2018 (FY2019).

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This standard requires that interest cost incurred during the period of construction be recognized as an expense in the period in which the cost is incurred. These costs will no longer be included in the historical costs of capital assets. The standard is effective for periods beginning after December 15, 2019 (FY2021) and will be applied on a prospective basis.



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WCA management is currently assessing the impact that implementation of GASB Statements No. 83, 84, 87, 88 and 89 will have on the university's financial statements.

**Implementation of GASB Statement No 75**

In fiscal year 2018, the university implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement requires employers in cost-sharing, multi-employer plans to recognize a proportionate share of the net other post-employment benefit (OPEB) liabilities of the plans. The university participates in two cost-sharing multiple-employer pension plans, the State Teachers Retirement System of Ohio and the Ohio Public Employees Retirement System, which provide post-retirement healthcare benefits. A proportionate share of the net OPEB liabilities of the retirement systems has been allocated to WCA, based on retirement plan contributions for WCA employees. The cumulative effect of adopting GASB Statement No. 75 was a \$2,574,661 reduction in WCA's net position as of July 1, 2017. Additional information regarding net OPEB liabilities, related deferrals and OPEB expense is provided in Note 4.

**NOTE 2 - CASH AND INVESTMENTS**

WCA's investments are maintained in the university's investment pool. The pool consists of 5,626 Board authorized funds and 285 pending funds. Each named fund is assigned a number of shares, based on the value of the gifts, income-to-principal transfers, or transfers of operating funds to that named fund. The pool is invested in a diversified portfolio of equities and fixed income securities, as well as a number of alternative investment funds, such as real estate limited partnerships, hedge funds, private equity funds, venture capital funds and natural resources funds. The pool is intended to provide the long-term growth necessary to preserve the value of these funds, adjusted for inflation, while making distributions to support WCA's mission.

Annual distributions to named funds in the university investment pool are computed using the share method of accounting for pooled investments. Annual distribution per share is 4.5% of the average market value per share of the Long Term Investment Pool over the most recent seven year period.

The fair values of WCA's investments held in the university's investment pool were \$25,146,909 and \$24,342,883 at June 30, 2018 and 2017, respectively. The university holds certain types of alternative investments funds, which are carried at the net assets value provided by the management of these funds, which represents the estimated fair value. The purpose of this alternative investment fund class is to increase portfolio diversification and reduce risk due to the low correlation with other asset classes.

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Management of the alternative investment funds, namely the general partner, uses methods, such as discounted cash flows, recent transactions and other model-based calculations, to estimate the fair value of the investments held by the fund.

The following summarizes pooled shares and related values as of June 30, 2018:

<b>Name of Fund</b>	<b>Number of Shares</b>	<b>Cost</b>	<b>Market Value</b>
Haas, Carl Fund	34.49	\$ 155,130	\$ 219,522
Long, Ethel Manley	9.67	35,000	61,522
McKittrick Family Fund	1.09	5,393	6,921
Tappen Endowed Fund	2.62	15,000	16,682
Wexner Center Programs	5.33	25,000	33,955
Arnold SA Maint WCA	7.49	47,583	47,680
Beaver L&D Fund	5.31	29,424	33,802
Fnd-Duke Performing Arts	385.03	2,539,806	2,450,624
Glimcher D&H Program Fd	34.56	200,000	219,940
Goldberg RiteRug WCA Prog	37.00	217,350	241,255
Lambert Family Lecture	37.90	680,093	674,978
Jean E Parish Endowment	36.23	207,330	230,593
Shumate Family Endowment	9.28	50,020	59,095
Wexner Center Program Endowment	3,112.64	17,000,000	19,811,170
Director's Dialogue	7.97	53,769	50,750
Geldin S Innovation Fund	94.58	561,682	602,001
Fung Family Wexner Ctr	43.91	250,000	279,503
Mervis L&J Wexner Ctr	12.81	74,675	81,510
Fnd-Tuckerman Child	3.99	32,898	25,406
<b>Total</b>		<b>\$ 22,180,153</b>	<b>\$ 25,146,909</b>

**The Ohio State University Wexner Center for the Arts**  
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The following summarizes pooled shares and related values as of June 30, 2017:

<b>Name of Fund</b>	<b>Number of Shares</b>	<b>Cost</b>	<b>Market Value</b>
Haas, Carl Fund	34.49	\$ 155,130	\$ 212,939
Long, Ethel Manley	9.67	35,000	59,677
McKittrick Family Fund	1.09	5,393	6,713
Tappen Endowed Fund	2.62	15,000	16,182
Wexner Center Programs	5.33	25,000	32,937
Arnold SA Maint WCA	7.08	45,000	43,732
Braver, L&D Fund	5.31	29,424	32,789
Fnd-Duke Performing Arts	385.02	2,539,756	2,377,088
Glimcher D&H Program Fd	34.56	200,000	213,345
Goldberg RiteRug WCA Prog	34.74	197,310	214,477
Lambert Family Lecture	104.97	673,334	648,082
Parish JE Endowment	36.23	207,330	223,678
Shumate Family Endowment	9.28	50,020	57,323
Wexner Center Programs	3,112.64	17,000,000	19,217,085
Geldin S Innovation Fd	7.37	50,000	45,518
Director's Dialogue	93.01	551,659	574,234
Fung Family Wexner Ctr	43.91	250,000	271,121
Mervis L&J Wexner Ctr	12.81	74,675	79,066
Fnd-Tuckerman Child	2.74	25,030	16,897
<b>Total</b>		<b>\$ 22,129,059</b>	<b>\$ 24,342,883</b>

**NOTE 3 - CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2018 is summarized as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>Non-depreciable assets:</b>				
Construction in progress	\$ -	\$ -	\$ -	\$ -
<b>Depreciable assets:</b>				
Buildings	76,035,021	-	-	76,035,021
Furniture and Equipment	1,381,376	40,843	(6,686)	1,415,533
Capitalized Software	-	308,926	-	308,926
Total cost of depreciable assets	<u>77,416,397</u>	<u>349,769</u>	<u>(6,686)</u>	<u>77,759,480</u>
Total cost of capital assets	<u>77,416,397</u>	<u>349,769</u>	<u>(6,686)</u>	<u>77,759,480</u>
Less accumulated depreciation	<u>50,066,300</u>	<u>2,445,267</u>	<u>(6,686)</u>	<u>52,504,881</u>
Net capital assets	<u>\$ 27,350,097</u>	<u>\$ (2,095,498)</u>	<u>\$ -</u>	<u>\$ 25,254,599</u>

**The Ohio State University Wexner Center for the Arts**  
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Capital assets activity for the year ended June 30, 2017 is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<b>Non-depreciable assets:</b>				
Construction in progress	\$ -	\$ 89,264	\$ (89,264)	\$ -
<b>Depreciable assets:</b>				
Buildings	75,945,757	89,264	-	76,035,021
Furniture and Equipment	1,341,963	45,453	(6,040)	1,381,376
Total cost of depreciable assets	<u>77,287,720</u>	<u>134,717</u>	<u>(6,040)</u>	<u>77,416,396</u>
Total cost of capital assets	<u>77,287,720</u>	<u>223,981</u>	<u>(95,304)</u>	<u>77,416,396</u>
Less accumulated depreciation	<u>47,666,852</u>	<u>2,405,488</u>	<u>(6,040)</u>	<u>50,066,300</u>
Net capital assets	<u>\$ 29,620,868</u>	<u>\$ (2,181,507)</u>	<u>\$ (89,264)</u>	<u>\$ 27,350,097</u>

The following estimated useful lives are used to compute depreciation:

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

**NOTE 4 - RETIREMENT PLAN AND OTHER POSTEMPLOYMENT BENEFITS**

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

OPERS offers statewide cost-sharing multiple-employer defined benefit pension plans. OPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. In addition, the retirement systems provide other postemployment benefits (OPEB), consisting primarily of healthcare. Benefits are established by state statute and are calculated using formulas that include years of service and final average salary as factors.

In accordance with GASB Statements Nos. 68 and 75, employers participating in cost-sharing multiple-employer plans are required to recognize a proportionate share of the collective net pension and OPEB liabilities of the plans. Although changes in the net pension and OPEB liabilities generally are recognized as expense in the current period,

**The Ohio State University Wexner Center for the Arts**  
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certain items are deferred and recognized as expense in future periods. Deferrals for differences between projected and actual investment returns are amortized to pension expense over five years. Deferrals for employer contributions subsequent to the measurement date are amortized in the following period (one year). Other deferrals are amortized over the estimated remaining service lives of both active and inactive employees (amortization periods range from 3 to 10 years).

The collective net pension liabilities of the retirement systems and WCA's proportionate share of these liabilities as of June 30, 2018 are as follows:

	<u>OPERS</u>
Net pension liability - all employers	\$ 15,548,438,809
Proportion of the net pension liability - WCA	0.025%
Proportionate share of net pension liability	\$ 3,877,523

The collective net OPEB liabilities of the retirement systems and WCA's proportionate share of these liabilities as of June 30, 2018 are as follows:

	<u>OPERS</u>
Net OPEB liability - all employers	\$ 10,859,263,395
Proportion of the net OPEB liability - WCA	0.026%
Proportionate share of net OPEB liability	\$ 2,789,255

The collective net pension liabilities of the retirement systems and WCA's proportionate share of these net pension liabilities as of June 30, 2017 are as follows:

	<u>OPERS</u>
Net pension liability - all employers	\$ 22,652,226,030
Proportion of the net pension liability - WCA	0.024%
Proportionate share of net pension liability	\$ 5,389,518

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Deferred outflows of resources and deferred inflows of resources for pensions were related to the following sources as of June 30, 2018:

	<u>OPERS</u>
<b>Deferred Outflows of Resources:</b>	
Differences between expected and actual experience	\$ 6,018
Changes in assumptions	454,533
Changes in proportion of university contributions	10,735
Employer contributions subsequent to the measurement date	264,099
<b>Total</b>	<b><u>\$ 735,385</u></b>
<b>Deferred Inflows of Resources:</b>	
Differences between expected and actual experience	\$ 92,455
Net difference between projected and actual earnings on pension plan investments	878,475
Changes in proportion of university contributions	142
<b>Total</b>	<b><u>\$ 971,072</u></b>

Deferred outflows of resources and deferred inflows of resources for OPEB were related to the following sources as of June 30, 2018:

	<u>OPERS</u>
<b>Deferred Outflows of Resources:</b>	
Differences between expected and actual experience	\$ 2,173
Changes in assumptions	203,087
<b>Total</b>	<b><u>\$ 205,260</u></b>
<b>Deferred Inflows of Resources:</b>	
Net difference between projected and actual earnings	\$ 207,781
<b>Total</b>	<b><u>\$ 207,781</u></b>

Deferred outflows of resources and deferred inflows of resources for pensions were related to the following sources as of June 30, 2017:

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	<u>OPERS</u>
<b>Deferred Outflows of Resources:</b>	
Differences between expected and actual experience	\$ 8,648
Changes in assumptions	863,137
Net difference between projected and actual earnings on pension plan investments	803,622
Changes in proportion of university contributions	3,050
Employer contributions subsequent to the measurement date	246,589
<b>Total</b>	<b><u>\$ 1,925,045</u></b>
<b>Deferred Inflows of Resources:</b>	
Differences between expected and actual experience	\$ 42,706
Net difference between projected and actual earnings on pension plan investments	-
Changes in proportion of university contributions	164
<b>Total</b>	<b><u>\$ 42,870</u></b>

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

	<u>OPERS</u>
2019	586,361
2020	(93,111)
2021	(374,747)
2022	(350,758)
2023	(1,329)
2024 and Thereafter	(2,103)
<b>Total</b>	<b><u>\$ (235,687)</u></b>

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

	<u>OPERS</u>
2019	46,190
2020	46,190
2021	(42,956)
2022	(51,945)
2023	-
2024 and Thereafter	-
<b>Total</b>	<b><u>\$ (2,521)</u></b>

The following table provides additional details on the benefit formulas, contribution requirements and significant assumptions used in the measurement of total pension and OPEB liabilities for the retirement systems (information below applies to both pensions and OPEB unless otherwise indicated).

	<b>OPERS</b>
<b>Statutory Authority</b>	Ohio Revised Code Chapter 145
<b>Benefit Formula</b>	<p><b>Pensions</b> -- Benefits are calculated on the basis of age, final average salary (FAS), and service credit. State and Local members in transition Groups A and B are eligible for retirement benefits at age 60 with 60 contributing months of service credit or at age 55 with 25 or more years of service credit. Group C for State and Local is eligible for retirement at age 57 with 25 years of service or at age 62 with 5 years of service. For Groups A and B, the annual benefit is based on 2.2% of final average salary multiplied by the actual years of service for the first 30 years of service credit and 2.5% for years of service in excess of 30 years. For Group C, the annual benefit applies a factor of 2.2% for the first 35 years and a factor of 2.5% for the years of service in excess of 35. FAS represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of annual cost-of-living adjustment.</p> <p><b>OPEB</b> – The Ohio Revised Code permits, but does not require, OPERS to offer post-employment health care coverage. The ORC allows a portion of the employers' contributions to be used to fund health care coverage. The health care portion of the employer contribution rate for the Traditional Pension Plan and Combined Plan is comparable, as the same coverage options are provided to participants in both plans. Beginning January 1, 2015, the service eligibility criteria for health care coverage increased from 10 years to 20 years with a minimum age of 60, or 30 years of qualifying service at any age.</p>



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**June 30, 2018 and June 30, 2017**

	<b>OPERS</b>
	<p>Beginning with January 2016 premiums, Medicare-eligible retirees could select supplemental coverage through the Connector, and may be eligible for monthly allowances deposited to an HRA to be used for reimbursement of eligible health care expenses. Coverage for non-Medicare retirees includes hospitalization, medical expenses and prescription drugs. The System determines the amount, if any, of the associated health care costs that will be absorbed by the System and attempts to control costs by using managed care, case management, and other programs. Additional details on health care coverage can be found in the Plan Statement in the OPERS 2017 CAFR.</p> <p>OPERS no longer participates in the Medicare Part D program as of December 31, 2016. OPERS will receive the final distribution of funds from the Medicare Part D program for calendar year 2016 in 2018. Total federal subsidies received for the year ended December 31, 2017 were \$812,170.</p>
<b>Cost-of-Living Adjustments (COLAs)</b>	<p>Once a benefit recipient retiring under the Traditional Pension Plan has received benefits for 12 months, current law provides for an annual COLA. The COLA is calculated on the member's base pension benefit at the date of retirement and is not compounded. Members retiring under the Combined Plan receive a COLA on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, current law provides for a 3% COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the adjustment will be based on the average percentage increase in the Consumer Price Index, capped at 3%.</p>
<b>Contribution Rates</b>	<p>Employee and member contribution rates are established by the OPERS Board and limited by Chapter 145 of the Ohio Revised Code. For 2016, employer rates for the State and Local Divisions were 14% of covered payroll (and 18.1% for the Law Enforcement and Public Safety Divisions). Member rates for the State and Local Divisions were 10% of covered payroll (13% for Law Enforcement and 12% for Public Safety).</p>
<b>Measurement Date</b>	<p>December 31, 2017 (OPEB is rolled forward from December 31, 2016 actuarial valuation date)</p>
<b>Actuarial Assumptions</b>	<p><b>Valuation Date:</b> December 31, 2017 for pensions; December 31, 2016 for OPEB  <b>Actuarial Cost Method:</b> Individual entry age  <b>Investment Rate of Return:</b> 7.5% for pensions; 6.5% for OPEB  <b>Inflation:</b> 3.25%  <b>Projected Salary Increases:</b> 3.25% - 10.75%  <b>Cost-of-Living Adjustments:</b> 3.00% Simple – for those retiring after January 7, 2013, 3.00% Simple through 2018, then 2.15% Simple.  <b>Health Care Cost Trends:</b> 7.5% initial; 3.25% ultimate</p>
<b>Mortality Rates</b>	<p>Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females,</p>

**The Ohio State University Wexner Center for the Arts**  
**Notes to Financial Statements**  
**June 30, 2018 and June 30, 2017**

	<b>OPERS</b>
	adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.
<b>Date of Last Experience Study</b>	December 31, 2015
<b>Discount Rate</b>	<p><b>Pensions</b> -- The discount rate used to measure the total pension liability was 7.5% for the Traditional Pension Plan, the Combined Plan and the Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.</p> <p><b>OPEB</b> -- A single discount rate of 3.85% was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50% and a municipal bond rate of 3.31%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.</p>
<b>Changes in Assumptions Since the Prior Measurement Date</b>	None
<b>Benefit Term Changes Since the Prior Measurement Date</b>	<b>Pensions</b> -- For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA

**The Ohio State University Wexner Center for the Arts**  
**Notes to Financial Statements**  
**June 30, 2018 and June 30, 2017**

	<b>OPERS</b>		
	adjustment will be based on the average percentage increase in the Consumer Price Index, capped at 3%.		
<b>Sensitivity of Net Pension Liability to Changes in Discount Rate</b>	<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
	<b>(6.5%)</b>	<b>(7.5%)</b>	<b>(8.5%)</b>
	\$ 6,928,565	\$ 3,877,523	\$ 1,336,234
<b>Sensitivity of Net OPEB Liability to Changes in Discount Rate</b>	<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
	<b>(2.85%)</b>	<b>(3.85%)</b>	<b>(4.85%)</b>
	\$ 3,705,736	\$ 2,789,255	\$ 2,047,954
<b>Sensitivity of Net OPEB Liability to Changes in Medical Trend Rate</b>	<b>1% Decrease in</b>	<b>Current</b>	<b>1% Increase in</b>
	<b>Trend Rate</b>	<b>Trend Rate</b>	<b>Trend Rate</b>
	\$ 2,668,788	\$ 2,789,255	\$ 2,913,833

**Defined Contribution Plans**

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

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

**Combined Plans**

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

**The Ohio State University Wexner Center for the Arts**  
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**June 30, 2018 and June 30, 2017**

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provides retirement, disability, survivor and post-retirement health benefits to qualifying members of the combined plan.

**Summary of Employer Pension and OPEB Expense**

Total pension and OPEB expense for the year ended June 30, 2018, including employer contributions and accruals associated with recognition of net pension liabilities, net OPEB liabilities and related deferrals, is presented below.

	OPERS	ARP	Total
Employer Contributions	\$ 529,101	\$ 157,454	\$ 686,555
GASB 68 Pension Accruals	605,867	-	605,867
GASB 75 OPEB Accruals	217,115	-	217,115
Total Pension and OPEB Expense	<u>\$ 1,352,083</u>	<u>\$ 157,454</u>	<u>\$ 1,509,537</u>

Total pension expense for the year ended June 30, 2017, including employer contributions and accruals associated with recognition of net pension liabilities and related deferrals, is presented below.

	OPERS	ARP	Total
Employer Contributions	\$ 498,628	\$ 157,220	\$ 655,848
GASB 68 Accruals	679,731	-	679,731
Total Pension Expense	<u>\$ 1,178,360</u>	<u>\$ 157,220</u>	<u>\$ 1,335,580</u>

Pension and OPEB expenses are included in employee benefits expense in the Statement of Revenues, Expenses and Other Changes in Net Position.

OPERS issues a separate, publicly available financial report that includes financial statements and required supplemental information. This report may be obtained by contacting OPERS.

**OPERS**  
277 East Town Street  
Columbus, OH 43215-4642  
(614) 222-5601  
(800) 222-7377  
[www.opers.org/investments/cafr.shtml](http://www.opers.org/investments/cafr.shtml)

**NOTE 5 - ACCRUED COMPENSATION AND COMPENSATED ABSENCES**

WCA employees earn vacation and sick leave on a monthly basis. Classified civil service employees may accrue vacation benefits up to a maximum of three years credit.

**The Ohio State University Wexner Center for the Arts**  
**Notes to Financial Statements**  
**June 30, 2018 and June 30, 2017**

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

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

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

Accrued salaries were \$29,135 and \$25,487 as of June 30, 2018 and 2017, respectively. Accrued vacation and sick leave liabilities were \$397,198 and \$410,366 as of June 30, 2018 and 2017, respectively.

Long term liability related to accrued compensation as of June 30, 2018 is as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
Compensated absences	\$ 448,118	\$ 84,900	\$67,910	\$ 465,108
Less: current portion	37,752			67,910
	<u>\$ 410,366</u>	<u>\$ 84,900</u>	<u>\$67,910</u>	<u>\$ 397,198</u>

Long term liability related to accrued compensation as of June 30, 2017 is as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
Compensated absences	\$ 425,546	\$ 60,324	\$ 37,752	\$ 448,118
Less: current portion	51,331			37,752
	<u>\$ 374,215</u>	<u>\$ 60,324</u>	<u>\$ 37,752</u>	<u>\$ 410,366</u>

**The Ohio State University Wexner Center for the Arts**  
**Notes to Financial Statements**  
**June 30, 2018 and June 30, 2017**

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**NOTE 6 - UNIVERSITY SUPPORT**

The operations of WCA are supported in part by the general revenues of the university. The university provides for the general operating costs of WCA operations. The university's direct support amounted to \$4,020,150 and \$3,927,355 for the years ended June 30, 2018 and 2017, respectively.

**NOTE 7 - OPERATING LEASES**

WCA leases apartment space for visiting artists under an agreement with a one year occupancy terms covering the periods July 29, 2016 through July 27, 2017 and August 1, 2017 through July 31, 2018. This lease was renewed in May 2018 with a one year occupancy term covering the period August 1, 2018 through July 31, 2019.

Future minimum rental payments for this lease as of June 30, 2018 are as follows:

Year Ending June 30,	
2019	\$ 11,989
2020	<u>999</u>
Total minimum lease payments	<u>\$ 12,937</u>

Rental expense charged to operations was \$11,388 and \$12,275 for the years ended June 30, 2018 and 2017, respectively.

WCA, as a lessor, leases space used as a café to a tenant under a licensing agreement. The monthly license fee owed to WCA is 2.8% of gross sales during year one and two. The current lease expires July 31, 2019.

Rental income received to operations was \$13,138 and \$26,320 for the years ended June 30, 2018 and 2017, respectively and is included in sales and services on the Statement of Revenues, Expenses and Other Changes in Net Position.

# Required Supplementary Information

**The Ohio State University Wexner Center for the Arts  
Required Supplementary Information on GASB 68 Pension  
Liabilities for the Year Ended June 30, 2018**

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	OPERS			
	2018	2017	2016	2015
<b>Schedule of Proportionate Share of the Net Pension Liability</b>				
WCA proportion of the collective net pension liability	0.025%	0.024%	0.025%	0.025%
WCA proportionate share of the net pension liability	\$ 3,877,523	\$ 5,389,518	\$ 4,238,710	\$ 2,983,498
WCA covered payroll	\$ 3,654,939	\$ 3,386,360	\$ 3,373,240	\$ 3,352,002
WCA proportionate share of the net pension liability as a percentage of its covered payroll	106%	159%	126%	89%
Plan fiduciary net position as a percentage of the total pension liability	84.9%	77.4%	81.2%	86.5%
<b>Schedule of University Contributions</b>				
Contractually required contribution	\$ 529,101	\$ 498,628	\$ 487,624	\$ 482,872
Contributions in relation to the contractually required contribution	\$ 529,101	\$ 498,628	\$ 487,624	\$ 482,872
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
WCA covered payroll	\$ 3,713,838	\$ 3,496,272	\$ 3,426,305	\$ 3,383,541
Contributions as a percentage of covered payroll	14.2%	14.3%	14.2%	14.3%



**The Ohio State University Wexner Center for the Arts  
 Required Supplementary Information on GASB 75 Other  
 Post Employment Benefits Liabilities for the Year Ended June 30, 2018**

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	<b>OPERS 2018</b>
<b>Schedule of Proportionate Share of the Net OPEB Liability</b>	
WCA proportion of the collective net OPEB liability	0.026%
WCA proportionate share of the net OPEB liability	\$ 2,789,255
WCA covered payroll	\$ 3,654,939
WCA proportionate share of the net OPEB liability as a percentage of its covered payroll	76%
Plan fiduciary net position as a percentage of the total OPEB liability	54.1%

# Supplementary Information

**The Ohio State University Wexner Center for the Arts**  
**Supplementary Information on Net Position with Elimination of the Effect of**  
**Capital Assets, Pension Liability and Other Post Employment Benefits Liability**  
**June 30, 2018**

	Reviewed Balances 2018	Elimination of Capital Assets	Elimination of GASB 68 (Pension Liability)	Elimination of GASB 75 (OPEB Liability)	Adjusted Balances 2018
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Cash	\$ 1,386,686	\$ 229,488	\$ -	\$ -	\$ 1,616,174
Accounts receivable	233,754	-	-	-	233,754
Contributions receivable	264,458	-	-	-	264,458
Inventories and prepaid expenses	616,544	-	-	-	616,544
Total current assets	2,501,442	229,488	-	-	2,730,930
<b>NON-CURRENT ASSETS:</b>					
Endowments in OSU long-term investment pool	25,146,909	-	-	-	25,146,909
Property, plant & equipment, net	25,254,599	(25,254,599)	-	-	-
Total non-current assets	50,401,508	(25,254,599)	-	-	25,146,909
<b>DEFERRED OUTFLOWS:</b>					
Pension	735,385	-	(735,385)	-	-
Other post employment benefits	205,260	-	-	(205,260)	-
Total deferred outflows	940,645	-	(735,385)	(205,260)	-
<b>TOTAL ASSETS</b>	<b>\$ 53,843,595</b>	<b>\$ (25,025,111)</b>	<b>\$ (735,385)</b>	<b>\$ (205,260)</b>	<b>\$ 27,877,839</b>
<b>LIABILITIES AND NET POSITION</b>					
<b>CURRENT LIABILITIES:</b>					
Accounts payable	\$ 235,340	\$ (25,936)	\$ -	\$ -	\$ 209,404
Accrued salary and wages	29,135	-	-	-	29,135
Advance payments for goods and services - current	304,208	-	-	-	304,208
Accrued vacation and sick leave - current	67,910	-	-	-	67,910
Total current liabilities	636,593	(25,936)	-	-	610,657
<b>NON-CURRENT LIABILITIES:</b>					
Net pension liability	3,877,523	-	(3,877,523)	-	-
Net other post employment benefits liability	2,789,255	-	-	(2,789,255)	-
Accrued vacation and sick leave - long term	397,198	-	-	-	397,198
Payable to vendor - long term	53,502	(53,502)	-	-	-
Total non-current liabilities	7,117,478	(53,502)	(3,877,523)	(2,789,255)	7,063,976
<b>TOTAL LIABILITIES</b>	<b>7,754,071</b>	<b>(79,438)</b>	<b>(3,877,523)</b>	<b>(2,789,255)</b>	<b>1,007,855</b>
<b>DEFERRED INFLOWS:</b>					
Pension	971,072	-	(971,072)	-	-
Other post employment benefits	207,781	-	-	(207,781)	-
Total deferred inflows	1,178,853	-	(971,072)	(207,781)	-
<b>NET POSITION:</b>					
Net investment in capital assets	24,945,673	(24,945,673)	-	-	-
Restricted:					
Nonexpendable	22,075,343	-	-	-	22,075,343
Expendable	5,581,778	-	-	-	5,581,778
Unrestricted	(7,692,123)	-	4,113,210	2,791,776	(787,137)
<b>TOTAL NET POSITION</b>	<b>44,910,671</b>	<b>(24,945,673)</b>	<b>4,113,210</b>	<b>2,791,776</b>	<b>26,869,984</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 53,843,595</b>	<b>\$ (25,025,111)</b>	<b>\$ (735,385)</b>	<b>\$ (205,260)</b>	<b>\$ 27,877,839</b>

**The Ohio State University Wexner Center for the Arts  
Supplementary Information on Revenues, Expenses and Other Changes in Net  
Position with Elimination of the Effect of Capital Assets, Pension Liability and  
Other Post Employment Benefits Liability  
For the Year Ended June 30, 2018**

	Reviewed Balances 2018	Elimination of Capital Assets	Elimination of GASB 68 (Pension Liability)	Elimination of GASB 75 (OPEB Liability)	Adjusted Balances 2018
<b>OPERATING REVENUES:</b>					
Sales and services	\$ 814,357	\$ -	\$ -	\$ -	\$ 814,357
Grants and contracts	512,065	-	-	-	512,065
Total operating revenues	1,326,422	-	-	-	1,326,422
<b>OPERATING EXPENSES:</b>					
Salaries	5,336,786	-	-	-	5,336,786
Employee Benefits	2,603,596	-	(605,868)	(217,115)	1,780,613
Fees paid to performers and artists	312,323	-	-	-	312,323
Supplies and services	3,066,850	-	-	-	3,066,850
University overhead charges	34,108	-	-	-	34,108
Depreciation	2,445,267	(2,445,267)	-	-	-
Total operating expenses	13,798,930	(2,445,267)	(605,868)	(217,115)	10,530,680
NET OPERATING LOSS	(12,472,508)	2,445,267	605,868	217,115	(9,204,258)
<b>NON-OPERATING REVENUES AND EXPENSES:</b>					
University appropriations	3,960,328	-	-	-	3,960,328
Gifts	3,966,879	-	-	-	3,966,879
Endowment income distributions	1,007,413	-	-	-	1,007,413
Investment income	753,885	-	-	-	753,885
Transfers from University for capital projects	(58,958)	(40,843)	-	-	(99,801)
INCREASE (DECREASE) IN NET POSITION	(2,842,961)	2,404,424	605,868	217,115	384,446
<b>NET POSITION -- Beginning of Year</b>					
Beginning of year, as previously reported	50,328,293	(27,350,097)	3,507,342	-	26,485,538
Cumulative effect of accounting change	(2,574,661)	-	-	2,574,661	-
NET POSITION -- End of Year	<u>\$ 44,910,671</u>	<u>\$ (24,945,673)</u>	<u>\$ 4,113,210</u>	<u>\$ 2,791,776</u>	<u>\$ 26,869,984</u>

**The Ohio State University Wexner Center for the Arts  
Supplementary Information on Net Position with Elimination of the Effect of  
Capital Assets and Pension Liability  
June 30, 2017**

	<b>Reviewed Balances 2017</b>	<b>Elimination of Capital Assets</b>	<b>Elimination of GASB 68 (Pension Liability)</b>	<b>Adjusted Balances 2017</b>
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
Cash	\$ 864,512	\$ -	\$ -	\$ 864,512
Accounts receivable	72,579	-	-	72,579
Contributions receivable	1,376,009	-	-	1,376,009
Inventories and prepaid expenses	615,696	-	-	615,696
Total current assets	2,928,796	-	-	2,928,796
<b>NON-CURRENT ASSETS:</b>				
Endowments in OSU long-term investment pool	24,342,883	-	-	24,342,883
Property, plant & equipment, net	27,350,097	(27,350,097)	-	-
Total non-current assets	51,692,980	(27,350,097)	-	24,342,883
<b>DEFERRED OUTFLOWS:</b>				
Pension	1,925,045	-	(1,925,045)	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 56,546,821</b>	<b>\$ (27,350,097)</b>	<b>\$ (1,925,045)</b>	<b>\$ 27,271,679</b>
<b>LIABILITIES AND NET POSITION</b>				
<b>CURRENT LIABILITIES:</b>				
Accounts payable and accrued expenses	\$ 284,126	\$ -	\$ -	\$ 284,126
Accrued salary and wages	25,487	-	-	25,487
Advance payments for goods and services - current	28,409	-	-	28,409
Accrued vacation and sick leave - current	37,752	-	-	37,752
Total current liabilities	375,774	-	-	375,774
<b>NON-CURRENT LIABILITIES:</b>				
Net pension liability	5,389,518	-	(5,389,518)	-
Accrued vacation and sick leave - long term	410,366	-	-	410,366
Total non-current liabilities	5,799,884	-	(5,389,518)	410,366
<b>TOTAL LIABILITIES</b>	<b>6,175,658</b>	<b>-</b>	<b>(5,389,518)</b>	<b>786,140</b>
<b>DEFERRED INFLOWS:</b>				
Net pension liability	42,870	-	(42,870)	-
<b>NET POSITION:</b>				
Net investment in capital assets	27,350,097	(27,350,097)	-	-
Restricted:				
Nonexpendable	21,927,256	-	-	21,927,256
Expendable	4,263,774	-	-	4,263,774
Unrestricted	(3,212,834)	-	3,507,343	294,509
<b>TOTAL NET POSITION</b>	<b>50,328,293</b>	<b>(27,350,097)</b>	<b>-</b>	<b>26,485,539</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 56,546,821</b>	<b>\$ (27,350,097)</b>	<b>\$ (5,432,388)</b>	<b>\$ 27,271,679</b>

**The Ohio State University Wexner Center for the Arts  
Supplementary Information on Revenues, Expenses and Other Changes in  
Net Position with Elimination of the Effect of Capital Assets and Pension  
Liability  
For the Year Ended June 30, 2017**

	<b>Reviewed Balances 2017</b>	<b>Elimination of Capital Assets</b>	<b>Elimination of GASB 68 (Pension Liability)</b>	<b>Adjusted Balances 2017</b>
<b>OPERATING REVENUES:</b>				
Sales and services	\$ 901,768	\$ -	\$ -	\$ 901,768
Grants and contracts	522,746	-	-	522,746
<b>Total operating revenues</b>	<b>1,424,514</b>	<b>-</b>	<b>-</b>	<b>1,424,514</b>
<b>OPERATING EXPENSES:</b>				
Salaries	5,069,288	-	-	5,069,288
Employee Benefits	2,637,006	-	(679,731)	1,957,275
Fees paid to performers and artists	332,048	-	-	332,048
Supplies and services	3,210,197	-	-	3,210,197
University overhead charges	31,568	-	-	31,568
Depreciation	2,405,488	(2,405,488)	-	-
<b>Total operating expenses</b>	<b>13,685,595</b>	<b>(2,405,488)</b>	<b>(679,731)</b>	<b>10,600,376</b>
<b>NET OPERATING LOSS</b>	<b>(12,261,081)</b>	<b>2,405,488</b>	<b>679,731</b>	<b>(9,175,862)</b>
<b>NON-OPERATING REVENUES AND EXPENSES:</b>				
University appropriations	3,911,418	-	-	3,911,418
Gifts	4,163,728	-	-	4,163,728
Endowment income distributions	973,440	-	-	973,440
Investment income	1,863,714	-	-	1,863,714
Transfers from (to) university for capital projects	15,937	(134,717)	-	(118,780)
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>(1,332,844)</b>	<b>2,270,771</b>	<b>679,731</b>	<b>1,617,658</b>
<b>NET POSITION -- Beginning of Year</b>	<b>51,661,137</b>	<b>(29,620,868)</b>	<b>2,827,611</b>	<b>24,867,880</b>
<b>NET POSITION -- End of Year</b>	<b>\$ 50,328,293</b>	<b>\$ (27,350,097)</b>	<b>\$ -</b>	<b>\$ 26,485,538</b>

**The Ohio State University Wexner Center for the Arts  
Supplementary Information on Ohio Arts Council Form M  
For the Year Ended June 30, 2018**

	<u>Amount</u>	<u>Audit Cross Reference</u>
<b>Revenues</b>		
1. Admissions	\$ 225,869	A, pg. 8 (see reconciliation)
2. Memberships	602,931	D, pg. 8 (see reconciliation)
3. Contracted Services Revenues (fees, tuition, etc.)	3,325	A, pg. 8 (see reconciliation)
4. Other Revenues (itemize):		
a. Concessions, Sales, Rentals, etc. (gross)	562,578	A, pg. 8 (see reconciliation)
b. Benefits (gross)	78,500	A and D, pg. 8 (see reconciliation)
c. Income on Investments and Endowments (net)	<u>1,007,413</u>	E, pg. 8
<b>5. Total Revenues (add lines 1-4)</b>	<b>\$ 2,480,616</b>	
<b>Support</b>		
6. Corporate Support	\$ 2,683,597	D, pg 8 (see reconciliation)
7. Foundation Support	474,564	D, pg 8 (see reconciliation)
8. Other Private Support (itemize)		
a. Individual Contributions/Sponsors	113,733	D, pg 8 (see reconciliation)
b. United Arts Fund		
c. Mellon Foundation	-	B, pg. 8 (see reconciliation)
9. Government Support		
a. Federal	95,624	B, pg. 8 (see reconciliation)
b. Local Government		
i. City	265,000	B, pg. 8 (see reconciliation)
ii. County		
c. State/Regional Funds		
i. Ohio Arts Council (all grants)	150,941	B, pg. 8 (see reconciliation)
ii. Other State/Regional	500	B, pg. 8 (see reconciliation)
10. Other Support (itemize)		
a. University Appropriations	<u>3,960,328</u>	C, pg. 8
<b>11. Total Support (add lines 6-10)</b>	<b>\$ 7,744,287</b>	
<b>12. Total Revenues and Support (add lines 5 and 11)</b>	<b><u>\$ 10,224,903</u></b>	

**The Ohio State University Wexner Center for the Arts  
Supplementary Information on Reconciliation of Ohio Arts Council Form M to  
Statement of Revenues, Expenses and Other Changes in Net Position  
For the Year Ended June 30, 2018**

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**A. Sales and Services Revenues:**

*Form M Line-Items:*

1. Admissions	\$ 225,869
3. Contracted Services Revenue	3,325
4a. Concessions, Sales, Rentals, etc. (gross)	562,578
4b. Benefits (gross) <sup>1</sup>	<u>22,585</u>

**Total Sales and Services per Income Statement** \$ 814,357

**B. Grant and Contract Revenues:**

*Form M Line-Items:*

8c. Other Private Support - Mellon Foundation	\$ -
9a. Government Support - Federal (NEA, IMLS)	95,624
9bi. Government Support - Local Government (GCAC)	265,000
9ci. Government Support - State/Regional Funds (OAC)	150,941
9cii. Government Support - Other State/Regional (Arts Midwest)	<u>500</u>

**Total Grants and Contracts per Income Statement** \$ 512,065

**C. University Appropriations:**

*Form M Line-Items:*

10a. Other Support - University Appropriations	<u>\$ 3,960,328</u>
--	---------------------

**D. Gifts:**

*Form M Line-Items:*

2. Memberships	\$ 602,931
6. Corporate Support	2,683,597
7. Foundation Support	474,564
8a. Other Private Support - Individual Contributions	113,733
4b. Benefits (gross) <sup>1</sup>	<u>55,915</u>
Subtotal - Gifts reported on Form M	3,930,740

Add: Endowment and Capital Gifts<sup>2</sup> 36,139

**Total Gifts per Income Statement** \$ 3,966,879

**E. Endowment Income Distributions:**

*Form M Line-Items:*

4c. Income on Investment and Endowments (net)	<u>\$ 1,007,413</u>
---	---------------------

**SUBTOTAL** **10,261,042**

Less: Endowment, Inkind and Capital Gifts<sup>2</sup> (36,139)

**TOTAL Revenues and Support - Form M** \$ 10,224,903

<sup>1</sup> The \$78,500 benefit income is duly comprised of ticket and gift income

<sup>2</sup> For purposes of Form M, contributions to endowment principal, inkind gifts and those designated for capital expenses are excluded



**The Ohio State University Wexner Center for the Arts**  
**Supplementary Information on Statement of Functional Expense**  
**For the Year Ended June 30, 2018**

	Program and Support					Total Program	Administration	Development	Grand Total
	Education	Exhibitions	Media Arts	Performing Arts	Program Support				
Salaries	\$ 388,546	\$ 726,568	\$ 416,197	\$ 271,448	\$ 1,890,440	\$ 3,693,199	\$ 1,227,950	\$ 415,637	\$ 5,336,786
Benefits	144,953	240,431	129,714	77,963	606,854	1,199,915	428,231	152,468	1,780,614
Pension and OPEB Expense	61,767	111,957	63,204	40,454	289,131	566,513	190,695	65,774	822,982
Cost of Goods Sold	-	-	-	-	38,826	38,826	-	-	38,826
Depreciation	155,273	439,001	193,858	177,530	706,881	1,672,543	628,933	143,791	2,445,267
Educational Programming	77,373	-	-	-	-	77,373	-	-	77,373
Maintenance	-	-	-	-	-	-	20,725	-	20,725
Marketing Advertising	226	-	-	-	130,961	131,187	990	1,939	134,116
Marketing Mailing	-	-	-	-	39,875	39,875	-	3,025	42,900
Marketing Printing	-	-	-	-	107,724	107,724	-	36,247	143,971
Media Arts Program	-	-	153,342	-	-	153,342	-	-	153,342
OCIO IT & Computer Support	-	-	-	-	-	-	210,080	-	210,080
Office	-	-	-	-	-	-	17,277	-	17,277
Office & Computer Equipment	120	2,427	-	-	2,264	4,811	5,353	-	10,164
Office Supplies	-	-	-	-	8,073	8,073	76,567	6,570	91,210
Professional Fees	60,667	81,103	45,588	282,564	63,858	533,780	67,146	2,765	603,691
Patron Services	-	-	-	-	156,600	156,600	182	-	156,782
Performing Arts Program	-	-	-	81,068	-	81,068	-	-	81,068
Postage	-	-	-	-	2,116	2,116	754	1,650	4,520
Professional Development	774	-	-	-	7,055	7,829	9,921	5,573	23,323
Special Event Programming	-	-	-	-	27,034	27,034	7,599	-	34,633
Technical Production	-	-	-	-	52,748	52,748	-	-	52,748
Occupancy Expense	-	-	-	-	-	-	258,348	-	258,348
Transportation Shipping	-	354,707	-	10,902	6,403	372,012	-	-	372,012
Travel Outside Professionals	13,035	28,680	28,204	38,301	263	108,483	1,484	-	109,967
Travel Personnel	8,505	30,838	17,383	26,028	7,341	90,095	2,369	2,026	94,490
Visual Arts Programming	-	479,697	-	-	18	479,715	-	-	479,715
Miscellaneous and Other	445	19,512	76,834	5,942	13,925	116,658	69,962	15,380	202,000
<b>Grand Total</b>	<b>\$ 911,684</b>	<b>\$ 2,514,921</b>	<b>\$ 1,124,324</b>	<b>\$ 1,012,200</b>	<b>\$ 4,158,390</b>	<b>\$ 9,721,519</b>	<b>\$ 3,224,566</b>	<b>\$ 852,845</b>	<b>\$ 13,798,930</b>

**The Ohio State University Wexner Center for the Arts**  
**Notes to Supplementary Information**  
**For the Year Ended June 30, 2018**

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**Basis of Presentation**

The accompanying supplementary information has been prepared to satisfy the disclosure requirements of the Ohio Arts Council and the Greater Columbus Arts Council.

The Supplementary Information on Net Position with Elimination of the Effect of Capital Assets, Pension Liability and Other Post Employment Benefits Liability shows the effect of removing the Capital Assets, GASB 68 Pension Liability and GASB 75 Other Post Employment Benefits Liability from the reviewed financial statements for the year ended June 30, 2018 and 2017.

The Supplementary Information on Statements of Revenues, Expenses and Other Changes in Net Position shows the effect of removing the Capital Assets, Pension Liability and Other Post Employment Benefits Liability from the reviewed financial statements for the years ended June 30, 2018 and 2017.

The Supplementary Information on Ohio Arts Council Form M shows detail on Revenues and Support for the year ended June 30, 2018. The Supplementary Information on Reconciliation of Ohio Arts Council Form M to Statement of Revenues, Expenses, and other Changes in Net Position, reconciles the previous schedule to the Sales and Services Revenues, Grant and Contract Revenues, University Appropriations, Gift and Endowment Income Distributions that agree with the reviewed financial statements.

The Supplementary Information on Functional Expenses presents expenses on a functional classification basis. The Statement of Revenues, Expenses and Other Changes in Net Position for the year ended June 30, 2018 presents expenses on a natural classification basis.

These schedules are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America as a result of the exclusion of all required disclosures.

# **The Ohio State University Health Plan, Inc.**

**Financial Statements  
As of and for the Years Ended  
June 30, 2018 and 2017**

**The Ohio State University  
Health Plan, Inc.  
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## **Review Report of Independent Accountants**

To the Management of  
The Ohio State University Health Plan, Inc.

We have reviewed the accompanying financial statements of The Ohio State University Health Plan, Inc., a component unit of The Ohio State University, which comprise the balance sheets as of June 30, 2018 and 2017, and the related statements of comprehensive income, of cash flows, and of equity for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### ***Management's Responsibility for the Financial Statements***

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

### ***Accountants' Responsibility***

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### ***Accountants' Conclusion***

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

*PricewaterhouseCoopers LLP*

November 15, 2018

**The Ohio State University  
Health Plan, Inc.  
Balance Sheets  
June 30, 2018 and 2017**

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	<u>2018</u>	<u>2017</u>
<b><u>Assets</u></b>		
Current Assets:		
Cash	\$4,314,718	\$5,654,093
Investments	636,729	640,447
Accounts receivable	358,595	297,815
Prepaid expenses	156,381	130,113
Total current assets	<u>5,466,423</u>	<u>6,722,468</u>
Non-Current Assets:		
Deferred tax asset	151,323	223,326
Property and equipment:		
Furniture and equipment	246,307	621,989
Capitalized software	235,249	235,249
Less: accumulated depreciation	<u>(367,852)</u>	<u>(688,812)</u>
Net Property and equipment	113,704	168,426
Total non-current assets	<u>265,027</u>	<u>391,752</u>
Total Assets	<u><u>\$5,731,450</u></u>	<u><u>\$7,114,220</u></u>
<b><u>Liabilities and Equity</u></b>		
Current liabilities:		
Amounts due to OSU	\$657,733	\$1,696,134
Accrued salaries, wages, and related liabilities	740,598	746,571
Other accruals	351,431	610,489
Total current liabilities	<u>1,749,762</u>	<u>3,053,194</u>
Equity:		
Paid-in capital	3,834,613	3,834,613
Accumulated other comprehensive loss	(23,790)	(5,608)
Accumulated earnings	170,865	232,021
Total Equity	<u>3,981,688</u>	<u>4,061,026</u>
Total Liabilities and Equity	<u><u>\$5,731,450</u></u>	<u><u>\$7,114,220</u></u>

**The Ohio State University  
Health Plan, Inc.  
Statements of Comprehensive Income  
For the Years Ended June 30, 2018 and 2017**

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	<u>2018</u>	<u>2017</u>
<b><u>REVENUES</u></b>		
Health plan revenue	\$ 11,406,979	\$ 10,722,847
Pharmacy services revenue	937,937	1,148,104
Wellness services revenue	63,520	146,806
Total revenues	<u>12,408,436</u>	<u>12,017,757</u>
<b><u>EXPENSES</u></b>		
Salaries	6,677,907	6,327,978
Employee benefits	2,183,140	2,061,654
Purchased services	2,140,855	2,194,300
Office rental & maintenance	550,570	474,901
Equipment rental, repair and services	220,979	180,670
Depreciation and amortization	54,722	70,066
Other Expenses	560,392	624,213
Total expenses	<u>12,388,565</u>	<u>11,933,782</u>
Operating Income	19,871	83,975
Interest and dividend income	16,540	18,959
Income from operations before taxes	36,411	102,934
Provision for income tax expense	97,567	29,222
Net Income (loss)	<u>\$ (61,156)</u>	<u>\$ 73,712</u>
Other Comprehensive Loss:		
Unrealized loss on investments	(18,182)	(24,472)
Total Comprehensive Income (loss)	<u>\$ (79,338)</u>	<u>\$ 49,240</u>

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

**The Ohio State University  
Health Plan, Inc.  
Statements of Cash Flows  
For the Years Ended June 30, 2018 and 2017**

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	<u>2018</u>	<u>2017</u>
<b>OPERATING ACTIVITIES:</b>		
Net Income (loss)	(\$61,156)	\$73,712
Adjustments to reconcile net income to cash provided (used) by operating activities:		
Depreciation and amortization	54,722	70,066
Deferred income taxes	72,003	(54,321)
Changes in assets and liabilities:		
Accounts receivable	(60,780)	153,467
Prepaid expenses	(26,268)	13,774
Amounts due to OSU	(1,038,401)	(385,245)
Accrued salaries, wages, and related liabilities	(5,973)	214,074
Other accruals	(259,058)	(408,138)
Net cash used in operating activities	<u>(1,324,911)</u>	<u>(322,611)</u>
 <b>INVESTING ACTIVITIES:</b>		
Dividend investment	(14,464)	(17,118)
Net cash used in investing activities	<u>(14,464)</u>	<u>(17,118)</u>
 <b>NET CHANGE IN CASH</b>	 (1,339,375)	 (339,729)
 <b>CASH AT BEGINNING OF YEAR</b>	 <u>5,654,093</u>	 <u>5,993,822</u>
 <b>CASH AT END OF YEAR</b>	 <u><u>\$4,314,718</u></u>	 <u><u>\$5,654,093</u></u>
 Income Taxes Paid	 \$48,065	 \$62,613

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



**The Ohio State University  
Health Plan, Inc.  
Statements of Equity  
June 30, 2018 and 2017**

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	Paid-in Capital	Accumulated other comprehensive income (loss)	Accumulated earnings	Total
<b>Balance at June 30, 2016</b>	\$3,834,613	\$18,864	\$158,309	\$4,011,786
Net Income			73,712	73,712
Unrealized loss on investments		(24,472)		(24,472)
<b>Balance at June, 30 2017</b>	\$3,834,613	(\$5,608)	\$232,021	\$4,061,026
Net Income (loss)			(61,156)	(61,156)
Unrealized loss on investments		(18,182)		(18,182)
<b>Balance at June, 30 2018</b>	\$3,834,613	(23,790)	170,865	\$3,981,688

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

# The Ohio State University Health Plan, Inc. Notes to the Financial Statements June 30, 2018 and 2017

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## 1. Summary of Significant Accounting Policies

The significant accounting policies followed by The Ohio State University Health Plan, Inc. (the "Health Plan" or "Company") are summarized below.

### Organization

The Health Plan was organized in December 1991 and began full operations on July 1, 1992. On July 27, 2009, the name of the corporation was changed to The Ohio State University Health Plan, Inc. (formerly The Ohio State University Managed Health Care Systems). The Health Plan was organized to promote and carry out educational, charitable, and scientific purposes by conducting and supporting activities that are for the benefit, perform the functions, and carry out the purposes of The Ohio State University (the "University") and supporting the strategic goals of the University's Wexner Medical Center. The Health Plan's primary activities are the performance of managed care, pharmacy services, and wellness services to the University and other employers and groups within Ohio.

Should the Health Plan cease to exist, any net assets remaining after payment of all liabilities would revert to either a selected successor organization established for substantially the same purpose, or absent such a selection, to the University.

### Basis of Presentation

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements include the financial position resulting from all health care activities managed by the Health Plan including the Pharmacy Benefits Administration through the Rx Ohio Collaborative (RxOC) for which the Health Plan provides oversight.

### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

### Cash

The Health Plan maintains cash accounts with a local financial institution. As of June 30, 2018 and 2017, \$4,314,718 and \$5,654,093, respectively, of the cash holdings of the Health Plan were cash holdings held in bank accounts. Of these cash balances, \$250,000 was subject to federal deposit insurance ("FDIC"). The uninsured balance is collateralized by pools of securities pledged by the depository bank and is held in the name of the respective bank.

### Fair Value of Financial Instruments

The Health Plan estimates fair values of its financial instruments using available quoted market information in accordance with FASB ASC 820 *Fair Value Measurements* ("ASC 820"). Accordingly, the estimates presented are not necessarily indicative of the amounts that the Health Plan could realize in a current market exchange. Different market assumptions might have a material effect on the estimated fair value amounts. The carrying amounts of accounts receivable, accounts payable, and other current liabilities approximate fair value because of the relatively short maturities of these financial instruments. Investments are comprised of publicly-traded mutual

**The Ohio State University  
Health Plan, Inc.  
Notes to the Financial Statements  
June 30, 2018 and 2017**

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funds and are carried at fair value at June 30, 2018 and 2017. See Note 3, *Investments*, for further detail.

**Net Property and Equipment**

Net Property and equipment is stated on the basis of cost less accumulated depreciation. Depreciation of furniture and equipment is computed using the straight-line method over estimated useful lives ranging from 5 to 7 years. Depreciation expense recorded was \$7,672 and \$23,017 for the years ended June 30, 2018 and 2017 respectively. Capitalized software at June 30, 2018 relates to the implementation of the Health Plan's prior authorization software, which was put into service in December 2015 and is being amortized over a five year period. Amortization expense recorded was \$47,050 for both years ended June 30, 2018 and 2017. Following University policy, equipment costing less than \$5,000 in the aggregate is not capitalized but expensed directly. The cost and related accumulated depreciation are removed when assets are sold or disposed of. \$249,279 in furniture and equipment and \$126,403 in leasehold improvements were removed in June, 2018 following relocation within the building.

**Income Taxes**

The Health Plan is a taxable entity for federal tax purposes. The Health Plan provides deferred federal income taxes for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for federal income tax purposes.

The Health Plan recognizes deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial statement carrying amounts and the tax bases of the assets and liabilities. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Health Plan is a non-charitable, non-profit organization for state tax purposes.

**Revenue Recognition**

The Health Plan earns revenue for services on a predetermined contractual basis, on a fixed fee per covered participant basis, or on a fixed fee per claim basis as specified in the participant contracts.

**Reclassification of Prior Year Presentation**

Certain prior year amounts related to current liabilities have been reclassified to make the presentation consistent with the current year. These reclassifications had no effect on the reported results of operations.

**Accounting Pronouncements (FASB) Policy**

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606). This standard provides a single comprehensive framework for entities to use in accounting for revenue from transactions involving contracts with customers across all industries. In August 2015, the FASB issued ASU 2015-14, Revenue from Contracts with Customers (Topic 606). The amendment in this ASU defers the effective date of ASU 2014-09. The guidance is effective for the Company for the year ending June 30, 2020. The standard permits the use of either the full retrospective or modified retrospective transition method. In December 2016, the FASB issued ASU 2016-20, Technical Corrects and Improvements (Topic) 606. The amendments in this ASU provides guidance on

**The Ohio State University  
Health Plan, Inc.  
Notes to the Financial Statements  
June 30, 2018 and 2017**

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accounting for loan guarantee fees, contract cost impairment testing and disclosures. The Company is currently evaluating the effect of the adoption of the new standard, including possible transition alternatives, on our financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). This standard requires that lessees recognize all leases, other than leases with a term of twelve months or less, on the balance sheet as lease liabilities, based upon the present value of the lease payments, with corresponding right of use assets. This update will require a modified retrospective application which includes a number of optional practical expedients related to the identification and classification of leases commenced before the effective date. The standard is effective for the Company for the year ending June 30, 2021 and early adoption is permitted. The Company is currently evaluating the effect of the adoption of the new standard on our financial statements.

## **2. Transactions with the University**

The Health Plan is associated with the University through both a participant contract for services and an administrative service agreement. Under the terms of the participant contract, the Health Plan receives fees for services provided to the University faculty and staff which are recorded in health plan revenue in the statement of comprehensive income. The revenue received from the University was \$10,710,000 and \$9,804,999 for years ended June 30, 2018 and 2017, respectively.

Under the terms of the administrative agreement, the Health Plan receives administrative services from the University, principally the University processes salaries, fringe benefits (including employee participation in the University pension plan) and other operating items, and the Health Plan reimburses the University for these expenses. The amounts due to the University of \$657,733 and \$1,696,134 as of June 30, 2018 and 2017, respectively, were primarily due for reimbursement of these expenses processed and paid by the University.

## **3. Investments**

The fair value of investments, which includes publicly-traded bond mutual funds, is \$636,729 and \$640,447 as of June 30, 2018 and 2017, respectively.

As defined in ASC 820, fair value is the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the Health Plan's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 establishes a fair value hierarchy which requires an entity to maximize the use of observable and unobservable inputs when measuring the fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: inputs are unadjusted quoted prices for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: other observable inputs other than Level 1 quoted prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

**The Ohio State University  
Health Plan, Inc.  
Notes to the Financial Statements  
June 30, 2018 and 2017**

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As of June 30, 2018 and 2017, the Health Plan's bond mutual funds are measured at fair value, which approximates amortized cost, based on level 1 inputs. There were no transfers between levels of the fair value hierarchy. The Company's policy is to recognize transfers between levels at amortized cost as of the date of the transfer.

**4. Accounts Receivable**

As of June 30, 2018 and 2017, accounts receivable primarily represents amounts due from external Health Plan customers and groups. All amounts were deemed fully collectible.

**5. Income Taxes**

**The Health Plan has net deferred tax assets as of June 30, 2018 and 2017 as follows:**

	<u>2018</u>	<u>2017</u>
Gross Deferred Tax Asset:		
Non-Current	170,152	245,803
Gross Deferred Tax Liability:		
Non-Current	(18,829)	(22,477)
Net Deferred Tax Asset	<u>151,323</u>	<u>223,326</u>

The deferred tax asset reflects timing differences between book and tax reporting. As of June 30, 2018 and 2017 the deferred tax asset is attributable to timing differences for tax deductions, primarily related to vacation, sick leave and incentive pay. Management's assessment is that its deferred tax assets were "more likely than not" realizable and accordingly no valuation allowance was recorded.

On December 22, 2017, the Tax Cuts and Jobs Act (the "Tax Act") was signed into law. The Tax Act significantly revises the U.S. corporate income tax by, among other things, lowering the statutory corporate tax rate from 35% to 21%, eliminating certain deductions, imposing a one-time tax on accumulated earnings of foreign subsidiaries as of 2017, introducing new tax regimes, and changing how foreign earnings are subject to U.S. tax. The Tax Act also enhanced and extended through 2026 the option to claim accelerated depreciation deductions on qualified property. The re-measurement of deferred taxes as a result of the Tax Act resulted in a net expense of \$83,483. Additionally, a blended rate of 28% was used for the fiscal year ended June 30, 2018, based on the number of months before and after December 31, 2017.

The provision for income taxes was different from the amount computed using the federal statutory rate for years ended June 30, 2018 and 2017 due primarily to local tax and the dividends received deduction.

In November 2015, the FASB issued ASU 2015-17, Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes. This standard requires that deferred tax liabilities and assets be classified as noncurrent on the balance sheet. The guidance is effective for the Company for the

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year ending June 30, 2019, and early adoption is permitted. The guidance may be applied either prospectively or retrospectively. The Company early adopted ASU 2015-17 with retrospective application and has classified deferred tax liabilities and assets as noncurrent on the balance sheet.

**6. Pharmacy Ohio Collaborative Program**

The Health Plan joined the Pharmacy Ohio Collaborative ("RxOC") in coordination with four State of Ohio Retirement programs in January 2009. Initially this program provided group purchasing of pharmaceuticals for the beneficiaries of the health plan for these partners. The Health Plan assumed management responsibility for the RxOC and leads the marketing efforts of the RxOC program in conjunction with Express Scripts Inc. ("ESI"), the current pharmacy benefits provider. The Health Plan provides leadership and management of the RxOC program throughout the State of Ohio. ESI provides funding to support the RxOC program. This program is also marketed to other universities, school systems, governmental entities, and employers. A management fee is paid to the RxOC program by these entities for access and the services being provided. The Health Plan has copyrighted the RxOC name. This revenue is recorded under Pharmacy services.

**7. Leases**

The Health Plan leases its corporate facilities under certain operating leases which expired December 2016. The lease included a month to month lease provision which went into effect January 1, 2017. Effective March 30, 2017 the building was purchased by the University, and accordingly the lease was assigned to the purchaser. The Health Plan intends to enter into a long-term lease with the University for its corporate facilities upon the completion of a building renovation plan. Total operating lease expense was \$549,836 and \$495,698 for years ended June 30, 2018 and 2017, respectively. Included in Amounts due to OSU related to lease expense were \$0 and \$207,326 as of June 30, 2018 and 2017, respectively.

**8. Retirement Plans**

Health Plan employees, as part of the University, are covered by one of two retirement systems. Employees are covered by the Public Employees Retirement System of Ohio ("OPERS"). Employees may opt out of OPERS and participate in the Alternative Retirement Plan ("ARP") if they meet certain eligibility requirements.

The Health Plan has no assets or liabilities in OPERS, or ARP included in its financial statements. Employer contributions to the plans by the Health Plan for its employees are included as employee benefits expense in the statements of comprehensive income. OPERS offer three separate plans: 1) a defined benefit plan, 2) a defined contribution plan and 3) a combined plan. Each of these three options is discussed in greater detail in the following sections.

**Defined Benefit Plans**

OPERS offers statewide cost-sharing multiple-employer defined benefit pension plans. OPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by state statute and are calculated using formulas that include years of service and final average salary as factors. OPERS issues separate,

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publicly available financial reports that include financial statements and required supplemental information. These reports may be obtained by contacting the organization.

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

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

OPERS currently provides post-employment health care benefits to retirees with ten or more years of qualifying service credit. These benefits are advance-funded on an actuarially determined basis and are financed through employer contributions and investment earnings. OPERS determines the amount, if any, of the associated health care costs that will be absorbed by OPERS. Under Ohio Revised Code (“ORC”), funding for medical costs paid from the funds of OPERS is included in the employer contribution rate. For calendar years 2017 and 2018, OPERS allocated 2.0% of the employer contribution rate to fund the health care program for retirees.

Post-employment health care benefits are not guaranteed by ORC to be covered under OPERS.

#### **Defined Contribution Plans**

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

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

#### **Combined Plans**

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

#### **Funding Policy**

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ORC provides OPERS statutory authority to set employee and employer contributions. Contributions equal to those required by OPERS are required for ARP. For employees enrolling in ARP, ORC requires a portion (which may be revised pursuant to periodic actuarial studies) of the employer contribution be contributed to OPERS to enhance the stability of these plans. The required contribution rates (as a percentage of covered payroll) for plan members is 10% and for the university is 14%. The ARP employer contribution includes 2.44% paid to OPERS.

The Health Plan's contributions, which represent 100% of required employer contributions, for years ending June 30, 2017 and June 30, 2018 are as follows:

Year Ended June 30,	OPERS Annual Required Contribution	ARP Annual Required Contribution
2017	\$610,007	\$195,586
2018	\$674,347	\$200,919

**9. Subsequent Events**

Management has performed an analysis of the activities and transactions subsequent to June 30, 2018 to determine the need for any adjustments to and/or disclosures within the accompanying financial statements for the year ended June 30, 2018. Management has performed this analysis through the date of the report, November 15, 2018, noting no activities or transactions requiring adjustments or disclosure.



# OHIO AUDITOR OF STATE KEITH FABER



THE OHIO STATE UNIVERSITY

FRANKLIN COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
JANUARY 22, 2019