

THURSDAY, NOVEMBER 18, 2021
AUDIT, FINANCE AND INVESTMENT COMMITTEE MEETING

John W. Zeiger
Erin P. Hoeflinger
Lewis Von Thær
Jeff M.S. Kaplan
Michael Kiggin
Tom B. Mitevski
Carly G. Sobol
James D. Klingbeil
Amy Chronis
Kent M. Stahl
Gary R. Heminger (*ex officio*)

Location: Livestream link available on trustees.osu.edu

Time: 10:00am-12:30pm

Public Session

ITEMS FOR DISCUSSION

1. *University Financial Scorecards – Mr. Michael Papadakis, Ms. Kristine Devine* 10:00-10:10am
2. *Special Fee for the College of Engineering – Mr. Michael Papadakis, Ms. Kristine Devine* 10:10-10:20am
3. *Audit Update* 10:20-10:40am
 - a. *Audited Consolidated Financial Statements (DRAFT) – Mr. Michael Papadakis, Ms. Kristine Devine, Mr. Mark Larmore*
 - b. *External Auditor Report – Ms. Christa Dewire*
4. *Advancement Update – Mr. Michael Eicher* 10:40-11:00am

ITEMS FOR ACTION

5. Approval of August 2021 Committee Meeting Minutes – Mr. John Zeiger
6. Consent Agenda:
 - a. Approval of Special Fee for the College of Engineering
 - b. Approval to Submit Audited Consolidated Financial Statements (DRAFT) to the Auditor of State
 - c. Approval of the FY21 Progress Report on Ohio Task Force on Affordability and Efficiency in Higher Education Recommendations
 - d. Approval of OSU Golf Course Membership Dues and Fees
 - e. Approval of the University Foundation Report
 - f. Naming Approvals
 - g. Approval to Increase Professional Services and Enter Into/Increase Construction Contracts
 - h. Appointment to the Self Insurance Board

THURSDAY, NOVEMBER 18, 2021
AUDIT, FINANCE AND INVESTMENT COMMITTEE MEETING

7. Written Reports (Background Only) – Public
 - a. FY22 Interim Financial Report
 - b. Detailed Foundation Report
 - c. Major Project Updates

Executive Session


11:05am-12:30pm

Consolidated Financial Scorecard (\$ in thousands)	FY22 YTD Actual	FY22 YTD Budget	Actual vs. Budget
A. Financial Snapshot (in thousands)			
1. Total Revenue including endowment performance	\$ 1,912,194	\$ 1,882,593	↑
2. Total Revenue excluding endowment performance	\$ 1,949,986	\$ 1,920,593	↑
3. Total Expenses	\$ 1,892,172	\$ 1,916,181	↓
4. Change in Net Assets	\$ 50,678	\$ (3,088)	↑
5. Change in Net Assets excluding endowment performance	\$ 88,470	\$ 34,912	↑
6. Change in Net Financial Assets	\$ 9,756	\$ 125,000	↓
B. Institutional Financial Metrics			
1. Liquidity - Days Cash on Hand	150	90	↑
2. Actual Debt Service to Operations	2.48%	< 3.0%	↑
	FY22 Actual	FY22 Benchmark	Actual vs. Benchmark
3. Short Term Investment Pool Return	0.33%	0.09%	↔
4. Intermediate Investment Pool Return	1.33%	0.31%	↑
5. 1 Year Long Term Investment Pool Return	25.05%	20.86%	↑
6. 3 Year Long Term Investment Pool Average Return	10.28%	11.64%	↓
7. Credit Rating	AA1/AA	AA	↔




1 Year and 3 Year Long Term Investment benchmark figures are preliminary

	Meets or exceeds goal	↑	Performance up
	Below goal	↔	No change in performance
	Far below goal	↓	Performance down

University Financial Scorecard (\$ in thousands)	FY22 YTD Actual	FY22 YTD Budget	Actual vs. Budget
A. Revenue Drivers (in thousands)			
1. Tuition and Fees	\$ 228,859	\$ 229,834	↔
2. Grants and Contracts	\$ 214,423	\$ 212,216	↑
3. Advancement Cash Receipts	\$ 48,293	\$ 47,900	↔
4. State Share of Instruction	\$ 100,891	\$ 100,891	↔
5. State Line Item Appropriations	\$ 22,531	\$ 22,531	↔
6. Net Contribution from Auxiliary Enterprises	\$ (4,214)	\$ (8,593)	↑
B. Financial Snapshot (in thousands)			
1. Total Revenue including endowment performance	\$ 911,905	\$ 885,244	↑
2. Total Revenue excluding endowment performance	\$ 949,698	\$ 927,755	↑
3. Total Expenses	\$ 893,781	\$ 910,895	↓
4. Current Net Margin	\$ 119,967	\$ 80,909	↑
5. Change in Net Assets	\$ 48,781	\$ 4,849	↑
6. Change in Net Assets excluding endowment performance	\$ 150,623	\$ 111,409	↑
C. Performance Metrics (Columbus Campus only)			
1. Enrollment - summer/autumn	89,613	89,795	↔
2. Credit Hours - summer/autumn	960,864	954,287	↔

	Meets or exceeds goal	↑	Performance up
	Below goal	↔	No change in performance
	Far below goal	↓	Performance down

MEDICAL CENTER FINANCIAL PERFORMANCE	FY22 YTD Actual	FY22 YTD Budget	Current Status
A. Revenue Drivers			
1. Patient Admissions	15,209	16,599	↓
2. Patients in Inpatient Beds	19,187	20,741	↓
3. Patient Discharges	15,372	16,643	↓
4. Total Surgeries	12,943	12,887	↑
5. Outpatient Visits	574,162	533,678	↑
6. ED Visits	30,463	32,054	↓
B. Activity Metrics			
1. Adjusted Admissions	32,023	33,989	↓
2. Operating Revenue / Adjusted Admit	\$ 29,571	\$ 27,161	↑
3. Expense / Adjusted Admit	\$ 25,983	\$ 24,207	↓
C. Financial Snapshot (in thousands)			
1. Operating Revenues	\$ 946,946	923,181	↑
2. Total Expenses	\$ 832,061	\$ 822,765	↓
3. Gain from Operations	\$ 114,886	\$ 100,416	↑
4. Excess Revenue Over Expenses	\$ 79,646	\$ 62,283	↑
D. Performance Metrics			
1. Operating EBIDA Margin	18.1%	17.0%	↑
2. Days Cash on Hand	184.9	131.6	↑
3. Debt Service Coverage	9.0	8.2	↑

 Meets or exceeds goal	↑ Performance up
 Below goal	↔ No change in performance
 Far below goal	↓ Performance down



THE OHIO STATE UNIVERSITY

Engineering Special Fee

Michael Papadakis, Senior Vice President and CFO
Kris Devine, Deputy CFO & Vice President of Operations

Audit, Finance & Investment Committee Meeting | November 18, 2021



Strategic objectives and challenges

Strategic objective: Increase the number of graduates to meet the demand of employers in the Innovation District, across Central Ohio and throughout the state. This strategic objective is in alignment with the JobsOhio investment including growth in STEM graduates. To meet this objective, we need to invest in increasing faculty, in ensuring diversity and inclusion in the growth of both faculty and students, and in growing research.

- College is currently ranked 16th among public institutions (27th overall)

The challenge: Student to tenure-track faculty ratio must be reduced while also growing faculty and enrollment

- A significant investment in faculty growth, teaching resources, and student support is needed
- Undergraduate enrollment has increased nearly 60% over the last 10 years
- Engineering's student to faculty is 26.2:1, one of the highest in the Big Ten
 - Average among Big 10 public colleges is 21.8:1



Reinvesting in student success

Increased revenue will benefit students and bolster innovation.

- Lower student-faculty ratios to meet the demand for smaller class size and better educational outcomes, and to improve program quality relative to national peer institutions
- Attracting world-class academic talent to the region will impact institutional research activity and will contribute to program quality
- Additional academic support to increase experiential learning and deepen corporate and industry partnerships
- Increased student support and career advising ensuring academic and career success of a more diverse and inclusive undergraduate student body
- Enhanced infrastructure to provide the highest quality programming, research, and workforce readiness



Proposal Autumn 2022

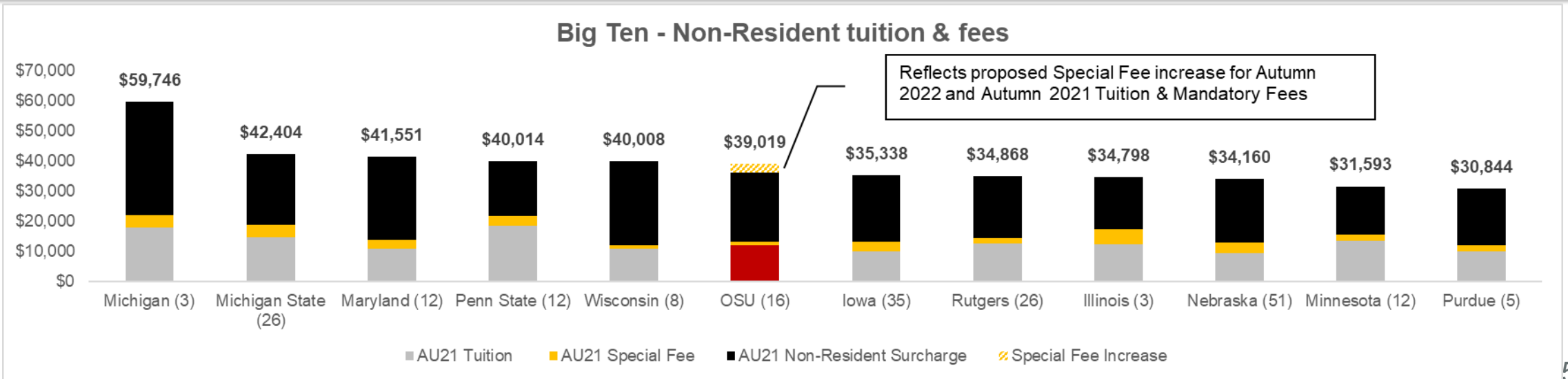
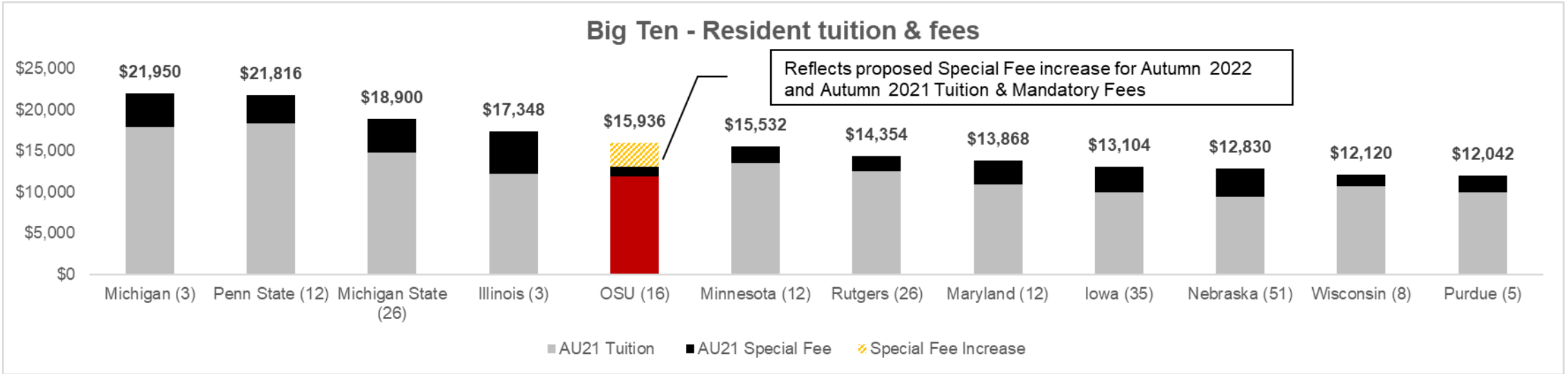
College of Engineering		
New special fee for incoming students	\$2,820 Increase (Current \$1,180; Proposed \$4,000)	
Proposed total: Tuition and fees (reflects current base tuition)	In-State	Out-of-State
	Instructional & Mandatory Fees - \$11,936 *	Instructional & Mandatory Fees - \$35,019 *
	UG Special Fee - \$4,000	UG Special Fee - \$4,000
	Total Annual UG - \$15,936	Total Annual UG - \$39,019
Student guarantee	<ul style="list-style-type: none"> ➤ Current students grandfathered in ➤ Applied to incoming New First Year Students (NFYS) beginning Autumn 2022 and Transfer students that were NFYS for Autumn 2022 at another college or university ➤ Increased student academic / career support and advisors ➤ Increased financial aid 	
Key benefits	<ul style="list-style-type: none"> ➤ Increased in-demand enrollment and graduates ➤ Lower student-faculty ratio ➤ Increased program quality and rankings ➤ More academic advisors ➤ More internships / industry immersion ➤ Increased research activity ➤ Addresses accreditor's concerns ➤ Aligns with JobsOhio Talent & Innovation strategies ➤ Aligned with future multi-disciplinary, multi-college STEM degrees 	

* Reflects Autumn 2021 instructional & mandatory fees outside of the special fee. Any increases to the instructional and mandatory fees will be provided in the May 2022 Board meeting.



Engineering Tuition & Fees Comparisons

All Comparisons show Ohio State FY 2022 vs. Peers' FY 2022 Rates



Note: Number after university name is US News and World Report ranking for Engineering program at public universities



THE OHIO STATE UNIVERSITY

Audit Update

Audit, Finance Committee & Investment Committee | November 18, 2021



Fiscal Year 2021 Wrap Up

Overall Financial Performance

- The following significant changes to the June 30, 2021, consolidated financial statements since our results were reported to you on August 19, 2021.
 - Increase of total investments and investment income of \$228M to record the fourth quarter alternative investment performance.
 - Increase of other assets and other liabilities of \$191M to record the assets and corresponding liabilities of the two 415(m) retirement plans.
- Our overall financial position ended strong. Our size, diversity of operations, and discipline enabled us to retain fiscal strength during this unprecedented disruption.
 - Federal stimulus funds of \$164M have been allocated to offset increased University expenses related to COVID, \$40M has been awarded as additional emergency financial aid to students, and the Health System has received \$182M of Provider relief and FEMA funding.
 - Financial controls implemented, including a hiring pause and business-essential only spending, led to cost savings of over \$195M, which exceeded the university goal of \$175M. These reductions helped to offset lost tuition revenue (\$78M), lost housing and dining revenues (\$85M) and reduced Athletics revenues (\$157M) resulting from the impact of COVID.
 - Investment income of \$1.86B increased by \$1.6B over FY20. FY21 return is 29.2% vs. the benchmark of 25.5%.
 - Changes in post-retirement health care plans, discount rates, and positive investment returns within the state pension plans significantly reduced university net pension and OPEB liabilities, resulting in a \$1.2 billion reduction of expenses for FY21.
 - Liquidity, while bolstered by Federal and State stimulus, remained robust throughout the pandemic and continues to exceed policy benchmarks.
 - University credit ratings of AA/AA/Aa1 were reaffirmed in September 2021 and is evidence of our overall financial strength. (Fitch upgraded rating outlook from Stable to Positive).



Fiscal Year 2021 Wrap Up – Health System and OSUP

Significant financial statement report changes include:

- The financial position of the Health System and OSUP ended strong. Despite the challenges of the pandemic, the Health System and OSUP continued to deliver unparalleled quality patient care and remain fiscally responsible.
- In 2021, the Health System experienced recovery in surgical and procedural volumes. Total surgical volume increased 13.4% compared to 2020. Hospital admissions saw slight growth in 2021, however, the Health System experienced an increase of 8.7% in the acuity of patients in the hospital leading to an increased length of stay and higher patient revenues for the year.
- Expense, per adjusted admission, increased 3.5% from the prior year reflective of the recovery of volume due to the COVID-19 pandemic. The Health System experienced higher transplant volumes for the year for heart and lung, as well as an increase in intensity for surgical and procedural volumes.
- Efficiency initiatives around labor, supplies and a reduction in discretionary spend items totaling \$103.7M through June helped offset the more acute, higher cost admissions associated with the COVID-19 pandemic.
- Provider Relief and FEMA funds totaled \$182M. (FY2021- \$143M and FY2022 - \$39M)



Consolidated Balance Sheet

Assets and Liabilities (\$ in millions)	FY21 Total	FY20 Total	FY19 Total
Cash and Cash Equivalents	\$ 1,214	\$ 2,433	\$ 2,206
Total Investments	\$ 10,204	\$ 7,405	\$ 7,275
Capital Assets, net	\$ 6,511	\$ 5,922	\$ 5,438
Pension and OPEB Assets and Deferred Outflows	\$ 719	\$ 763	\$ 1,208
Other Assets	\$ 1,435	\$ 1,028	\$ 1,058
Total Assets	\$ 20,083	\$ 17,551	\$ 17,185
Accounts Payable and Other Current Liabilities	\$ 1,690	\$ 1,358	\$ 1,037
Debt	\$ 3,283	\$ 3,259	\$ 3,222
Pension and OPEB Liabilities and Deferred Inflows	\$ 4,060	\$ 5,270	\$ 5,283
Concessionaire and Other Liabilities	\$ 2,163	\$ 1,981	\$ 1,970
Total Liabilities	\$ 11,196	\$ 11,868	\$ 11,512
Net Position (\$ in millions)	FY21 Total	FY20 Total	FY19 Total
Ending Net Position (Eliminate Pension and OPEB)	\$ 12,226	\$ 10,189	\$ 9,748
Ending Net Position - Pension and OPEB	\$ (3,341)	\$ (4,507)	\$ (4,075)
Final Ending Net Position	\$ 8,887	\$ 5,683	\$ 5,673



Consolidated Income Statement

Total Revenue (\$ in millions)	2021	2020	2019
Tuition and Fees	\$ 870	\$ 954	\$ 970
Grants and Contracts	\$ 1,081	\$ 1,053	\$ 875
Sales and Services	\$ 355	\$ 450	\$ 506
Health System & OSUP Sales and Services	\$ 4,600	\$ 4,034	\$ 3,993
State Subsidies and Capital Appropriations	\$ 550	\$ 532	\$ 535
Gifts and Additions to Permanent Endowments	\$ 272	\$ 299	\$ 232
Other Revenues	\$ 62	\$ 68	\$ 60
Total Revenues (w/o investments)	\$ 7,790	\$ 7,390	\$ 7,171
Investment income	\$ 1,861	\$ 233	\$ 232
Total Revenues (w/ investments)	\$ 9,651	\$ 7,623	\$ 7,403
Total Expenses (\$ in millions)	2021	2020	2019
University Education and General Expenses	\$ 2,732	\$ 2,716	\$ 2,579
Auxiliary Sales and Services	\$ 263	\$ 307	\$ 326
Health System & OSUP	\$ 4,020	\$ 3,607	\$ 3,313
Depreciation	\$ 471	\$ 435	\$ 422
Interest Expense on Plant Debt	\$ 127	\$ 118	\$ 117
Total Expenses (w/o pension and OPEB)	\$ 7,613	\$ 7,183	\$ 6,757
Net Margin	\$ 2,038	\$ 440	\$ 646
Pension and OPEB expense	\$ (1,166)	\$ 430	\$ 484
Total Expenses (w/ pension and OPEB)	\$ 6,447	\$ 7,613	\$ 7,241
Change in Net Position	\$ 3,204	\$ 10	\$ 162



Consolidated Cash Flow Statement

Cash Flow From: (\$ in millions)	2021	2020	2019
Receipts from Tuition and Grants	\$ 1,583	\$ 1,671	\$ 1,632
Receipts from Sales and Services	\$ 4,827	\$ 4,577	\$ 4,453
Payments to or on Behalf of Employees, including Benefits	\$ (4,089)	\$ (3,910)	\$ (3,656)
Payments to Suppliers	\$ (2,444)	\$ (2,159)	\$ (2,301)
Other Payments	\$ (161)	\$ (113)	\$ (90)
Total Operating Activities	\$ (284)	\$ 66	\$ 38
State Share of Instruction and Appropriations	\$ 486	\$ 462	\$ 470
Federal COVID-19 Assistance and Other Non-exchange Grants	\$ 223	\$ 246	\$ 74
Gift Receipts and Additions to Permanent Endowments	\$ 235	\$ 246	\$ 254
Payments for Purchase or Construction of Capital Assets	\$ (958)	\$ (795)	\$ (640)
Principal and Interest Payments on Capital Debt and Leases	\$ (198)	\$ (190)	\$ (193)
Other Receipts	\$ 111	\$ 121	\$ (102)
Total Financing Activities	\$ (101)	\$ 90	\$ (137)
Net Purchases, Proceeds, and Maturities from Investments	\$ (1,205)	\$ (73)	\$ (154)
Investment Income	\$ 371	\$ 144	\$ 145
Total Investing Activities	\$ (834)	\$ 71	\$ (9)
Net change in cash	\$ (1,219)	\$ 227	\$ 93
Beginning Cash and Cash Equivalent Balance	\$ 2,433	\$ 2,206	\$ 2,113
Ending Cash Balance	\$ 1,214	\$ 2,433	\$ 2,206



Future Financial Reporting Impacts:

Stmnt #	Title	Description	Effective
87	<i>Leases</i>	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.	FY 22
97	<i>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans</i>	Clarifies how the absence of a governing board should be considered in evaluating potential component units and modifies the applicability of certain component unit criteria as they relate to defined contribution, OPEB and other plans, including 457 plans. It also establishes accounting and financial reporting requirements for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans and modifies the investment valuation requirements for all Section 457 plans.	FY 22
93	<i>Replacement of Interbank Offered Rates (IBOR)</i>	Due to global reference rate reform, the London Interbank Offered Rate (LIBOR) is expected to cease to exist at the end of 2021. This standard addresses accounting and financial reporting implications that result from the replacement of an IBOR.	FY 23
94	<i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>	The standard applies the right-of-use model to P3 arrangements and provides accounting and disclosure guidance for both transferors and operators of governmental assets.	FY 23
96	<i>Subscription-Based Information Technology Arrangements</i>	Requires recognition of a right-to-use subscription asset (i.e., the sum of the initial subscription liability amount, payments made to the vendor before commencement of the subscription term, and capitalizable implementation costs) and amortization of the asset over the subscription term.	FY 23

Status of the audit

- Substantially completed our audit of the University's financial statements pending the following:
 - Completion of subsequent event procedures
 - Receipt of signed management representation letter
- Expect to issue unqualified opinions on the financial statements upon approval of the Committee

Key events and transactions

- Implementation of Workday (Finance and HR) in January 2021
 - Combination of PeopleSoft and Workday ledgers served as 'books and records' for purpose of FY2021 financial statements and disclosures
- Receipt of additional funds in conjunction with federal COVID-19 assistance programs in fiscal 2021, including CARES institutional grants, CARES emergency grants to students, Coronavirus Relief Funds from the State of Ohio, as well as FEMA Public Assistance Funds and Provider Relief Funds.
 - Revenue recognition/accounting for funds and related financial statement disclosures reviewed and deemed appropriate
 - Aspects of CARES Act funding to be subjected to Uniform Guidance compliance testing in coming months.
- Adoption of GASB 84, *Fiduciary Activities*, GASB 89, *Accounting for Interest Cost Before the End of a Construction Period*, and GASB 90, *Majority Equity Interest*
 - No material impact
- No significant unusual transactions outside the normal course of business

Significant changes to audit plan

- Updated materiality thresholds
- No significant changes to the audit plan

Audit findings

- One out of period adjustment reflected in the current year results related to the fair value of alternative investments reflected one quarter in arrears (recurring item, due to a management decision to improve operational efficiencies associated with the year-end close process).
 - Deemed immaterial
- One unadjusted misstatement identified by management in the current year impacting the prior year statement of net position – specifically a gross up in other noncurrent assets and other noncurrent liabilities to appropriately reflect the nature of the certain supplemental retirement plans.
 - Appropriately reflected in the FY2021 statement of net position; impact on the prior year comparative deemed immaterial.
- No significant audit findings or exceptions in areas deemed to be significant risks for purposes of our audit
- Control deficiencies identified in conjunction with the audit will be communicated to management in writing.

Other required communications

- No significant changes in management's process to determine sensitive estimates subject to management judgment
- No new or changes in significant accounting policies and practices
- No matters to report with respect to our independence
- No matters to communicate with respect to illegal acts, fraud or non-compliance with laws and regulations
- No uncertainties with regard to University's ability to continue as a 'going concern'
- No disagreements with management or difficulties encountered during the audit

Delivering
exceptional
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Through our
unique
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Rooted in our core values



Make a difference



Work together



Reimagine the possible



Care



Act with integrity



Date: October 25, 2021
To: The Ohio State University Audit, Compliance and Finance Committee
From: Christa Dewire, Audit Partner
Subject: External Audit – FY21 Audit Results

Purpose

To report to the Committee on the status and results of the external audit of the University’s financial statements as of and for the fiscal year ended June 30, 2021, as well as share certain Committee-level communications required by professional auditing standards.

Committee Action

No action needed.

Executive Summary

- We will have substantively completed our audit procedures by November 19, 2021 and expect to issue unqualified opinions on the financial statements of the University.
- Materiality thresholds were updated. There were no significant changes to our planned audit strategy or significant risks; nor were there significant findings in procedures performed over significant risk areas. There were no significant unusual transactions identified during our audit.
- There were no significant changes in the estimation methodology used by management in relation to its valuation of particularly sensitive estimates.
- Key events/transactions and other areas of focus in the current year included:
 - Implementation of Workday (Finance and HR) in January 2021
 - Receipt of additional funds in conjunction with federal COVID-19 assistance programs
- There was one out of period adjustment reflected in the current year results related to the fair value of alternative investments reflected one quarter in arrears. This is a recurring item, due to a management decision to improve operational efficiencies associated with the year-end close process and was deemed immaterial.
- There was one unadjusted misstatement identified by management in the current year impacting the prior year statement of net position – specifically a gross up in other noncurrent assets and other noncurrent liabilities to appropriately reflect the nature of the certain supplemental retirement plans. This item was appropriately reflected in the FY2021 statement of net position and the impact on the prior year comparative was deemed immaterial.
- Other matters we are required to bring to the Committee’s attention are included within our materials.

Tomorrow's audit, today

Report to the Audit, Finance & Investment Committee

FY21 audit results

The Ohio State University
November 18, 2021



CONFIDENTIAL

Tomorrow's audit, today: your results

October 25, 2021

Dear Members of the Audit, Finance & Investment Committee of The Ohio State University:

We are pleased to submit our Report to the Audit, Finance & Investment Committee related to the results of our FY2021 audit of The Ohio State University's (the "University") financial statements. Our report includes an update on the status of our audit, a summary of the results of our audit work and other required communications. We've also taken the opportunity to highlight how our technology and people-driven approach is delivering enhanced quality and other key benefits like greater customization, time-savings and insights from the audit.

This report has been prepared in advance of our meeting and prior to the completion of our procedures. Other matters of interest to the Audit, Finance & Investment Committee may arise, which we will bring to your attention at our meeting.

Consistent with the Auditor of State's external audit firm rotation requirements, the fiscal 2021 year-end audit cycle will be our last. Having served 11 years in the role as your external audit firm, we wanted to share our sincere appreciation for the University's cooperation and responsiveness throughout. We value both the role we played in ensuring a high-quality deliverable, as well as the opportunity to build many meaningful relationships with University management as well as Committee members past and present.

We look forward to presenting this report, addressing your questions and discussing any other matters of interest. Please feel free to contact me at christa.l.dewire@pwc.com with any questions you may have.

Very truly yours,



Christa L Dewire
Engagement Partner

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**Through our
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Make a difference



Work together



Reimagine the possible



Care



Act with integrity



What's inside

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Audit results

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Appendices

Appendix I – Draft audit reports	
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Appendix II – Draft management representation letter	
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Appendix III – Status of other audit deliverables	
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This report and the information that it contains is intended solely for the information and use of the Audit, Finance & Investment Committee or management, if appropriate, and should not be used by anyone other than these specified parties.



Auditing smarter (not just auditing)

Tomorrow's audit, today

The optimal blend of people and technology, along with the application of well-reasoned professional judgement, allows us to deliver an audit that's tailored to your business. With our powerful integrated suite of technology tools, your digitally savvy team enhances the quality of your audit and makes it more consistent and less burdensome for your people.

People-powered

Audit and digital IQ combined to deliver exceptional service

Efficient

Less data preparation, less disruption, saves you time

Customized

Automations incorporating judgment tailored specifically to your audit

Precise

Enhanced quality, relevant audit plans, focused testing

Transparent

A real-time view across the organization like never before

Insightful

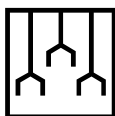
Relevant insights into your business as a result of the audit

Highlights



Status of the audit

- Substantially completed our audit of the University's financial statements pending the following:
 - Completion of subsequent event procedures
 - Receipt of signed management representation letter (Appendix II)
- Expect to issue unqualified opinions on the financial statements upon approval of the Committee
 - Draft audit reports in Appendix I
- Status of other audit/attest deliverables in Appendix III



Significant changes to audit plan

- Updated materiality thresholds
- No significant changes to the audit plan previously communicated to the Committee



Audit findings

- One out of period adjustment reflected in the current year results related to the fair value of alternative investments reflected one quarter in arrears.
 - Recurring item, due to a management decision to improve operational efficiencies associated with the year-end close process
 - Deemed immaterial
- One unadjusted misstatement identified by management in the current year impacting the prior year statement of net position – specifically a gross up in other noncurrent assets and other noncurrent liabilities to appropriately reflect the nature of the certain supplemental retirement plans.
 - Appropriately reflected in the FY2021 statement of net position.
 - Impact on the prior year comparative was deemed immaterial.
- No significant audit findings or exceptions in areas deemed to be significant risks for purposes of our audit
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Highlights



Key events and transactions

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 - Combination of PeopleSoft and Workday ledgers served as 'books and records' for purpose of FY2021 financial statements and disclosures
- Receipt of additional funds in conjunction with federal COVID-19 assistance programs in fiscal 2021, including CARES institutional grants, CARES emergency grants to students, Coronavirus Relief Funds from the State of Ohio, as well as FEMA Public Assistance Funds and Provider Relief Funds.
 - Revenue recognition/accounting for funds and related financial statement disclosures reviewed and deemed appropriate
 - Aspects of CARES Act funding to be subjected to Uniform Guidance compliance testing in coming months.
- Adoption of GASB 84, *Fiduciary Activities*, and GASB 89, *Accounting for Interest Cost Before the End of a Construction Period*, and GASB 90, *Majority Equity Interests*
 - No material impact
- No significant unusual transactions outside the normal course of business



Other required communications

- No significant changes in management's process to determine sensitive estimates subject to management judgment
- No new or changes in significant accounting policies and practices and none noted in controversial or emerging areas or areas for which there is a lack of authoritative guidance or consensus or diversity in practice
- No matters to report with respect to our independence
- No matters to communicate with respect to illegal acts, fraud or non-compliance with laws and regulations
- No uncertainties with regard to University's ability to continue as a 'going concern'
- No disagreements with management or difficulties encountered during the audit

Auditing in a virtual environment – delivered

Our experience early in the pandemic, combined with investments in our people and technology, provided us — and our clients — with confidence in our capabilities to complete end-to-end audit activities while working remotely throughout the pandemic. With your team’s commitment to the process and a focused phasing of audit effort, we have been able to serve you and stay on track to deliver a quality audit, while working remotely. The below outlines some of our responses to impacts of the pandemic and related economic environment.

Impacts to our fraud and other risk assessment

- Maintaining professional skepticism while working remotely and updating our fraud risk assessment for risks identified resulting from the virtual work environment

Responsiveness to impacts

- Consideration of potential impacts on impairment assessments & realizability assessments of assets

Innovation in obtaining audit evidence

- Confirmations approach
- Use of new technology such as the implementation of Extract
- Stronger reliance on observation procedures in testing of internal controls
- Virtual client meetings, including for the performance of walkthroughs

Team-wide coordination

- Virtual supervision and review of component teams
- Use of technology to conduct audit procedures
- Utilizing project management tools and our connectivity to monitor statutory audits and compliance with deadlines

Your commitment to the process -

Engaging with management has been even more important while working remotely throughout the pandemic. Client coordination included engagement with multiple constituencies and included the following:

- Coordinated project management and direct and purposeful discussions between PwC and management through regular audit status updates
- Issues management processes for escalation timing and protocols
- Active involvement of finance, IT, internal audit, control owners and executive management

Your team’s engagement in the audit support process has been a key contributor to completing a quality audit on schedule while maintaining and enhancing client relationships and managing collective efforts and fees throughout the pandemic.



Audit results

Status of our audit (as of October 25th)

Significant changes to the audit plan

We presented our planned audit approach, including our preliminary risk assessment, and related scoping considerations to the Audit, Finance & Investment Committee on May 20, 2021.

Throughout the audit we continuously evaluate the appropriateness of our audit strategy.

Current year materiality thresholds were updated based on quantitative and qualitative considerations, resulting in the following:

FY 20	Primary Institution	Discretely Presented Component Units
Overall Materiality	\$226 M	\$12.5M
De Minimis Materiality	\$22.7M	\$1.25M

There were no significant changes to the planned audit approach.

Remaining items to complete

We are substantially complete with our audit of the University financial statements, pending final approval of the financial statements and completion of the following:

- Subsequent events procedures; and
- Receipt of management's signed representation letters

Our Uniform Guidance testing is in progress, however the direct cost testing performed for purposes of the compliance report and leveraged for purposes of our University financial statement audit is complete.

Audit report

We expect to issue our unqualified report on the financial statements of the primary institution and of the aggregate discretely presented component units, which collectively comprise the University on or around November 19th. Drafts of our audit reports are included in Appendix I.

The status of all other PwC deliverables is included in Appendix III.

To the extent there are significant updates to these communications subsequent to submission to the Committee, but prior to our report release date, we will update the Committee verbally during the November meeting.

Audit risks and results

Significant Risk – **Management Override of Controls**

No audit findings or exceptions noted.

Reimagining the possible on your audit:

- Halo for Journal Entries

Significant accounting policies and practices – initial adoption or change

The University's significant accounting policies are detailed in section "Significant Accounting Policies" in the financial statements.

There were

- No significant changes in accounting policies and practices or their application in the current period.
- No accounting policies related to controversial or emerging areas or areas for which there was a lack of authoritative guidance or consensus or diversity in practice that affect the financial statements or disclosures of significant accounting policies.
- No significant or unusual transactions in the current year.

The adoption of GASB No. 84, *Fiduciary Activities*, GASB No. 89, *Accounting for Interest Cost Before the End of a Construction Period* and GASB No. 90, *Majority Equity Interests* had no material impact on the University's financial statements.

Audit risks and results

Particularly sensitive accounting estimates – Patient Accounts Receivable and Related Allowances and Net Patient Service Revenue

Description of estimate

Reported patient revenues represent 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.

Significant inputs / assumptions

Models utilize historical results to arrive at best estimates of future collections, giving consideration to changes to existing agreements, recent trends, and the aging and composition of unpaid receivables.

Management's process for developing estimates

Management utilizes models to determine the necessary contractual allowance and bad debt reserves. Management's estimates for contractual and bad debts allowances are based on historical cash collections and adjustments compared to revenue over a rolling twelve-month period disaggregated by major payor class (Health System) and historical cash collections and adjustments over a twelve-month period compared to prior period Patient Accounts Receivable, adjusted for significantly aged receivables, disaggregated by physician practice (OSUP). Management also performs a look-back analysis of contractual and bad debt allowances established at the end of the prior fiscal year.

Audit response

We performed walkthrough procedures to update our understanding of management's reserve methodology; reviewed of any topside entries or differences in booked amounts to modeled results; and risk assessment analytical procedures. In addition, we obtained and reviewed management's hindsight analysis on prior year net A/R, which was compared to payments received through FY2021. We also compared the cash collections received in the three months (Health System) or two-and-a-half months (OSUP) subsequent to June 30, 2021 to the net A/R balance at this date to obtain further substantive evidence over the adequacy of the current year reserves.

FY21 impact

Health System:

- \$421.9M of net patient accounts receivable (net of \$470M of contractual allowances and \$87M of bad debt)
- \$3,463M net patient service revenue less provision for bad debts

OSU Physicians:

- \$50.8M net patient care receivables (net of \$84.5M of contractual allowances and \$8.7M of bad debt)
- \$426.2M net patient service revenue less provision for bad debts

Reimagining the possible on your audit:

- Use of automations to aggregate significant amounts of patient revenue and A/R data to provide for a more efficient testing approach.

Audit risks and results

Other Areas of Focus – Valuation of Alternative Investments

Description of estimate

Fair values for alternative investments which include real assets, hedge funds and private equity are generally measured using the net asset value (“NAV”) provided by the associated external investment manager/general partners and reviewed by the university using the most recent audited and unaudited financial statements available.

FY21 impact

\$786.5M Real Assets
\$565.6M Hedge Funds
\$2,283.7M Private Equity

Total Alternative Investments \$3,635.8M

Reimagining the possible on your audit:

- Use of firm Center of Excellence (CoEs) to drive efficiency and consistency in executing audit procedures related to the valuation of debt and equity securities.

Significant inputs / assumptions

Inputs into the valuation include reported Net Asset Values (“NAV”) per the capital statements, as well as audited financial statements.

Management’s process for developing estimates

In order to facilitate a timely year-end close, management historically has utilized March 31st reported NAVs – adjusted for cash flows and distributions between March 31st and June 30th -- to initially estimate the fair value of alternative investments as of June 30th. Management then tracks changes in NAV as reported by the various fund managers as of June 30, and if the difference between estimated fair value and reported fair value is material in aggregate, an adjustment would be recorded. During FY21, this change in fair value was deemed to be material and has therefore been reflected in the year-end financial statements.

As most alternative investments have different fiscal year-ends than the University’s June 30 fiscal year-end, Management evaluates the June 30 NAV values based on June 30 capital statements received from the investee entities and their managers. As audited financial statements of the investee companies are not available at June 30, management performs additional analysis to gain comfort over the reported values, including comparing December 31 capital statements to the subsequently issued investee December 31 audited financial statements. In addition, management has certain monitoring controls and due diligence processes in place with respect to the relevant fund managers. Service organization reports are obtained for third parties responsible for custody services and tracking of investment activities.

Audit response

We performed walkthrough procedures to update our understanding of management’s valuation process and performed tests of relevant key controls. We confirmed specific information directly with the fund managers as of June 30th, including the University’s period end capital balance, percentage ownership, unfunded commitments, fund NAV and related accounting framework utilized to determine NAV, as well as year-to-date fund activity (capital calls and disbursements).

Audit risks and results

Other areas of focus

Pension and other post-employment benefit (OPEB) liabilities

GASB Statement No. 68 (“GASB 68”) and GASB Statement No. 75 (“GASB 75”) require employers (such as the University) that participate in cost-sharing, multi-employer plans to recognize their proportionate share of net pension and net other post-employment benefit (OPEB) liabilities of the plan.

The University participates in two such plans, the State Teachers Retirement System of Ohio (STRS) and the Ohio Public Employees Retirement System (OPERS). A proportionate share of the net pension and OPEB liabilities is allocated to the University, based on retirement plan contributions for University employees. The University’s proportionate share of these liabilities are as follows:

(in 000’s)	Net Pension Liability/(Asset)			OPEB Liability/(Asset)		
	STRS	OPERS	Total	STRS	OPERS	Total
All State employers*	\$24,196	\$14,501		(\$1,757)	(\$1,782)	
University’s share	4.9%	10.4%		4.9%	10.7%	
University’s allocation	\$1,176	\$1,503	\$2,679	(\$85)	(\$190)	(\$275)

Although changes in 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. Total pension and OPEB expense, including employer contributions, was negative \$770M for the year ended June 30, 2021.

Management is not responsible for the determination of the above liabilities, nor is University management responsible for assessing the reasonableness of the assumptions utilized in this determination. Management’s recognition of the liability is based on allocation schedules and reports provided by the State Plans, which are subject to audit by the State Plans’ independent audit firm.

As the University (or ‘employer’s’) auditor, it is our responsibility to audit the employer’s financial statements and, therefore, we are responsible for determining the sufficiency and appropriateness of audit evidence necessary to reduce audit risk to an appropriately low level. Our audit procedures with respect to these liabilities focused on assessing the competency and objectivity of the plan auditor; agreeing management’s schedules to the retirement systems’ allocation schedules; recalculating the allocation percentage; recalculating the net pension liability/expense and reviewing management’s disclosures.

*Note that the state plan measurement dates differ from the University’s fiscal year-end. The measurement date for STRS-Ohio is June 30, 2020. The measurement date for OPERS is December 31, 2020.

Audit risks and results

Other areas of focus

CARES Act Funding

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the American Rescue Plan Act (ARPA) provide budgetary relief to higher education institutions through numerous provisions. These acts and other federal COVID-19 assistance programs provide support to individuals, companies and non-profit institutions in the form of loans, grants, tax changes and other types of relief. CARES Act Provider Relief Funds were distributed for lost revenues and healthcare related expenses due to operational changes to prepare for treating patients with COVID-19.

For the year ended June 30, 2021, the university recognized revenues totaling \$144 million for federal COVID-19 assistance programs, including \$59 million of CARES institutional grants, \$25 million of CARES emergency grants to students, \$43 million of Coronavirus Relief Funds from the State of Ohio, and \$16 million in FEMA Public Assistance funds, which were provided to the Health System for costs associated with emergency protective measures in response to COVID-19.

Revenue associated with these programs are recognized as non-operating revenues in the Statement of Revenues, Expenses and Changes in Net Position as eligibility requirements are met.

The CARES Act also expands the Medicare Accelerated and Advance Payment Program. These advance payments are intended to provide necessary funds for the disruption in claims processing and may also be offered in circumstances such as national emergencies or natural disasters to accelerate cash flow to impacted healthcare providers and suppliers. Amounts provided under the Medicare Accelerated and Advance Payment Program are considered short-term loans and are reported as current liabilities in the Statement of Net Position. Advance payments totaling \$275 million were provided to the Health System in 2020. In 2021, the Health System began to repay the advance through retractions (reductions) in Medicare payments. Current liabilities for advance payments provided to the Health System totaled \$255 million at June 30, 2021.

Audit response

We performed tests of details in relation to material aspects of CARES Act Funding during fiscal 2021 which included consideration of revenue recognition criteria.

Certain of the CARES funds are subject to OMB Uniform Guidance audit compliance testing which will be performed in the coming months conjunction with our Uniform Guidance report.

Audit risks and results

Other areas of focus

Implementation of Workday (Finance and HR)

The University implemented Workday (both the Finance and HR modules) in January 2021, which means Workday served as the 'books and records' for the University for purposes of the audited financial statements as of and for the year ended June 30, 2021.

However, PeopleSoft remained relevant for purposes of general ledger transaction level detail for the six months pre-implementation, as well as for purposes of the Student module which has not yet converted to Workday.

Audit response

Consistent with prior years, we updated our understanding of IT General Controls relevant to PeopleSoft and obtained evidence of the implementation and operation of such controls.

In the current year, we also engaged PwC Workday specialists to assist our team in performing testing to gain comfort over the completeness and accuracy of the conversion of general ledger data, as well as obtain an understanding of and gain comfort over the design and operation of IT General Controls relevant to Workday.

In addition, we updated our understanding of the impacted business processes by performing walk-throughs in areas such as payroll, financial reporting, purchasing and payables. Journal entry and transaction detail sourced from both PeopleSoft and Workday were subject to audit testing, as were any key reports generated from Workday which served as a source for data relevant to the year-end financial statements and footnotes.

Tomorrow's audit, today. Delivered.

Five powerful platforms. Scaled. Explore how we've delivered enhanced—quality, insights, value to your audit

Acceleration Centers

We continue to increase utilization of our Acceleration Center, delivering even more people + tech pairings to serve all of your audits, so your local team can focus on judgment and matters that are unique to your business.

Halo

To assess your risks, our Halo tools enabled us to spot anomalies or new trends in journal entry data. We then brought them to life through data visualization tools so we can see beyond numbers on a page. Together, these tools enabled us to target test and unlock new value and analysis related to critical audit areas.

Aura

Across all of your audits, we use PwC's Aura auditing platform. This single source enables us to develop a more targeted audit plan that captures risk levels, controls reliance and substantive testing.

Connect

We use the Connect platform to track audit progress in real-time and enhance project management. Reporting out of connect is utilized during our status meetings with management.

Innovation

Firm Software Audit Tools - technology solutions used by our engagement team to examine, sort, filter, and analyze transactions and financial data used as audit evidence and which generate results that supplement our auditor judgment.



Other required communications

Other required communications

Matter to report	No	Yes	Comments
Independence re-evaluation	✓		There were no independence matters that occurred or were identified subsequent to May 20, 2021, the date of our most recent independence communication to the Audit Committee.
Material uncertainties related to events and conditions (specifically going concern)	✓		There were no conditions and events that we identified that indicate that there is substantial doubt about the University's ability to continue as a going concern.
Other information in documents containing audited/reviewed financial statements	✓		We did not identify any information that was materially inconsistent with the information in the financial statements.
Disagreements with management	✓		There were no disagreements with management
Consultation with other accountants	✓		We are not aware of any consultations management has had with other accountants about significant accounting or auditing matters.
Difficulties encountered during the audit	✓		There were no significant difficulties encountered during the audit. There were no limitations on the system-wide audit including where our access to information at a component was restricted.
Other material written communications		✓	In accordance with our engagement letter, we provide the Committee with copies of all material written communications between us and the University. See Appendix II for draft management representation letter. Final signed copy of the letter will be shared with the Committee Chair.
Fraud	✓		We did not identify any potential or known fraud involving management, employees who have a significant role in the internal control structure or which could be material to the financial statements.
Illegal acts	✓		We did not identify any potential or known illegal acts.

Other required communications

Matter to report	No	Yes	Comments
<p style="text-align: center;">Identified Misstatements</p>		✓	<p>Identified misstatements include those that are uncorrected misstatements related to accounts and disclosures that the auditor presented to management and corrected misstatements, other than those that are clearly trivial, related to accounts and disclosures that might not have been detected except through the auditing procedures performed.</p> <p>There were no corrected misstatements, other than those that are clearly trivial, identified by PwC as a result of auditing procedures performed.</p> <p>The following uncorrected misstatements in excess of the established de minimis thresholds were identified by management related to the Primary Institution:</p> <ul style="list-style-type: none"> • Understatement of other noncurrent assets and other noncurrent liabilities by \$138 million, as reflect in the statement net position as of June 30, 2020. This relates to an adjustment needed to appropriately reflect the assets and offsetting liability associated with certain supplemental retirement plans. • An out of period adjustment recorded in the current year financials related to the fair value of alternative investments reflected one quarter in arrears (a \$88.5 million understatement in unrealized gains in the prior year, resulting in an overstatement of unrealized gains reflected in the current year) <p>Management determined the impact of the above to be both quantitatively and qualitatively immaterial to both the current and prior year financial statements. We agree with management’s conclusions. See Appendix II for additional detail.</p>
<p style="text-align: center;">Control Deficiencies</p>	✓		<p>We did not identify any material weaknesses as a result of our audit procedures at the University level.</p> <p>Control deficiencies will be communicated to management in writing.</p>

Other required communications

Matter to report	No	Yes	Comments
Non-compliance with laws and regulations	✓		We did not identify any instances of non-compliance with laws and regulations
Significant unusual transactions	✓		We did not identify any significant or unusual transactions.
Alternative accounting treatments	✓		We did not identify any alternative treatments permissible under US GAAP for accounting policies and practices related to material items, including recognition, measurement, and presentation and disclosure.
Other matters	✓		There were no other matters arising from the audit that are significant to the oversight of the University's financial reporting process.
Departure from Standard Report	✓		We anticipate issuing unqualified reports in relation to the University's financial statements. See Appendix I for drafts of these reports.
Quality of the company's financial reporting	✓		<p>We have performed an evaluation of whether the presentation of the financial statements and the related disclosures are in conformity with the applicable financial reporting framework, including our consideration of the form, arrangement, and content of the financial statements (including the accompanying notes). We did not identify any instances of nonconformity.</p> <p>We have evaluated management's anticipated application of accounting pronouncements that have been issued but are not yet effective and might have a significant effect on future financial reporting. We do not have any concerns as a result of our evaluation.</p> <p>We have evaluated the potential effect on the financial statements of significant exposures and risks, and uncertainties, such as pending litigation, that are disclosed in the financial statements. We did not identify any matters with a material potential effect not already included within the notes to the financial statements.</p> <p>We have evaluated whether the difference between estimates best supported by the audit evidence and estimates included in the financial statements, which are individually reasonable, indicate a possible bias on the part of the company's management. We did not identify any areas of possible bias.</p>



For more information
Appendix



Appendix contents

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Audit report drafts



Report of Independent Auditors

To the Board of Trustees of
The Ohio State University

Report on the Financial Statements

We have audited the accompanying financial statements of the primary institution and of the aggregate discretely presented component units of The Ohio State University (the "University"), a component unit of the State of Ohio, which comprise the statements of net position as of and for the years ended June 30, 2021 and 2020, and the related statements of revenues, expenses and changes in net position and of cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

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 Ohio State University as of June 30, 2021 and 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the accompanying management's discussion and analysis on pages 3 through 22, the Required Supplementary Information on GASB 68 Pension Liabilities on page 97, the Required Supplementary Information on GASB 75 Net OPEB Liabilities on page 98, and the Notes to Required Supplementary Information on page 99 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in 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 100 through 101 is presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November XX, 2021 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, 2021. 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 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.

November XX, 2021



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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the primary institution and of the aggregate discretely presented component units of The Ohio State University (the “University”), a component unit of the State of Ohio, which comprise the statements of net position as of June 30, 2021, and the related statements of revenues, expenses, and 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 XX, 2021.

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”) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University’s internal control. Accordingly, we do not express an opinion on the effectiveness of the University’s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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.

November XX, 2021

DRAFT



Management representation letter draft

November 19, 2021

PricewaterhouseCoopers LLP
41 South High Street
Suite 2500
Columbus, OH 43215

I am providing this letter in connection with your audits of the financial statements of The Ohio State University (the "University") for the purpose of expressing opinions as to whether such financial statements present fairly, in all material respects, the respective financial position as of June 30, 2021 and June 30, 2020 of the primary institution and the aggregate discretely presented component units of the University, and the respective changes in net position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. I have reviewed the signed representation letter of our chief financial officer and I am not aware of information that would make the representations included therein inaccurate or incomplete.

Kristina Johnson
President
The Ohio State University

November 19, 2021

PricewaterhouseCoopers LLP
41 South High Street
Suite 2500
Columbus, OH 43215

We are providing this letter in connection with your audits of the financial statements of The Ohio State University (the "University") as of June 30, 2021 and June 30, 2020 and for the years then ended for the purpose of expressing opinions as to whether such financial statements present fairly, in all material respects, the financial position, respective changes in net position and cash flows of the primary institution and aggregate discretely presented component units of the University in conformity with accounting principles generally accepted in the United States of America.

We acknowledge and confirm that we have fulfilled our responsibility, as set out in our engagement letter of June 30, 2021, for the preparation and fair presentation in the financial statements of financial position, respective changes in net position and of cash flows in conformity with generally accepted accounting principles, including the appropriate selection and application of accounting policies.

Certain representations in this letter are described as being limited to those matters that are material. Materiality is entity specific. The omission or misstatement of an item in a financial report is material, regardless of size, if in light of surrounding circumstances, the magnitude of the item is such that it is probable that the judgement of a reasonable person relying upon the report would have been changed or influenced by the inclusion or correction of the item. Materiality used for purposes of these representations is \$100,000,000 for the primary institution and \$5,000,000 for the aggregate discretely presented component units.

We confirm, to the best of our knowledge and belief, as of November 19, 2021, the date of your reports, the following representations made to you during your audits:

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America (GAAP), and include all disclosures necessary for such fair presentation and disclosures otherwise required to be included therein by the laws and regulations to which the University is subject. We have prepared the University's financial statements on the basis that the University is able to continue as a going concern. There are no conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern within one year after the date the financial statements are available to be issued.
2. We have made available to you:
 - a. All financial records and related data.
 - b. Unconditional access to persons within the entity from whom you have requested audit evidence.
 - c. All minutes of the meetings of the Board of Trustees, the Audit, Finance & Investment Committee and other Committees of the Board and summaries of actions of recent meetings for which minutes have not yet been prepared. The most recent meetings held were:
 - (1) Board of Trustees – November 18, 2021
 - (2) Audit, Finance & Investment Committee – November 18, 2021

- (3) Academic Affairs and Student Life Committee – November 17, 2021
 - (4) Talent, Compensation and Governance Committee – November 17, 2021
 - (5) Master Planning and Facilities Committee – November 18, 2021
- d. All changes to the Company's organizational structure that have resulted in new affiliates, as defined in the AICPA Code of Professional Conduct 0.400.02, during the period ended June 30, 2021 or are expected to result in new affiliates, as a result of mergers, acquisitions, investments or establishment of new entities prior to the date for which independence was required with respect to the affiliate (e.g., in coordination with the letter of intent or the commitment date of the transaction). The independence rules encompass not only the Company, but also its affiliates, as defined in the AICPA Code of Professional Conduct 0.400.02.
3. We have appropriately reconciled our books and records (e.g., general ledger accounts) underlying the financial statements to their related supporting information (e.g., sub ledger or third-party data). All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the financial statements, as necessary. There were no material unreconciled differences or material general ledger suspense account items that should have been adjusted or reclassified to another account balance. There were no material general ledger suspense account items written off to a balance sheet account, which should have been written off to an income statement account and vice versa. All consolidating entries have been properly recorded. All intra-entity accounts have been eliminated or appropriately measured and considered for disclosure in the financial statements.
 4. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
 5. There are no material transactions, agreements or accounts that have not been properly recorded in the accounting records underlying the financial statements.
 6. The effects of the uncorrected financial statement misstatements and out-of-period adjustments summarized in the accompanying schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
 7. We acknowledge and confirm that we have fulfilled our responsibility, as set out in our engagement letter of June 30, 2021, for 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 and we have disclosed to you all deficiencies in the design or operation of internal control over financial reporting of which we are aware. We have also disclosed to you which of these deficiencies we believe are significant deficiencies or material weaknesses in internal control over financial reporting.
 8. We acknowledge our responsibility for the design and implementation of programs and controls to provide reasonable assurance that fraud is prevented and detected.
 9. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud and we have no knowledge of any fraud or suspected fraud affecting the University involving:
 - a. Management,
 - b. Employees who have significant roles in internal control over financial reporting, or
 - c. Others where the fraud could have a material effect on the financial statements.

10. We have no knowledge of any allegations of fraud or suspected fraud affecting the University received in communications from employees, former employees, analysts, regulators, or others.

(As to items 8, 9 and 10, we understand the term "fraud" to mean those matters described in AICPA AU-C 240.)

11. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
12. We have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
13. We have identified and disclosed to you violations (and possible violations) of laws, regulations, and provisions of contracts and grant agreements whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or for auditor reporting on non-compliance.
14. We have taken timely and appropriate steps to remedy fraud, illegal acts, and violations of provisions of contracts or grant agreements, or abuse that you report.
15. The University has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
16. We have disclosed to you the identity of all the University's related parties and all the related party relationships and transactions of which we are aware.
17. There are no side agreements or other arrangements (either written or oral) that have not been disclosed to you.
18. The following, if material, have been properly recorded or disclosed in the financial statements:
 - a. Relationships and transactions with related parties, as described in Accounting Standards Codification (ASC) 850, *Related Party Disclosures*, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the University is contingently liable.
 - c. Significant estimates and material concentrations known to management that are required to be disclosed in accordance with ASC 275, *Risks and Uncertainties*. (Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.)
19. The University has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as disclosed in the financial statements.
20. The University has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
21. Receivables recorded in the financial statements represent bona fide claims against debtors for services or other charges arising on or before the balance sheet dates and are not subject to discount except for normal cash discounts. Receivables classified as current do not include any material

amounts which are collectible after one year. All receivables have been appropriately reduced to their estimated net realizable value.

22. Inventory quantities at the balance sheet dates were determined from physical counts or from perpetual inventory records, which have been adjusted on the basis of physical inventories taken by competent employees at various times during the year and due provision was made to reduce all slow-moving, obsolete, or unusable inventories to their estimated useful or scrap values.
23. All liabilities of the University of which we are aware are included in the financial statements at the balance sheet dates. There are no other liabilities or gain or loss contingencies that are required to be recognized or disclosed by ASC 450, *Contingencies*, and no unasserted claims or assessments that our legal counsel has advised us are probable of assertion and required to be disclosed in accordance with that Topic.
24. We are responsible for all significant estimates and judgments affecting the financial statements. The methods, underlying data, and significant assumptions used in developing accounting estimates and the related disclosures are reasonable and appropriate to achieve recognition, measurement, or disclosure in the financial statements in accordance with accounting principles generally accepted in the United States of America. The methods used in developing accounting estimates have been consistently applied in the periods presented and the data used in developing accounting estimates is accurate and complete. Accounting estimates and judgments appropriately reflect management's intent and ability to carry out specific courses of action, where relevant. There have been no subsequent events that would require the adjustment of any significant estimates and related disclosures.
25. All borrowings and financial obligations of the University and its components have been disclosed to you and are properly recorded and disclosed in the financial statements. Further, we appropriately classified debt as current or non-current in the statement of net position in accordance with the appropriate authoritative guidance.
26. Investments in the Long-Term Portfolio are in compliance with the University's asset allocation policy.
27. We are responsible for the fair value of estimates related to temporary investments, the Long-term Investment Pool, other long-term investments, and securities loaned by the University under its securities lending program, including real assets, hedge funds and private equity securities, and determined the models, methods and assumptions used by pricing services and other parties are reasonable. In addition, the measurement of fair value and related fair value levelling hierarchy presented within the notes to the financials is consistent with the requirements of GASB Statement No. 72, *Fair Value Measurement and Application*.
28. Tax-exempt bonds issued have retained their tax-exempt status
29. The University has properly recorded, classified and disclosed net position in accordance with GASB Statement 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. Net position resulting from transactions with externally-imposed purpose restrictions have been recorded, classified and disclosed as restricted net position until the specific resources are used for the required purpose or for as long as the provider requires the resources to remain intact. Restricted net position has been appropriately classified as nonexpendable or expendable.
30. The University has one segment that meets the GASB reporting requirements; in that the 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 condensed financial information for the Special Purpose Revenue Facilities as presented in the

footnotes to the financial statements was prepared on a basis consistent with the University financial statements.

31. We assume responsibility for the findings of specialists. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not aware of any matters that have had an impact on the independence or objectivity of the specialists. We adequately considered qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records related to self-insurance reserves for medical malpractice.
32. We have presented, in either the statement of revenues, expenses, and other changes in net position or the notes to the financial statements, information about expenses (but not losses) reported by their functional classification, such as major classes of program services and supporting activities. Expenses that relate to more than one program or supporting activity, or to a combination of programs and supporting services, have been appropriately allocated among the appropriate functions. Administrative allocations to the functional categories were based on full cost allocations.
33. We acknowledge our responsibility for the presentation of the required supplementary information on GASB 68 pension liabilities and GASB 75 other postemployment benefit liabilities that are mandatory for all cost-sharing employers. We believe such information, including its form and content, is fairly presented in accordance with GASB Statement Nos. 68 and 75, as amended. The methods of measurement or presentation have not changed from those used in the prior period. We have informed you about any significant assumptions or interpretations underlying the measurement or presentation of the information.
34. The University is exempt from taxes as an instrumentality of the State of Ohio under Internal Revenue Code S115 and Internal Revenue Service regulations. Any unrelated business income is taxable.
35. We have notified you of (i) any current or planned offerings of securities on a regulated market in a non-U.S. country or (ii) when we have provided or plan to provide audited financial statements to a non-U.S. regulator or government in connection with our access to its public capital markets, whether or not we include or refer to your report or include reference to your Firm.
36. We have fully evaluated the impacts of COVID-19 on our financial statements including incorporating necessary disclosures in the Notes to the Consolidated Financial Statements attributable to any material risk and/or uncertainties that may now exist, including those pertaining to the University's financial condition.

To the best of our knowledge and belief, no events have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

Michael Papadakis
Senior Vice President for Business and Finance and Chief
Financial Officer

Kristine G. Devine
Vice-President of Financial Operations and Deputy Chief
Financial Officer

Lisa A. Plaga
Controller

Thomas F. Ewing
Director of Financial Reporting

Summary of Uncorrected Misstatements and Out-of-Period Adjustments

Client

The Ohio State University - Primary Institution

Period End

6/30/2021

Period Impacted	AJE#	Type	Description	Debits/ Credits (Dr/Cr)	Financial Statement Line Item (FSLI) Impacted	Statement of Net Position Impact			Statement of Revenues, Expenses and Changes in Net Position
						Assets Increase/(Decrease)	Liabilities (Increase)/Decrease	Net Position (Increase)/Decrease	Increase/(Decrease)
2021 - Annual	1	Out-of-period	Correction of the FY20 understatement of LTIP portfolio and unrealized gains	Dr	Investment income			\$ 88,516	\$ (88,516)
				Cr	Net Position			\$ (88,516)	
						\$ 0	\$ 0	\$ 0	(88,516)

NOTE: No disclosure exceptions were identified by PwC

FY21 - Rollover Method:	SUM Amount	% Impact
Total Revenue	\$ (88,516)	-1.01%
Total Expense	\$ -	0.00%
Total End of Year Net Position	\$ -	0.00%
End of Year Total Assets	\$ -	0.00%

Period Impacted	AJE#	Type	Description	Debits/ Credits (Dr/Cr)	Financial Statement Line Item (FSLI) Impacted	Statement of Net Position Impact			Statement of Revenues, Expenses and Changes in Net Position
						Assets Increase/(Decrease)	Liabilities (Increase)/Decrease	Net Position (Increase)/Decrease	Increase/(Decrease)
2020 - Annual	1	Out-of-period	Correction of the FY19 understatement of LTIP portfolio and unrealized gains	Dr Cr	Investment income Net Position			\$ 55,393 \$ (55,393)	\$ (55,393)
	2	Uncorrected	Understatement of LTIP portfolio and unrealized gains	Cr Dr	Investment income Investments at fair value	\$ 88,516		\$ (88,516)	\$ 88,516
	3	Out-of-period	Correction of Pooled Cash / Debt Mgmt Funds	Cr Dr	Non-operating income/expense Net Position			\$ 25,361 \$ (25,361)	\$ 25,361
	4	Misclassification	415(m) plans that were unrecorded in FY20	Dr Cr	Other non-current assets Other non-current liabilities	\$ 138,429	\$ (138,429)		
						\$ 226,945	\$ (138,429)	\$ (88,516)	\$ 58,484

NOTE: No disclosure exceptions were identified by PwC

FY20 - Rollover Method:	SUM Amount	% Impact
Total Revenue	\$ 33,123	0.49%
Total Expense	\$ 25,361	0.36%
Total End of Year Net Position	\$ (88,516)	-1.63%
End of Year Total Assets	\$ 226,945	1.39%

Status of audit deliverables

University Audit	Components	Deliverables	Status (at Oct 25)
Primary Institution	General University	Financial Statement Audit Opinion (GASB)	
	OSU Wexner Medical Center Health System (OSU Health System)		
Discretely Presented Component Units	OSU Physicians	GAGAS Internal Controls Opinion (including procedures to support compliance with Ohio Revised Code)	Substantially complete, targeted issuance on Nov 19
	Campus Partners for Community Urban Redevelopment and Subsidiaries (Campus Partners)		
	Transportation Research Center Inc.		
	Science and Technology Campus Corporation		
	Dental Faculty Practice Association, Inc.		

Other Deliverables	Reporting Entity	Status (at Oct 25)
Stand-alone Financial Statement Audits	OSU Foundation	Completed, pending Foundation Board Approval
	OSU Health System	Completed
	Transportation Research Center	Completed
	OSU Physicians	Completed
	Athletics Department	Dec 15
	WOSU Public Media	Dec 15
	OSU Global Gateways	Completed
	Campus Partners	Oct 29
Compliance	Uniform Guidance	Dec 15
Review report	Wexner Center for the Arts	Oct 28
	OSU Health Plan	Nov 15
Agreed Upon Procedures	NCAA	Dec 15
Benefit Plan Audit	Transportation Research Center – Benefit Plan	Completed

Glossary (1 of 2)

Significant accounting policies and practices

Accounting principles followed by the entity and the methods of applying those principles that materially affect the determination of financial position, cash flows, or results of operations.

Significant accounting policies and practices

A company's accounting policies and practices that are both most important to the portrayal of the company's financial condition and results, and require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain.

Particularly sensitive accounting estimates

Key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities. Also may be referred to as key sources of estimation uncertainty.

Significant unusual transactions

Significant transactions that are outside the normal course of business for the entity or that otherwise appear to be unusual due to their timing, size, or nature

Identified misstatements

Identified misstatements include those that are uncorrected misstatements related to accounts and disclosures that the auditor presented to management and corrected misstatements, other than those that are clearly trivial, related to accounts and disclosures that might not have been detected except through the auditing procedures performed.

Glossary (2 of 2)

Material weakness

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.

Significant deficiency

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.

Control deficiency

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 deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met.
- A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or qualifications to perform the control effectively

ADVANCEMENT SCORECARD

DATA THROUGH October 31, 2021

FY20

FY21

FY21 TO 10/31

FY22 TO 10/31

CURRENT STATUS

YTD Target

FY22 GOAL

A FISCAL YEAR MEASURES

1. GIFTS AND PLEDGES	\$509.9M	\$576.4M	\$140.5M	\$207.7M		93.0%	\$650M
2. CASH	\$416.8M	\$507.9M	\$108.3M	\$123.7M		90.7%	\$450M
3. TOTAL DONORS	237,338	194,796	97,810	135,857		111.2%	225,000
A. RENEWED DONORS	135,125	112,871	63,149	70,536		116.1%	105,000
B. ACQUIRED AND REACQUIRED DONORS	102,213	81,761	34,661	65,321		109.3%	120,000




B EVENTS

1. CONSTITUENT ATTENDANCE ACROSS EVENTS	49,405	41,840	15,658	5,688		N/A	43,000
2. AVERAGE NET PROMOTER SCORE	76.0	71.6	66.5	78.3		N/A	71.0

COMPARED TO PREVIOUS FY






TARGET BASED ON LAST 3 FY PERFORMANCE

	>= 95%
	90% - 94.9%
	< 90%




The Ohio State University

Inspiring 1,000,000 Donors	Raising \$4,500,000,000
627,235	\$2,861,093,061

Fundraising Progress

Metric	Received to Date	Goal	% of Goal	\$ from Goal	Target	% of Target	\$ from Target	
New Fundraising Activity	\$2,861.09M	\$4,500.00M	64%	(\$1,638.91M)	\$2,668.79M	107%	\$192.30M	
Endowment	\$584.07M	\$875.00M	67%	(\$290.93M)	\$518.93M	113%	\$65.14M	
Capital	\$312.49M	\$718.50M	43%	(\$406.01M)	\$347.98M	90%	(\$35.49M)	

New Fundraising Activity current target of 59% of goal based on required compound annual growth from FY2017 through FY2024
 Endowment current target of 59% of goal based on required compound annual growth from FY2017 through FY2024
 Capital current target of 48% of goal based on scheduled approval of capital projects

% of Target > = 100% 
 % of Target between 95% and 100% 
 % of Target < 95% 

The Ohio State University

Raising \$4,500,000,000

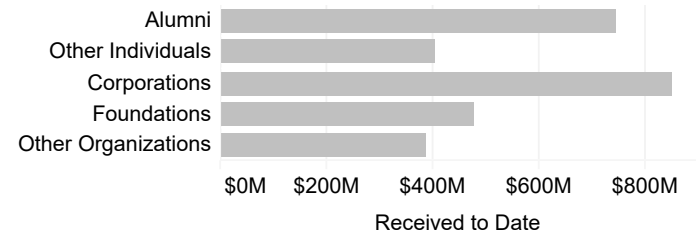
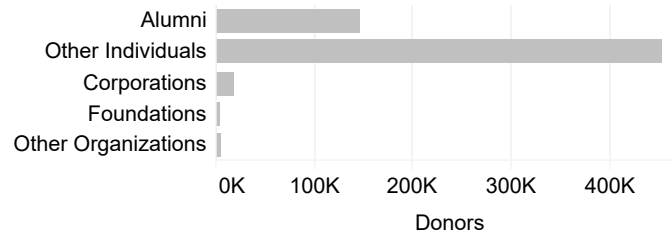
<u>Received to Date</u>	<u>Goal</u>	<u>% of Goal</u>	<u>\$ from Goal</u>	<u>Target</u>	<u>% of Target</u>	<u>\$ from Target</u>
\$2,861.09M	\$4,500.00M	64%	(\$1,638.91M)	\$2,668.79M	107%	\$192.30M



Current Target: 59% of goal

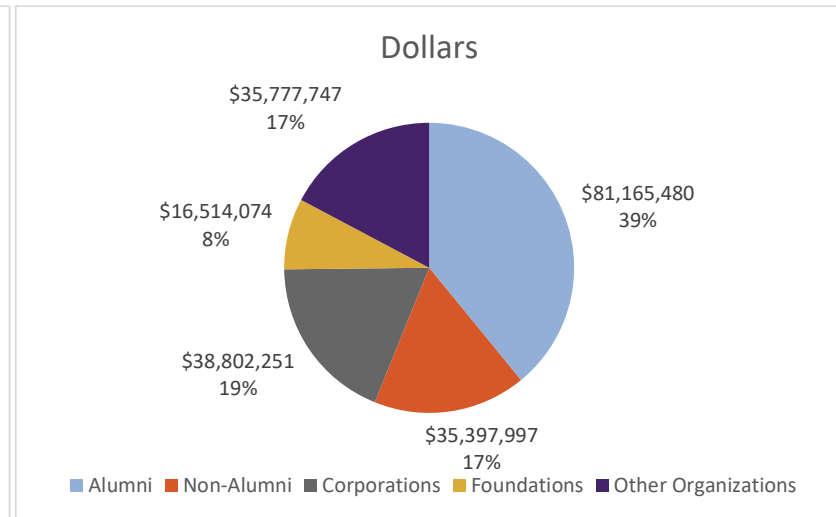
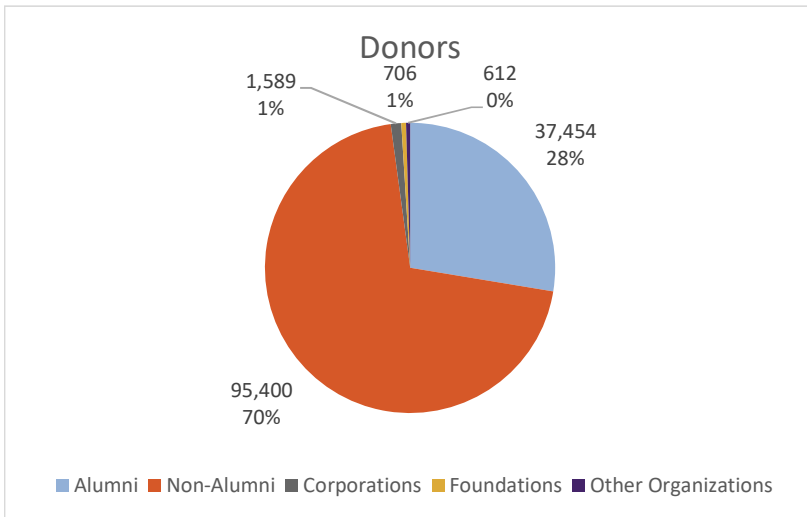
Donor Type Summary

	Donors	%	Received to Date	%
Individuals	Alumni	146,906	\$743,148,320	25.97%
	Other Individuals	453,248	\$402,908,964	14.08%
	Total	600,154	\$1,146,057,285	40.06%
Organizations	Corporations	17,833	\$851,233,473	29.75%
	Foundations	3,920	\$476,525,955	16.66%
	Other Organizations	5,328	\$387,276,348	13.54%
	Total	27,081	\$1,715,035,776	59.94%
Grand Total	627,235	100.00%	\$2,861,093,061	100.00%












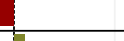







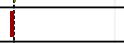



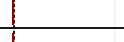

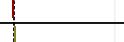

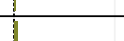



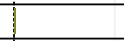

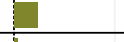

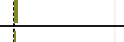

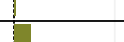

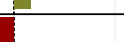



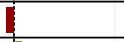

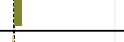

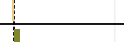

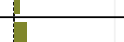

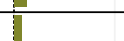
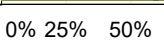
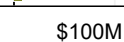
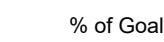





	7/1/2021 - 10/31/2021		7/1/2020 - 10/31/2020		% Change	
	Donors	Dollars	Donors	Dollars	Donors	Dollars
Individuals						
Alumni	37,454	\$81,165,480	30,824	\$32,575,112	22%	149%
Non-Alumni	95,400	\$35,397,997	64,326	\$30,976,352	48%	14%
Individuals	132,854	\$116,563,477	95,150	\$63,551,464	40%	83%
Organizations						
Corporations	1,589	\$38,802,251	1,508	\$31,207,461	5%	24%
Foundations	706	\$16,514,074	616	\$12,178,250	15%	36%
Other Organizations	612	\$35,777,747	543	\$33,592,191	13%	7%
Organizations	2,907	\$91,094,071	2,667	\$76,977,902	9%	18%
Grand Total	135,761	\$207,657,548	97,817	\$140,529,366	39%	48%



New Fundraising Activity

from 10/1/2016 to 10/31/2021

The Ohio State University

Overall		\$4,500.00M	\$2,861.09M	\$2,668.79M		\$192.30M	
Group	Unit Modified	Goal	Received to Date	Target		\$ from Target	
Colleges	Arts and Sciences (College of)	\$400.00M	\$287.78M	\$237.23M		\$50.55M	
	Business (Fisher College of)	\$200.00M	\$100.86M	\$118.61M		(\$17.75M)	
	Education and Human Ecology (College of)	\$60.00M	\$46.64M	\$35.58M		\$11.05M	
	Engineering (College of)	\$450.00M	\$350.44M	\$266.88M		\$83.56M	
	Food, Agricultural and Enviro Sciences (C..)	\$225.00M	\$163.76M	\$133.44M		\$30.32M	
	Law (Michael E. Moritz College of)	\$50.00M	\$32.49M	\$29.65M		\$2.84M	
	Public Affairs (John Glenn College of)	\$20.00M	\$9.46M	\$11.86M		(\$2.40M)	
	Social Work (College of)	\$15.00M	\$17.47M	\$8.90M		\$8.57M	
Regional Campuses	OSU Lima	\$5.50M	\$2.09M	\$3.26M		(\$1.18M)	
	OSU Mansfield	\$6.90M	\$3.29M	\$4.09M		(\$0.81M)	
	OSU Marion	\$7.40M	\$5.07M	\$4.39M		\$0.69M	
	OSU Newark	\$20.20M	\$17.13M	\$11.98M		\$5.15M	
Academic Support Units	Athletics	\$400.00M	\$286.61M	\$237.23M		\$49.38M	
	Libraries	\$45.00M	\$28.34M	\$26.69M		\$1.65M	
	Scholarship and Student Support	\$225.00M	\$157.45M	\$133.44M		\$24.01M	
	Student Life	\$25.00M	\$18.96M	\$14.83M		\$4.14M	
	Wexner Center for the Arts	\$25.00M	\$17.47M	\$14.83M		\$2.64M	
	WOSU Public Media	\$70.00M	\$57.99M	\$41.51M		\$16.48M	
Wexner Medical Center	Medical Center (Wexner)	\$1,475.00M	\$813.74M	\$874.77M		(\$61.03M)	
	Medicine (College of)	\$125.00M	\$82.57M	\$74.13M		\$8.44M	
Health Sciences Colleges	Dentistry (College of)	\$60.00M	\$29.30M	\$35.58M		(\$6.29M)	
	Nursing (College of)	\$40.00M	\$31.78M	\$23.72M		\$8.06M	
	Optometry (College of)	\$15.00M	\$8.49M	\$8.90M		(\$0.40M)	
	Pharmacy (College of)	\$40.00M	\$29.15M	\$23.72M		\$5.43M	
	Public Health (College of)	\$20.00M	\$25.72M	\$11.86M		\$13.85M	
	Veterinary Medicine (College of)	\$175.00M	\$112.55M	\$103.79M		\$8.76M	

0% 25% 50% 75% 100%

% of Goal Achieved

(\$100M) \$100M

\$ from Target

Target Percentage to Date: 59%

SUMMARY OF ACTIONS TAKEN

August 19, 2021 – Audit, Finance & Investment Committee Meeting

Voting Members Present:

John W. Zeiger
Erin P. Hoeflinger
Lewis Von Thaeer

Jeff M.S. Kaplan
Michael Kiggin
Tom B. Mitevski

James D. Klingbeil (*late*)
Kent M. Stahl
Gary R. Heminger (ex officio)

Member Present via Zoom:

Amy Chronis

Members Absent:

Carly G. Sobol

PUBLIC SESSION

The Audit, Finance & Investment Committee of The Ohio State University Board of Trustees convened on Thursday, August 19, 2021, in person in the Longaberger Alumni House on the Columbus campus and virtually over Zoom. Committee Chair John Zeiger called the meeting to order at 10:00 a.m. and welcomed Tom Mitevski and Carly Sobol as new members of the committee, though Ms. Sobol was unable to attend.

Items for Discussion

1. **Annual University Financial Overview:** SVP and CFO Michael Papadakis shared the annual overview of the university's financial health and the university's unaudited FY21 financial results. This overview included financial performance for the year covering revenue, expenses, efficiencies and investment portfolio performance, paying particular attention to the impacts of COVID-19 on operations. He also shared details about how FY21 outperformed FY20, even during difficult circumstances, driven primarily by strong investment performance, continued positive momentum at the Health System, and significant efficiency work at both the University and Health System. Administrative efficiencies enabled us to re-direct funds to our core mission of access, affordability, academic excellence and patient care during an uncertain landscape. Changes in post-retirement health care plans and positive investment returns within the state pension plans significantly reduced university net pension and OPEB liabilities, resulting in a \$1.2 billion reduction in expenses for FY21. And University credit ratings of AA/AA/Aa1 were affirmed in FY21 and are evidence of financial strength.

(See Attachment X for background information, page XX)

2. **University Budget Process and FY22 Operating Budget Overview:** Mr. Papadakis, along with Deputy CFO and VP of Operations Kris Devine, and Wexner Medical Center VP and CFO Mark Larmore, shared the University's FY22 operating budget. Strategic investments for FY22 will include academic excellence, research excellence and student financial aid. Since July 1, 2021, the University had been under an interim operating budget while waiting for the State of Ohio Biennial Budget for FY2022-20212 to pass the Ohio General Assembly.

(See Attachment X for background information, page XX)



3. FY22 Capital Investment Plan and FY22 Ohio State Energy Partners Capital Plan: Mr. Papadakis and Jay Kasey, SVP for Administration & Planning, discussed the FY22 Capital Investment Plan and Ohio State Energy Partners (OSEP) Capital Plan. Interim capital plans were presented in May in conjunction with the university's FY22 interim operating budget. At the August meeting, the final plans were ready for approval. The FY22 OSEP Capital Plan requested approval for 10 projects, including a request for Phase IV of the building energy systems optimization for 40 campus academic, administrative, medical, athletic and student residence buildings (\$44.385M design and construction cost request)
4. Advancement Update: Michael Eicher, SVP for Advancement, shared a progress update on the Time and Change Campaign. New Fundraising Activity (59% of goal, 108% of target) and Endowment (60% of goal, 109% of target) are now coded green. Capital (40% of goal, 93% of target) is still coded red (below target). On the Advancement Scorecard, the Total Donors metric is also coded red.

(See Attachment X for background information, page XX)

EXECUTIVE SESSION

It was moved by Mr. Zeiger, and seconded by Mr. Von Thayer, that the committee recess into executive session to consider business-sensitive trade secrets required to be kept confidential by federal and state statutes, and to consult with legal counsel regarding pending or imminent litigation.

A roll call vote was taken, and the committee voted to go into executive session, with the following members present and voting: Mr. Zeiger, Mr. Von Thayer, Mr. Kaplan, Mr. Kiggin, Mr. Mitevski, Mr. Klingbeil, Mr. Stahl and Mr. Heminger. Mrs. Hoeflinger was not present for this vote and Ms. Chronis could not vote via Zoom. The committee entered executive session at 10:46 a.m. and returned to public session at 12:41 p.m.

PUBLIC SESSION

Items for Action

5. Approval of Minutes: No changes were requested to the May 20, 2021, meeting minutes; therefore, a formal vote was not required, and the minutes were considered approved.
6. Resolution No. 2022-34, Approval of FY22 Operating Budget

Synopsis: Approval of the Operating Budget for the Fiscal Year ending June 30, 2022, is proposed.

WHEREAS the State of Ohio Biennial Budget for State Fiscal Years 2022 and 2023, including funding levels for state institutions of higher education, has been signed into law; and

WHEREAS tuition and fee levels for the Columbus and regional campuses for the Fiscal Year ending June 30, 2022, were approved at the May 20, 2021, Board of Trustees meeting; and

WHEREAS the administration now recommends approval of the Fiscal Year 2022 Operating Budget for the University for the Fiscal Year ending June 30, 2022:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves the University's Operating Budget for the Fiscal Year ending June 30, 2022, as described in the accompanying Fiscal Year 2022 Operating Budget for the Fiscal Year ending June 30, 2022, with authorization for the President to make expenditures within the projected income.

(See Attachment X for background information, page XX)



7. Resolution No. 2022-25, Approval of FY22 Capital Investment Plan

Synopsis: Authorization and acceptance of the Capital Investment Plan for the fiscal year ending June 30, 2022, is proposed.

WHEREAS the University has presented the recommended capital expenditures for the fiscal year ending June 30, 2022; and

WHEREAS the recommended capital expenditures are the result of the University's comprehensive annual capital planning process; and

WHEREAS only those projects outlined in these recommendations will be approved for funding:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves the Capital Investment Plan for the fiscal year ending June 30, 2022, as described in the accompanying documents, be approved; and

BE IT FURTHER RESOLVED, That any request for authorization to proceed with any project contained in these recommendations, or for University funds for any such projects, must be submitted individually by the University for approval by the Board of Trustees, as provided for by Board policy.

(See Attachment X for background information, page XX)

8. Resolution No. 2022-26, Approval of FY22 Ohio State Energy Partners Capital Plan

Utility System Life-Cycle Renovation, Repair and Replacement Projects
Utility System Expansion and Extension Projects
Energy Conservation Measure Projects

Synopsis: Approval of the Ohio State Energy Partners LLC ("OSEP") fiscal year 2022 capital improvements plan and authorization for OSEP to make capital improvements pursuant to the terms of the First Amended and Restated Long-Term Lease and Concession Agreement for The Ohio State University Utility System dated July 20, 2018, and as amended (the "Agreement"), is proposed.

WHEREAS the Agreement requires OSEP to annually submit a utility system Capital Improvement Projects plan ("OSEP CIP") for University approval; and

WHEREAS the Board of Trustees approved an interim OSEP CIP in May 2021, prior to the University's finalization of its operating budget or capital investment plan for fiscal year 2022; and

WHEREAS the University has now finalized its operating budget and capital investment plan for fiscal year 2022; and

WHEREAS the OSEP CIP includes requested approval of these utility system capital improvement projects for the fiscal year beginning July 1, 2021; and

WHEREAS OSEP has provided detailed descriptions of the proposed capital improvement projects, supporting technical data and analysis, pursuant to Section 4.3(c) of the Agreement; and



WHEREAS these utility system capital improvement projects will be delivered pursuant to the terms of the Agreement; and

WHEREAS these capital expenditures for the approved utility system projects will be added to the utility fee pursuant to the Agreement; and

WHEREAS the University has reviewed and considered the financial, technical, and operational aspects of the OSEP CIP and its alignment with University plans and sustainability goals; and

WHEREAS the Master Planning & Facilities Committee has reviewed the OSEP CIP for alignment with all applicable campus plans and guidelines; and

WHEREAS the Audit, Finance & Investment Committee has reviewed the OSEP CIP for alignment with the Capital Investment Plan and other applicable financial plans:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves that the fiscal year 2022 OSEP CIP as outlined in the attached materials; and

BE IT FURTHER RESOLVED, That the Board of Trustees authorizes OSEP to proceed with these fiscal year 2022 capital improvements to the Utility System as outlined in the attached materials.

(See Attachment X for background information, page XX)

9. Resolution No. 2022-35, Approval of Digital Textbook Fees

Synopsis: Approval of digital textbook pass-through fees at all campuses of The Ohio State University for the Fiscal Year 2022 is proposed.

WHEREAS access, affordability and excellence is a pillar of The Ohio State University's strategic plan; and

WHEREAS the University collects certain fees, known as pass-through fees, that are used to pay third parties for goods and services that directly benefit students; and

WHEREAS the University does not seek to financially benefit from pass-through fees, but collects these fees instead of requiring third parties to bill students directly in circumstances where the University's involvement can reduce student costs, simplify billing for students, or otherwise benefit students; and

WHEREAS the University will be dramatically increasing the use of pass-through fees as part of the CarmenBooks affordability initiative, in which students can access digital textbooks at a significantly discounted rate compared with traditional materials; and

WHEREAS the CarmenBooks pilot that the Board of Trustees approved for spring semester 2019 (Resolution 2019-08) has expanded and is expected to save students more than \$3.2 million for autumn semester 2021:

NOW THEREFORE



BE IT RESOLVED, That the Board of Trustees hereby approves the digital textbook pass-through rates for the 2021-22 academic year for all campuses, effective autumn semester 2021, as follows and as outlined in the attached document.

(See Attachment X for background information, page XX)

10. Resolution No: 2022-36, University Foundation Report

Synopsis: Approval of the University Foundation Report as of June 30, 2021, is proposed.

WHEREAS monies are solicited and received on behalf of the University from alumni, industry and various individuals in support of research, instructional activities and service; and

WHEREAS such gifts are received through The Ohio State University Foundation; and

WHEREAS this report includes: (i) the establishment of one (1) endowed chair fund: the Seth Andre Myers Chair Fund in Global Military History; two (2) endowed professorships: The Dr. H. Lee "Buck" Mathews Professorship in Marketing, and the Dr. Rattan Lal Endowed Professorship; and twenty-two (22) additional named endowed funds; (ii) the revision of six (6) named endowed funds; and the closure of one (1) named endowed fund:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves The Ohio State University Foundation Report as of June 30, 2021.

(See Attachment X for background information, page XX)

11. Resolution No: 2022-37, Naming of the Dave and Margie Williams Auditorium

IN THE BIOMEDICAL AND MATERIALS ENGINEERING COMPLEX

Synopsis: Approval for the naming of the Level 1 Auditorium (Room 1000) in Mars G. Fontana Laboratories, located at 140 W 19th Avenue, is proposed.

WHEREAS The renovation of the current buildings named Mars G. Fontana Laboratories and 140 W. 19th Avenue, and the new construction to be attached to the current buildings, will create a new facility for research labs, offices and classrooms to further collaboration among the Departments of Biomedical Engineering and Materials Science and Engineering; and

WHEREAS the new Mars G. Fontana Laboratories will transform the spaces where students, faculty and partners learn and innovate, with the close proximity to other campus collaborators leading to life-changing material innovations impacting health, transportation, energy and more; and

WHEREAS the College of Engineering and friends desire to recognize Dave and Margie Williams for their many years of commitment, dedication and leadership to the College; and

WHEREAS the naming has been reviewed according to the approval process outlined in the Naming of University Spaces and Entities policy:



NOW THEREFORE

BE IT RESOLVED, That in acknowledgement of the philanthropic support from friends of Dave and Margie Williams, the Board of Trustees hereby approves, in accordance with paragraph (D) of rule 3335-1-08 of the Ohio Administrative Code, that for the life of the physical facility the aforementioned space be named the Dave and Margie Williams Auditorium.

12. Resolution No. 2022-38, Naming of the Keith D Monda Conference Room

LOCATED AT 14 E. 15TH AVENUE

Synopsis: Approval for the naming of The Keith D. Monda Conference Room (4010) located at 14 E. 15th Avenue, is proposed.

WHEREAS 14 E. 15th Avenue provides a new home for Advancement, bringing together colleagues from around campus to encourage collaboration and creative thinking to propel Ohio State into the future, and

WHEREAS Keith Monda has demonstrated a lifelong dedication to philanthropy and service, including as chair of The Ohio State University Foundation Board, as well as various leadership volunteer roles within the College of Arts and Sciences; and

WHEREAS Mr. Monda led the Foundation Board in planning for Time and Change: The Ohio State Campaign, including strengthening partnerships between volunteers and University and academic leaders, as well as integrating activity of volunteer leadership boards; and

WHEREAS Mr. Monda has been recognized with the College of Arts and Sciences Distinguished Service Award and by the University with the Gerlach Award and Distinguished Service Award; and

WHEREAS Mr. Monda is a member of the Oval Society and the Neil Legacy Society and his loyal service and transformative philanthropy will impact the University for future generations; and

WHEREAS the naming has been reviewed according to the approval process outlined in the Naming of University Spaces and Entities policy:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves, in accordance with paragraph (D) of rule 3335-1-08 of the Ohio Administrative Code, that for the life of the lease of the current facility and subsequent renewals of the lease as appropriate the aforementioned space be named The Keith D. Monda Conference Room.

13. Resolution No. 2022-39, Naming of the Magee Family Plaza

IN THE BIOMEDICAL AND MATERIALS ENGINEERING COMPLEX

Synopsis: Approval for the naming of the plaza between the Biomedical and Materials Engineering Complex and the Chemical and Biomolecular Engineering and Chemistry building located at 140 W 19th Avenue, is proposed.



WHEREAS the renovation of the current buildings named Mars G. Fontana Laboratories and 140 W. 19th Avenue, and the new construction to be attached to the current buildings, will create a new facility for research labs, offices and classrooms to further collaboration among the Departments of Biomedical Engineering and Materials Science and Engineering; and

WHEREAS the new Mars G. Fontana Laboratories will transform the spaces where students, faculty and partners learn and innovate, with the close proximity to other campus collaborators leading to life-changing material innovations impacting health, transportation, energy and more; and

WHEREAS the College of Engineering desires to recognize Matthew and Stephanie Magee for their many years of dedication and philanthropy to the College; and

WHEREAS the naming has been reviewed according to the approval process outlined in the Naming of University Spaces and Entities Policy:

NOW THEREFORE

BE IT RESOLVED, That in acknowledgement of Matthew and Stephanie Magee's philanthropic support, the Board of Trustees hereby approves, in accordance with paragraph (D) of rule 3335-1-08 of the Ohio Administrative Code, that for the life of the physical facility the aforementioned space be named The Magee Family Plaza.

14. Resolution No. 2022-40, Naming of the Marcia and Allan Wool Lobby and Registration

IN OUTPATIENT CARE NEW ALBANY

Synopsis: Approval for the naming of the lobby and registration in Outpatient Care New Albany, located at 6100 North Hamilton Road, is proposed.

WHEREAS the Outpatient Care New Albany facility is part of a new suburban outpatient care program at the Wexner Medical Center that supports growth in the region and excellence in academic health care; and

WHEREAS the New Albany facility will include program offerings such as ambulatory surgery, endoscopy, primary care, specialty medical and surgical clinics and related support spaces; and

WHEREAS Marcia and Allan Wool have provided significant contributions to the Wexner Medical Center and the Outpatient Care New Albany facility; and

WHEREAS the naming has been reviewed according to the approval process outlined in the Naming of University Spaces and Entities policy:

NOW THEREFORE

BE IT RESOLVED, That in acknowledgement of Marcia J. Wool and Allan H. Wool's philanthropic support, the Board of Trustees hereby approves, in accordance with paragraph (D) of rule 3335-1-08 of the Ohio Administrative Code, that for the life of the physical facility the aforementioned space be named the Marcia and Allan Wool Lobby and Registration.



15. Resolution No. 2022-41, Naming of the Dan O'Neal Family Wrestling Locker Room

IN THE COVELLI CENTER

Synopsis: Approval for the naming of the wrestling locker room in the Covelli Center, located at 2640 Fred Taylor Drive, is proposed.

WHEREAS The Ohio State University Department of Athletics is committed to providing modern facilities for student-athletes, coaches, staff and fans; and

WHEREAS the Covelli Center is the home to Ohio State's men's and women's volleyball teams, as well as wrestling; and

WHEREAS F. Dan O'Neal has provided significant contributions to the wrestling program and the Department of Athletics; and

WHEREAS the naming has been reviewed according to the approval process outlined in the Naming of University Spaces and Entities policy:

NOW THEREFORE

BE IT RESOLVED, That in acknowledgement of F. Dan O'Neal's philanthropic support, the Board of Trustees hereby approves, in accordance with paragraph (D) of rule 3335-1-08 of the Ohio Administrative Code, that for the life of the physical facility the aforementioned space be named the Dan O'Neal Family Wrestling Locker Room.

16. Resolution No. 2022-42, Naming of the 33 Forever Welcome Room in Memory of Danielle Leedy

IN HARDING HOSPITAL

Synopsis: Approval for the naming of the waiting room (Room 105A) in the Behavioral Health Immediate Care clinic within Harding Hospital, located at 1670 Upham Drive, is proposed.

WHEREAS the Ohio State Harding Hospital provides the most comprehensive behavioral health care services for adults, older adults, children and adolescents in central Ohio; and

WHEREAS the Behavioral Health Immediate Care Program seeks to close gaps for patients in need of continuous access to care through its focus on outpatient crisis intervention and transitioning people from hospitalization; and

WHEREAS 33 Forever, Inc. has provided significant contributions to the Neurological Institute and the Wexner Medical Center; and

WHEREAS the naming has been reviewed according to the approval process outlined in the Naming of University Spaces and Entities policy:

NOW THEREFORE

BE IT RESOLVED, That in acknowledgement of 33 Forever, Inc.'s philanthropic support, the Board of Trustees hereby approves, in accordance with paragraph (D) of rule 3335-1-08 of the Ohio Administrative Code, that for the life of the physical facility the aforementioned space be named the 33 Forever Welcome Room in Memory of Danielle Leedy.



17. Resolution No. 2022-43, Naming of the Robert E. Arbogast Teaching Laboratory

IN THE BIOMEDICAL AND MATERIALS ENGINEERING COMPLEX

Synopsis: Approval for the naming of the Level 1 BME Capstone Laboratory (Room 1136) in the Mars G. Fontana Laboratories, located at 140 W 19th Avenue, is proposed.

WHEREAS the renovation of the current buildings named Mars G. Fontana Laboratories and 140 W. 19th Avenue, and the new construction to be attached to the current buildings, will create a new facility for research labs, offices and classrooms to further collaboration among the Departments of Biomedical Engineering and Materials Science and Engineering; and

WHEREAS the new Mars G. Fontana Laboratories will transform the spaces where students, faculty and partners learn and innovate, with the close proximity to other campus collaborators leading to life-changing material innovations impacting health, transportation, energy and more; and

WHEREAS Ryan and Angela Arbogast have provided significant contributions to the College of Engineering; and

WHEREAS the naming has been reviewed according to the approval process outlined in the Naming of University Spaces and Entities policy:

NOW THEREFORE

BE IT RESOLVED, That in acknowledgement of Ryan and Angela Arbogast's philanthropic support, the Board of Trustees hereby approves, in accordance with paragraph (D) of rule 3335-1-08 of the Ohio Administrative Code, that for the life of the physical facility the aforementioned space be named The Robert E. Arbogast Teaching Laboratory.

18. Resolution No. 2022-44, Naming of Internal Spaces

IN THE FRANK STANTON VETERINARY SPECTRUM OF CARE CLINIC

Synopsis: Approval for the naming of internal spaces in the Frank Stanton Veterinary Spectrum of Care Clinic, located at 655 Vernon L. Tharp Street, is proposed.

WHEREAS the College of Veterinary Medicine is consistently recognized as a leading veterinary education and research program and is among the largest of its kind, uniquely located in a heavily populated urban area surrounded by a strong rural and agricultural base; and

WHEREAS the veterinary primary care clinic will serve as a hands-on clinical training opportunity for veterinary students and support the continuum of clinical training and Spectrum of Care education that results in more confident and competent veterinary graduates; and

WHEREAS the donors listed below have provided significant contributions to the Frank Stanton Veterinary Spectrum of Care Clinic; and

- Dr. Eric & Cheryl Shaver
- Steve & Elaine Glass
- Dr. Emily Walton
- Dr. Rustin Moore
- Dr. Liesa Stone



- Dr. Roger Finland
- Dr. Brian Holub
- Dr. Ira Niedweske
- Midmark
- Dr. James Dobies and Mrs. Judith Dobies

WHEREAS the naming has been reviewed according to the approval process outlined in the Naming of University Spaces and Entities policy:

NOW THEREFORE

BE IT RESOLVED, That in acknowledgement of the aforementioned donors' philanthropic support, the Board of Trustees hereby approves in accordance with paragraph (D) of rule 3335-1-08 of the Ohio Administrative Code, that for the life of the physical facilities the internal spaces be named the following:

- Supported by: Eric Shaver, DVM 1985 and wife Cheryl, Founders of East Holmes Vet Clinic (Room 172)
- To honor our beloved dog Opie; By: Elaine & Steve Glass (Room 116)
- Emily A. Walton, DVM 1981 1st Woman President OVMA Jeffrey D. Walton, BS, MA Arlington, Ohio (Room 174)
- In Honor of Teddy Luther & Travis Lincoln Moore Lifelong VMC Patients; Rustin M. Moore, DVM '89 (Room 175)
- Honoring my parents for all their support. Your light will forever shine in me. Liesa Rihl Stone, DVM '83 (Room 179)
- Dedicated to Drs. Monsees, Linsenbardt & Payne for starting my journey. Dr. Roger B. Finland (Room 190)
- Surgery Suite Generously Supported by Brian Holub, DVM '83; Cindie Davis Holub, DVM '83 (Room 190D)
- Clinical Treatment Room Generously Supported by Ira Niedweske (DVM '77) & Mrs. Jill Niedweske (Room 130)
- You are the future of better veterinary care by design. - Midmark Corporation (Room 129)
- Supported by: UrgentVet "Your Pet Can't Wait To Feel Better" (Room 114)

19. Resolution No. 2022-45, Naming of the Dr. Jay and Janice Moodley Family Women's Locker Room

IN THE ALBER STUDENT CENTER AT OHIO STATE MARION

Synopsis: Approval for the naming of the women's locker room, located in the Alber Student Center at 1463 Mt. Vernon Avenue in Marion, Ohio, is proposed.

WHEREAS Ohio State Marion's culture of caring aims to provide facilities where students can meet, unwind, recreate, share experiences, and learn leadership skills as members of student organizations; and

WHEREAS the renovated student center provides students with a new café and dining area, an expanded and upgraded fitness area, and a multipurpose room and lounge for new student programs and meetings; and

WHEREAS Dr. Jay and Janice Moodley have provided significant support to The Ohio State University at Marion; and



WHEREAS the naming has been reviewed according to the approval process outlined in the Naming of University Spaces and Entities policy:

NOW THEREFORE

BE IT RESOLVED, That in acknowledgement of Dr. Jay and Janice Moodley's philanthropic support, the Board of Trustees hereby approves, in accordance with paragraph (D) of rule 3335-1-08 of the Ohio Administrative Code, that for the life of the physical facility the aforementioned space be named The Dr. Jay and Janice Moodley Family Women's Locker Room.

20. Resolution No. 2022-27, Approval of a Change in Scope and Cost to the FY20 Previously Approved Combined Heat and Power Facility Capital Project

Combined Heat and Power Plant & Midwest Campus District Heating & Cooling
Network 16-19-EXP

Synopsis: Approval of a change in scope and cost of the previously approved Ohio State Energy Partners LLC ("OSEP") Combined Heat and Power Plant & Midwest Campus District Heating & Cooling Network capital improvement project ("Project 16-19-EXP") pursuant to the terms of the First Amended and Restated Long-Term Lease and Concession Agreement for The Ohio State University Utility System dated July 20, 2018, and as amended (the "Agreement"), is proposed.

WHEREAS the Agreement requires OSEP to submit any changes in scope or cost of a previously approved capital improvement for University approval; and

WHEREAS OSEP requested approval of a change in scope and cost for Project 16-19-EXP, previously approved by the University as part of the OSEP capital improvement plan for fiscal year starting July 1, 2019; and

WHEREAS the State of Ohio's declaration of a state of emergency in response to the COVID-19 pandemic resulted in a mandated delay of the state's certification process, which in turn forced a delay in the start of construction of Project 16-19-EXP; and

WHEREAS the final building design was modified to align with University design standards; and

WHEREAS the schedule of the Cannon Drive Phase II project necessitates a change in the Project 16-19-EXP scope to ensure the coordination of work that must cross Cannon Drive; and

WHEREAS the schedule and design changes resulted in cost increases for Project 16-19-EXP; and

WHEREAS OSEP has provided detailed descriptions of the proposed change in scope and cost of Project 16-19-EXP, including supporting data, pursuant to Section 4.3(c) of the Agreement; and

WHEREAS the University has reviewed and considered the financial, technical, and operational aspects of the revised Project's 16-19-EXP alignment with University plans and sustainability goals; and

WHEREAS the Master Planning & Facilities Committee has reviewed revised Project 16-19-EXP for alignment with all applicable campus plans and guidelines; and

WHEREAS the Audit, Finance & Investment Committee has reviewed revised Project 16-19-EXP for alignment with the Capital Investment Plan and other applicable financial plans:



NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves the change in scope and cost of previously approved Project 16-19-EXP as outlined in the attached materials.

(See Attachment X for background information, page XX)

21. Resolution No. 2022-28, Approval to Enter Into/Increase Professional Services and Enter Into/Increase Construction Contracts

APPROVAL TO ENTER INTO PROFESSIONAL SERVICES CONTRACTS

- Martha Morehouse Tower Upgrades
- WMC Facility Optimization Study
- Wooster – High Pressure Steam Boiler Replacement

APPROVAL TO ENTER INTO/INCREASE PROFESSIONAL SERVICES AND CONSTRUCTION CONTRACTS

- Atwell – ADL Simulation Lab
- Blackwell Pavilion Renovation
- Lacrosse Stadium
- University Hospital East – 4th Floor OR Upgrades

Synopsis: Authorization to enter into/increase professional services and construction contracts, as detailed in the attached materials, is proposed.

WHEREAS in accordance with the attached materials, the University desires to enter into professional services contracts for the following projects; and

	Prof. Serv. Approval Requested	Total Requested	
Martha Morehouse Tower Upgrades	\$2.5M	\$2.5M	Auxiliary funds
WMC Facility Optimization Study	\$1.0M	\$1.0M	Auxiliary funds
Wooster – High Pressure Steam Boiler Replacement	\$1.0M	\$1.0M	State funds

WHEREAS in accordance with the attached materials, the University desires to enter into/increase professional services contracts and enter into/increase construction contracts for the following projects; and

	Prof. Serv. Approval Requested	Construction Approval Requested	Total Requested	
Atwell – ADL Simulation Lab	\$0.4M	\$4.2M	\$4.6M	University funds
Blackwell Pavilion Renovation	\$0.6M	\$3.4M	\$4.0M	Fundraising University funds
Lacrosse Stadium	\$0.1M	\$19.1M	\$19.2M	Fundraising
University Hospital East – 4th Floor OR Upgrades	\$0.8M	\$2.1M	\$2.9M	Auxiliary funds



THE OHIO STATE UNIVERSITY

WHEREAS the Master Planning and Facilities Committee has reviewed the projects listed above for alignment with all applicable campus plans and guidelines; and

WHEREAS the Audit, Finance and Investment Committee has reviewed the projects listed above for alignment with the Capital Investment Plan and other applicable financial plans:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves that the President and/or Senior Vice President for Business and Finance be authorized to enter into/increase professional services and construction contracts for the projects listed above in accordance with established university and State of Ohio procedures, with all actions to be reported to the Board at the appropriate time.

(See Attachment X for background information, page XX)

22. Resolution No. 2022-32, Approval for Lease of Real Property

AT DON SCOTT AIRPORT
FRANKLIN COUNTY, OHIO

Synopsis: Authorization to ground lease property located at Don Scott Airport, near West Case Road, City of Columbus, Franklin County, Ohio, for the development of an airplane hangar, is proposed.

WHEREAS The Ohio State University seeks to ground lease approximately 2 acres of unimproved real property located at Don Scott Airport, near West Case Road in the City of Columbus, Ohio; and

WHEREAS pursuant to Ohio Revised Code 123.17, the Ohio Department of Administrative Services may lease land belonging to or under the control or jurisdiction of a state university; and

WHEREAS general aviation hangar use on the subject land is consistent with Ohio State University planning processes; and

WHEREAS the ground lessee will construct an airplane hangar, subject to University review:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves the President and/or Senior Vice Presidents for Business & Finance and/or Administration & Planning be authorized to take any action required to review development plans and negotiate a ground lease containing terms and conditions deemed to be in the best interest of the University.

(See Attachment X for background information, page XX)

23. Resolution No. 2022-30, Approval for Acquisition of Real Property

AT TAYLOR AVENUE AND ATCHESON STREET
COLUMBUS, FRANKLIN COUNTY, OHIO

Synopsis: Authorization to acquire property located adjacent to Outpatient Care East, near Atcheson Street and Taylor Avenue in the City of Columbus, Franklin County, Ohio, for general expansion and redevelopment purposes, is proposed.



THE OHIO STATE UNIVERSITY

WHEREAS The Ohio State University seeks to acquire approximately 1.5 acres of unimproved real property located at Outpatient Care East, near Taylor Avenue in the City of Columbus, Ohio; and

WHEREAS the property is intended to support future general expansion and redevelopment:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves that the President and/or Senior Vice President for Business and Finance shall be authorized to take any action required to affect the acquisition of this property upon the terms outlined above and any additional terms and conditions deemed to be in the best interest of the University.

(See Attachment X for background information, page XX)

24. Resolution No. 2022-46, Authorization for the Issuance of General Receipts Obligations and Authorization of Multi-Year Debt Issuance Program II of the University

Synopsis: Authorization for the issuance and sale of general receipts obligations in an aggregate principal amount not to exceed \$800 million for the purposes of financing, on an interim or permanent basis, the costs of certain University capital improvement projects, refunding the outstanding principal amount of current obligations of the University, permitting the establishment of the Multiyear Debt Issuance Program II and paying costs and expenses associated with the issuance of such debt, and authorization for amendments to the existing trust indenture and other documents as required, is proposed.

WHEREAS pursuant to Sections 3345.11 and 3345.12 of the Ohio Revised Code (the "Act"), as enacted under authority of the Constitution of Ohio, particularly Section 2i of Article VIII thereof, The Ohio State University (the "University"), a state university of the State of Ohio (the "State"), created and existing under Chapter 3335 of the Ohio Revised Code, is authorized and empowered, among other things, (a) to issue its obligations to pay the costs of certain "facilities," as defined in the Act, and to refund, fund or retire bonds and other obligations previously issued for such purpose; (b) to pledge to the payment of its obligations all or a specified part of its "available receipts," as defined in the Act (the "General Receipts") in priority to all other expenses, claims or payments; (c) to covenant that the University will make, fix, adjust and collect the fees, rates, rentals, charges and other items comprising General Receipts to produce General Receipts sufficient at all times to meet Debt Service Charges (as defined in the Amended and Restated Trust Indenture described below) on the Obligations, to establish and to maintain the required reserves and meet other requirements therein provided; and (d) to provide for a trust indenture and make further provisions for securing the payment of the Debt Service Charges; and

WHEREAS the University, by resolution adopted by its Board of Trustees (the "Board") on November 1, 1985 (the "Series 1985A Bond Resolution"), and by a Trust Indenture dated as of November 15, 1985 (the "Original Indenture") between the University and The Huntington National Bank, as trustee (the "Original Trustee"), provided for the issuance from time to time of General Receipts Bonds of the University; and

WHEREAS the University, pursuant to the terms of a resolution adopted by the Board on October 1, 1999 (the "1999 General Bond Resolution"), amended and restated the Original Indenture, as supplemented, in accordance with the terms thereof, by entering into the Amended and Restated Trust Indenture dated as of December 1, 1999 (the "Amended and Restated Trust Indenture") with the Original Trustee; and

WHEREAS the Bank of New York Mellon Trust Company, N.A. (the "Trustee") has succeeded the Original Trustee as trustee under the Amended and Restated Trust Indenture; and



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WHEREAS pursuant to the terms of a resolution adopted by the Board on June 5, 2015, a resolution adopted by the Board on June 9, 2017 and a resolution adopted by the Board on June 6, 2018 (collectively, the "Program Resolution"), the University authorized the issuance of The Ohio State University General Receipts Bonds and Commercial Paper Notes (the "Senior Obligations") and subordinated bonds and notes (the "Subordinated Obligations" and, together with the Senior Obligations, the "Obligations") to be issued pursuant to the Amended and Restated Trust Indenture in an aggregate amount not to exceed \$1 billion by no later than June 30, 2020; and

WHEREAS the Amended and Restated Trust Indenture provides that Obligations may be issued pursuant to the terms thereof, with each such issue to be authorized by a Series Resolution (as defined therein) adopted by the Board and secured pursuant to the terms of a Supplemental Indenture (as defined therein), with respect to such issue (the Amended and Restated Trust Indenture and all Supplemental Indentures thereto being collectively referred to herein as the "Indenture"); and

WHEREAS in furtherance of and pursuant to the Program Resolution and the Indenture, the University entered into the Multiyear Debt Issuance Program Supplement to Amended and Restated Trust Indenture dated as of March 1, 2016; and

WHEREAS the University has issued \$600 million of Senior Obligations pursuant to such Program Resolution of the \$1 Billion authorized by the Program Resolution, which authorization has since expired; and

WHEREAS the Board has determined that it is in the best interests of the University to authorize the issuance of Obligations, in one or more series, in the aggregate principal amount of \$800 million for the purposes of financing, on an interim or permanent basis, the costs of University Facilities, refunding Outstanding Obligations (as described below) of the University and paying costs and expenses associated with the issuance of such Obligations;

WHEREAS the University has from time to time authorized the issuance of the Obligations listed on Schedule 1 attached hereto and made a part hereof pursuant to the Series 1985 A Bond Resolution, the Original Indenture, the 1999 General Bond Resolution, the Amended and Restated Trust Indenture, various supplements to the Original Indenture and the Amended and Restated Trust Indenture and various Series Resolutions; and

WHEREAS the Board finds that it is in the best interest of the University to promote administrative convenience, enhance sound debt management and improve efficiency in connection with the issuance of Obligations of the University, and that the aforementioned authorization shall be to be accomplished through the establishment of the Multiyear Debt Issuance Program II in an aggregate amount not to exceed \$800 million by no later than June 30, 2025; and

WHEREAS the Board desires to make provisions for the issuance of the Obligations and the payment of Debt Service Charges thereon and the securing thereof by this Resolution (hereinafter referred to as the "Program II Resolution") and the supplement(s) to the Amended and Restated Trust Indenture, including but not limited to a Multiyear Debt Issuance Supplement to Amended and Restated Trust Indenture (as described below), all as provided by this Program II Resolution, with all terms used herein with initial capitalization where the rules of grammar would not otherwise so require and not defined herein having the meanings given them in the Indenture.

NOW THEREFORE

BE IT RESOLVED, That Resolution 2020-131 of this Board, adopted on June 3, 2020, is hereby repealed and of no further force and effect; and

BE IT RESOLVED, That the Board of Trustees of The Ohio State University hereby authorizes the issuance of Obligations in an aggregate principal amount not to exceed \$800 million, the purposes as set



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forth in the recitals to this Program II Resolution; provided, however, that the foregoing limitation on the amount of Obligations that may be issued shall not apply to (i) any Bonds or Notes authorized to be issued under this Program II Resolution to retire or refund any Obligations previously issued under the Program Resolution, this Program II Resolution, or any other Outstanding Obligations listed on Schedule 1 attached hereto and made a part hereof, or (ii) any capital lease or other type of indebtedness that does not constitute an Obligation as defined in the Indenture and is not issued pursuant to the Indenture, and, (iii) provided, further, that any Obligation or indebtedness described in (i) and (ii) above shall be excluded for purposes of calculating the total amount of Obligations issued pursuant to the authorization provided in this Program II Resolution; and

BE IT FURTHER RESOLVED, That the authority to issue any Obligations authorized by this Program II Resolution shall be in effect through June 30, 2025; and

BE IT FURTHER RESOLVED, That the Board of Trustees hereby authorizes the President and Senior Vice President for Business and Finance, or either of them, upon consultation with the Chair of the Audit, Finance & Investment Committee of this Board and upon consultation with the Senior Vice President and General Counsel and any outside counsel retained for this purpose, to determine (a) the time or times that any of the Obligations shall be issued as provided in this Program II Resolution, (b) the principal amount, subject to the limitations prescribed herein, and type of debt to be issued from time to time, (c) the rate or rates of interest to be borne by such Obligations, whether fixed or variable; provided, however, that in no event shall the interest rate on any series of Obligations exceed eight percent (8.00%) per annum, (d) whether any interest rates shall be fixed or variable, (e) the maturity or maturities of any of the Obligations and (f) whether and to what extent any series of such Obligations shall be Senior Obligations or Subordinated Obligations, any or all of which terms, as well as any terms required by Section 2.02 of the Indenture, may be set forth in one or more Certificates of Award executed and delivered by the President and Senior Vice President for Business and Finance, or either of them, in connection with the issuance and sale of the Obligations, the execution and delivery of such Certificates of Award and any of them being hereby authorized; and

BE IT FURTHER RESOLVED, That, with respect to any Obligations issued on a tax exempt basis under the federal income tax laws, the President and Senior Vice President for Business and Finance, or either of them, is hereby authorized and directed (a) to make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of the University with respect to the Obligations as permitted or required to be made or given under the federal income tax laws, for the purpose of assuring, enhancing or protecting favorable tax treatment or the status of the Obligations or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing any rebate amount or any payment of penalties, or making any payments of special amounts in lieu of making computations to determine, or paying, any excess earnings as rebate, or obviating those amounts or payments on behalf of the University; (b) to take any and all actions, make or obtain calculations, and make or give reports, covenants and certifications of and on behalf of the University, as may be appropriate to assure the status of the Obligations as Tax Exempt Bonds; and (c) to give an appropriate certificate on behalf of the University for inclusion in the transcript of proceedings setting forth the facts, estimates and circumstances, and reasonable expectations of the University pertaining to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and the Regulations, and the representations, warranties and covenants of the University regarding compliance by the University with Sections 141 through 150 of the Code and the Regulations, as applicable; and

BE IT FURTHER RESOLVED, That the President and Senior Vice President for Business and Finance, or either of them, is authorized to negotiate and execute, on behalf of the University and this Board, a supplemental indenture to the Amended and Restated Trust Indenture to be denominated the "Multiyear Debt Issuance Supplemental Indenture to Amended and Restated Supplemental Indenture – Program II", any amendments or supplements thereto or the Amended and Restated Indenture, any purchase contract for the sale of the Obligations, any escrow agreement, continuing disclosure agreement, any interest rate

management or hedging contract, credit support or enhancement contract, any official statement or other offering document relating to the offer and sale of the Obligations, the use and distribution of which is hereby authorized and any other agreement, receipt, certificate or document (collectively the "Transaction



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Documents") as the President or Senior Vice President for Business and Finance or either of them shall deem (a) necessary or appropriate to carry out this Program II Resolution and to provide for the most beneficial commercial terms reasonably available to the University and (b) not materially adverse to the University, with the execution by the President or Senior Vice President for Business and Finance of any such Transaction Documents constituting the conclusive determination of such officer that the terms of such Transaction Document are necessary and appropriate and not materially adverse to the University, it being expressly provided that any payment obligation whatsoever with respect to any Transaction Documents may, if so agreed to by the officer of the University executing the same, be secured on a pari passu basis as the Obligations and the Debt Service Charges with respect thereto to which any such Transaction Document relates; and

BE IT FURTHER RESOLVED, That the Senior Vice President for Business and Finance shall report to the Board's Audit, Finance & Investment Committee on a regular basis all actions taken pursuant to this Program II Resolution; and

BE IT FURTHER RESOLVED, That it is found and determined that all formal actions of this Board concerning and relating to the adoption of this Program II Resolution were adopted in an open meeting of this Board, and that all deliberations of this Board and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code; and

BE IT FURTHER RESOLVED, That this Program II Resolution shall take effect and be in force on August 19, 2021.

Schedule 1

General Receipts Bonds	Original Amount	Amount Outstanding
Series 1997 Bonds	\$79,540,000	\$1,700,000
Series 1999 B Bonds	\$83,400,000	\$820,000
Series 2001 Bonds	\$76,950,000	\$3,450,000
Series 2003 C Bonds	\$121,295,000	\$0
Series 2005 B Bonds	\$129,990,000	\$0
Series 2008 B Bonds	\$127,770,000	\$9,000,000
Series 2010 A Bonds	\$241,170,000	\$0
Series 2010 C Bonds	\$654,785,000	\$654,785,000
Series 2010 D Bonds	\$88,335,000	\$79,990,000
Series 2010 E Bonds	\$150,000,000	\$125,000,000
Series 2011 A Bonds	\$500,000,000	\$500,000,000
Series 2012 A Bonds	\$91,165,000	\$41,440,000
Series 2012 B Bonds	\$23,170,000	\$8,985,000
Series 2013 A Bonds	\$337,955,000	\$337,955,000
Series 2014 A Bonds	\$135,985,000	\$121,560,000
Series 2014 B-1 Bonds	\$75,000,000	\$75,000,000
Series 2014 B-2 Bonds	\$75,000,000	\$75,000,000
Series 2016 A Bonds	\$600,000,000	\$600,000,000



Series 2016 B Bonds	\$30,875,000	\$16,130,000
Series 2017 Bonds	\$69,950,000	\$55,595,000
Series 2020 Bonds	\$185,995,000	\$185,995,000
Total:	\$3,878,330,000	\$2,892,405,000

(See Attachment X for background information, page XX)

Action: Upon the motion of Mr. Zeiger, seconded by Mr. Mitevski, the committee adopted the foregoing motions for the Approval of the FY22 Operating Budget, the FY22 Capital Investment Plan, and the Naming of Internal Spaces in the Frank Stanton Veterinary Spectrum of Care Clinic by majority voice vote with the following members present and voting: Mr. Zeiger, Mr. Kiggin, Mr. Mitevski, Mr. Stahl and Mr. Heminger. Mrs. Hoeflinger, Mr. Von Thaer and Mr. Kaplan abstained. Mr. Klingbeil was not present for this vote. Ms. Chronis could not vote via Zoom.

Action: Upon the motion of Mr. Zeiger, seconded by Mrs. Hoeflinger, the committee adopted the remaining foregoing motions by unanimous voice vote with the following members present and voting: Mr. Zeiger, Mrs. Hoeflinger, Mr. Von Thaer, Mr. Kaplan, Mr. Kiggin, Mr. Mitevski, Mr. Stahl and Mr. Heminger. Mr. Klingbeil was not present for this vote. Ms. Chronis could not vote via Zoom.

Written Reports

In the public session materials, there were six written reports shared for the committee to review:

- a. University Financial Scorecards
- b. Consolidated Financial Statements for Year Ending June 30, 2021
- c. Detailed Foundation Report
- d. Major Project Updates
- e. Internal Bank Update
- f. External Audit Update

Meeting adjourned at approximately 12:45 p.m.

APPROVAL OF SPECIAL FEE FOR THE COLLEGE OF ENGINEERING

Synopsis: Approval of a special fee for undergraduate engineering students at all campuses of The Ohio State University for the Fiscal Year 2023, is proposed.

WHEREAS the Board of Trustees of The Ohio State University supports the university's continued implementation of the Academic Plan and its initiatives to meet the needs of Ohio State students; and

WHEREAS new first-year undergraduate engineering students enrolled at all campuses in 2022-23 will be part of a new special fee cohort; and

WHEREAS transfer engineering students that were new first-year undergraduate students for Autumn 2022 at another college or university will be part of a new special fee cohort; and

WHEREAS undergraduate engineering students enrolled at all campuses prior to 2022-23 will continue to pay the existing program fee consistent with the Tuition Guarantee cohort they are part of; and

WHEREAS Ohio Revised Code 3345.11 establishes that institutions may charge a special fee, and section 381.160 (A)(1)(C) of Sub. H.B. 110 of the 134th General Assembly establishes that institutions may seek increases for all other special fees, including the creation of new special fees, and are subject to the approval of the Chancellor of Higher Education:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves the recommendation of the administration and hereby approves the undergraduate engineering special fee for the 2022-23 academic year for all campuses, effective Autumn semester 2022, as outlined in the attached document.

BACKGROUND

Approval of Fiscal Year 2023 Engineering Special Fee

- I. Background
- II. Special fee
 - a. Recommended undergraduate engineering special fee
 - b. Benchmark comparisons
- III. Summary and Conclusions

I. Considerations in Setting Engineering Special Fee

The university considers many factors in developing the proposed Fiscal Year 2023 undergraduate engineering special fee recommendations. These include:

A. Student success

- Lower student-faculty ratios to meet the demand for smaller class size and better educational outcomes, and to improve program quality relative to national peer institutions
- Attracting world-class academic talent to the region will impact institutional research activity and will contribute to program quality
- Additional academic support to increase experiential learning and deepen corporate and industry partnerships
- Increased student support and career advising ensuring academic and career success of a more diverse and inclusive undergraduate student body
- Enhanced infrastructure to provide the highest quality programming, research, and workforce readiness

B. Commitment to our ongoing affordability

As part of this special fee initiative, we will hold harmless students with significant need. Depending on the characteristics of each incoming cohort, financial aid to low- and moderate-income students will be provided. Pell-eligible students from Ohio in these programs will receive financial aid to cover the entire cost of the increase in the fee. Financial aid will also be targeted to moderate-income students as a partial offset to the fee increase. The financial aid could be provided from the increased fee revenue or other sources such as focused fund-raising for scholarships and grants. This will ensure that low- and moderate-income students and their families can continue to afford the high-quality degree programs at Ohio State.

C. Alignment with the JobsOhio initiative to meet the increasing talent need in science, engineering, and technologies across the State of Ohio.

D. Benchmarking against our peers

With the proposed Ohio State special fee for the 2022-23 (Fiscal Year 2023), Ohio State is near the median among the 12 Big Ten schools. Resident tuition and fees are more affordable than 4 Big Ten peers, while non-resident tuition and fees are more affordable than 6 universities.

II. Special Fee

A. Recommended special fee effective Autumn semester 2022 (Fiscal Year 2023)

1. New First-Year Undergraduates to The Ohio State University and transfers that were New First-Year Undergraduates in Autumn 2022 at another college or university:

a. Ohio resident students: As members of the 2022-23 cohort of the Ohio State Tuition Guarantee, base tuition and mandatory fees will be frozen for four years for Ohio residents, as will housing and dining rates. A new special fee of \$4,000 will replace the existing program fee of \$1,180. The table below reflects the Autumn 2021 base tuition and mandatory fees with the proposed special fee.

b. Non-resident domestic students: As members of the 2022-23 cohort of the Ohio State Tuition Guarantee, base tuition and mandatory fees will be frozen for four years for Ohio residents, as will housing and dining rates. The State of Ohio requires a non-resident surcharge. A new special fee of \$4,000 will replace the existing program fee of \$1,180. The table below reflects the Autumn 2021 base tuition and mandatory fees with the proposed special fee.

College of Engineering		
New special fee for incoming students	\$2,820 Increase (Current \$1,180; Proposed \$4,000)	
Proposed total: Tuition and fees (reflects current base tuition)	In-State	Out-of-State
	Instructional & Mandatory Fees - \$11,936 *	Instructional & Mandatory Fees - \$35,019 *
	UG Special Fee - \$4,000	UG Special Fee - \$4,000
	Total Annual UG - \$15,936	Total Annual UG - \$39,019
Student guarantee	<ul style="list-style-type: none"> ➤ Current students grandfathered in ➤ Applied to incoming New First Year Students (NFYS) beginning Autumn 2022 and Transfer students that were NFYS for Autumn 2022 at another college or university ➤ Increased student academic / career support and advisors ➤ Increased Financial Aid 	
Key benefits	<ul style="list-style-type: none"> ➤ Increased in-demand enrollment and graduates ➤ Lower student-faculty ratio ➤ Increased program quality and rankings ➤ More academic advisors ➤ More Internships / Industry immersion ➤ Increased research activity ➤ Addresses accreditor's concerns ➤ Aligns with JobsOhio Talent & Innovation strategies ➤ Aligned with future multi-disciplinary, multi-college STEM degrees 	

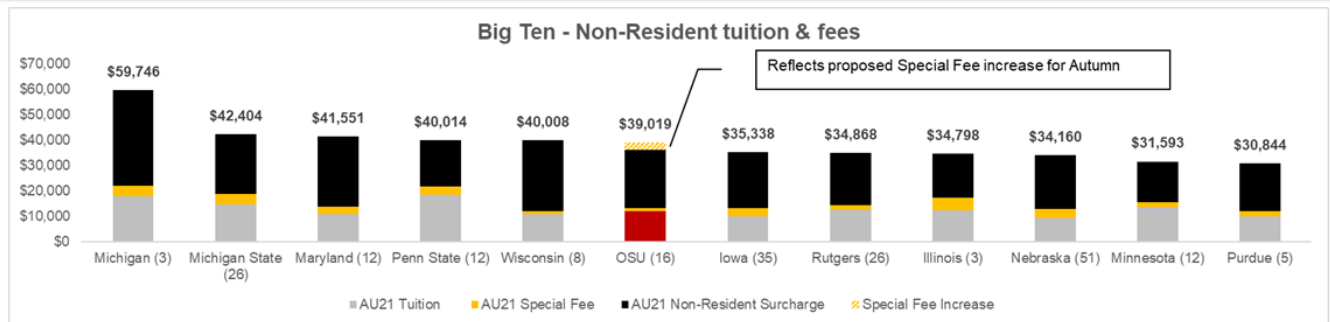
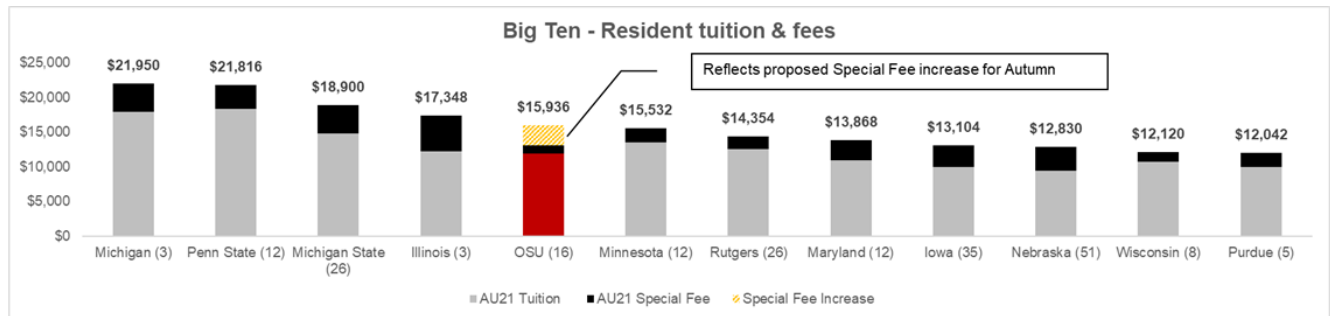
* Reflects Autumn 2021 instructional & mandatory fees outside of the special fee. Any increases to the instructional and mandatory fees will be provided in the May 2022 board meeting

2. Students enrolled prior to Autumn 2022, will continue to pay the existing program fee of \$590 per semester and other tuition, mandatory fees, and surcharges rates consistent with the Tuition Guarantee cohort they are part of.

B. Benchmark comparisons

The charts below outline tuition and mandatory fees for Big Ten schools for 2021-22 (Fiscal Year 2022), along with the proposed Ohio State special fee for the 2022-23 (Fiscal Year 2023).

Ohio State is near the median among the 12 Big Ten schools. Resident tuition and fees are more affordable than 4 Big Ten peers, while non-resident tuition and fees are more affordable than 5 universities.



III. Summary and Conclusions

- A. The new \$2,000 per semester undergraduate College of Engineering special fee (an increase of \$1,410 per semester) will be phased in starting with the Autumn 2022 cohort.
 1. Engineering students enrolled prior to Autumn 2022; will continue to pay the existing \$590 per semester undergraduate Engineering Program Fee consistent with the Tuition Guarantee cohort they are part of.
 2. With this new special fee, the College of Engineering program will be the 8th most affordable resident program and 7th most affordable non-resident program among Big10 peers.

**APPROVAL TO SUBMIT AUDITED CONSOLIDATED FINANCIAL STATEMENTS (DRAFT)
TO THE AUDITOR OF STATE**

Synopsis: Approval to submit the draft audited consolidated financial statements to the Auditor of State, is proposed.

WHEREAS The Ohio State University annually seeks an independent audit of the consolidated financial statements as a matter of strong financial oversight; and

WHEREAS the Auditor of State is required under Ohio law to audit each public office; and

WHEREAS the university is a public office and is required under Ohio law to file a financial report with the Auditor of State for each fiscal year; and

WHEREAS the university operates on a fiscal year ending June 30 of each year; and

WHEREAS the university has produced consolidated financial statements for the 2020 and 2021 fiscal years, in accordance with accounting principles generally accepted in the United States of America; and

WHEREAS the university engages an outside auditing firm, currently PricewaterhouseCoopers LLC, to audit its consolidated financial statements; and

WHEREAS the university management and PricewaterhouseCoopers have produced a final draft of the audited consolidated financial statements for the 2020 and 2021 fiscal years; and

WHEREAS the Auditor of State may accept the audited consolidated financial statements in lieu of the audit required by Ohio law; and

WHEREAS the audited consolidated financial statements will not be final until approved by the Auditor of State:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby accepts the draft audited consolidated financial statements for the 2020 and 2021 fiscal years; and

BE IT FURTHER RESOLVED, That the Board of Trustees hereby approves the submission of these consolidated financial statements to the Auditor of State for review and approval.

The Ohio State University

(A Component Unit of the State of Ohio)

Consolidated Financial Statements

As of and for the Years Ended June 30, 2021 and 2020

And Reports of Independent Auditors

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Report of Independent Auditors

To the Board of Trustees of
The Ohio State University

Report on the Financial Statements

We have audited the accompanying financial statements of the primary institution and of the aggregate discretely presented component units of The Ohio State University (the "University"), a component unit of the State of Ohio, which comprise the statements of net position as of and for the years ended June 30, 2021 and 2020, and the related statements of revenues, expenses and changes in net position and of cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

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 Ohio State University as of June 30, 2021 and 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the accompanying management's discussion and analysis on pages 3 through 22, the Required Supplementary Information on GASB 68 Pension Liabilities on page 97, the Required Supplementary Information on GASB 75 Net OPEB Liabilities on page 98, and the Notes to Required Supplementary Information on page 99 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in 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 100 through 101 is presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November XX, 2021 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, 2021. 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 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.

November XX, 2021

Management's Discussion and Analysis (Unaudited)

The following Management's Discussion and Analysis, or MD&A, provides an overview of the financial position and activities of The Ohio State University (the "university") for the year ended June 30, 2021, with comparative information for the years ended June 30, 2020 and June 30, 2019. 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 67,000 students, 7,500 faculty members and 28,000 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 250 undergraduate majors, 162 master's degree programs, 105 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 a full spectrum of services from primary to quaternary specialized care. Key clinical care locations and facilities of the Health System include:

- **University Hospital:** the Wexner Medical Center's flagship hospital is a leader in multiple specialties including organ and tissue transplantation, women and infants, digestive diseases, bariatric surgery and minimally invasive surgery. In addition to having a Level I Trauma Center as designated by the American College of Surgeons, University Hospital is also home to a Level III Neonatal Intensive Care Unit, central Ohio's only adult burn center and the only adult solid organ transplant program in central Ohio.
- **Arthur G. James Cancer Hospital and Solove Research Institute ("The James"):** the only free-standing cancer hospital in central Ohio and the first in the Midwest, the Arthur G. James Cancer Hospital and Richard J. Solove Research Institute is an international leader in cancer prevention, detection and treatment. The James is one of only 51 comprehensive cancer centers designated by the National Cancer Institute (NCI) and one of only a few institutions nationally funded by the NCI to conduct both phase I and phase II clinical trials on novel anticancer agents sponsored by the NCI.

Management's Discussion & Analysis (Unaudited) - continued

- **Richard M. Ross Heart Hospital (“The Ross”)**: is dedicated to advancing the field of cardiovascular medicine and surgery. The Ross Heart Hospital offers comprehensive heart and vascular care spanning every specialty from open heart surgery to electrophysiology, vascular surgery, advanced heart failure care and emergency cardiac care. The Ross is one of the nation’s few free-standing facilities devoted entirely to the research of diseases affecting the heart, lungs and blood vessels.
- **OSU Harding Hospital**: offers counseling services along with the most comprehensive inpatient and outpatient mental health and behavioral health services in central Ohio. Programs are available for adolescents, adults and older adults with complex psychiatric disorders. Ohio State Harding Hospital’s team includes psychiatrists, psychologists, social workers, registered nurses, occupational therapists, recreational therapists, chaplains and licensed counselors.
- **Ohio State East Hospital**: blends academic medicine with a community-based setting. Ohio State East Hospital offers renowned services in orthopedic care, emergency services, cancer care, addiction services, ear, nose and throat care, heart care, radiology and imaging services, rehabilitation and wound healing. Additionally, patients have access to central Ohio’s leading alcohol and drug addiction recovery services, digestive disease treatment, a full-range of diagnostic services, a sleep disorders center and outpatient oncology services.
- **Dodd Hall**: home to Ohio State's nationally recognized and accredited rehabilitation inpatient program, specializing in stroke, brain and spinal cord rehabilitation. The program was the first in Ohio and is dedicated to physical medicine and rehabilitation research, training and treatment.
- **Brain and Spine Hospital**: a leader in brain and spine treatment and research with dedicated units for stroke care, neurotrauma and traumatic brain injuries, spinal cord injuries and spine surgery, epilepsy, chronic pain, acute rehabilitation, neurosurgery and sleep medicine. Ohio State is one of the first medical centers in the country to combine five neuroscience-related specialties into a single, integrated program and is designed to rapidly unlock the mysteries of the brain and to pioneer therapies and technology on every neurological front.
- **Ambulatory Services**: offering primary care and many specialized health services in numerous convenient locations throughout Ohio. Primary care, sports medicine, orthopedics, mammography, imaging, wound care and other specialties are provided with the compassionate and nationally ranked expert care that is synonymous with The Ohio State University Wexner Medical Center.

The Health System provided services to approximately 62,900 inpatients and 2,116,000 outpatients during fiscal year 2021 and 62,300 inpatients and 1,868,000 outpatients during fiscal year 2020.

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

Management's Discussion & Analysis (Unaudited) - continued

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)
- Pelotonia (a fundraising organization operating exclusively for the benefit of the university)

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)
- Science and Technology Campus Corporation (a non-profit organization established to further development of the university's Science and Technology Campus)

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

About the Financial Statements

The university presents its financial statements in a "business type activity" format, in accordance with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities – an amendment of GASB Statement No. 34*. In addition to this

Management's Discussion & Analysis (Unaudited) - continued

MD&A section, the financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and 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, 2021, with comparative information as of June 30, 2020. 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 or at Net Asset Value (NAV), as applicable.

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 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, 2021, with comparative information for the year ended June 30, 2020. 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 and other public institutions have traditionally relied upon to fund current operations, including state instructional support, current-use gifts and investment income.

Management's Discussion & Analysis (Unaudited) - continued

The **Statement of Cash Flows** details how cash has increased (or decreased) during the year ended June 30, 2021, with comparative information for the year ended June 30, 2020. 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

The global outbreak of COVID-19, a new strain of coronavirus that can result in severe respiratory disease, was first detected in December of 2019 and subsequently spread across six continents impacting many countries, including the United States. The COVID-19 outbreak has altered the behavior of businesses and people in a manner that has had and is expected to continue to have effects on global and local economies, including the State of Ohio.

On March 13, 2020, the university announced that it would suspend face-to face instruction and transition to remote instruction for the remainder of the spring semester. On April 1, 2020, the university announced that the suspension of face-to-face instruction would extend through the summer semester. With limited exceptions, all university events scheduled to occur during the summer months of 2020, including summer camps and sports camps, were cancelled. Nearly all university housing and dining facilities were closed on March 22, 2020 and remained closed through the summer 2020 semester.

On June 3, 2020, the university announced that it would resume in-person classes for the Autumn 2020 semester, with a mix of on-line, in-person and blended courses to reduce the number of students, faculty and staff that were on campus at any one time. Ongoing health and safety concerns resulted in the postponement of the 2020-2021 fall sports season. Attendance at football games and other athletics events was limited to families, staff and the media under strict safety protocols.

The university conducted extensive testing of students, faculty and staff throughout the 2020-2021 academic year. All other on-campus protocols (masking, social distancing and limits on group gatherings) remained in place, and throughout the Spring 2021 semester, the university observed a low positivity rate among its students. As vaccination rates continued to increase and other health and safety protocols remained effective, the university announced that it

Management's Discussion & Analysis (Unaudited) - continued

expected to return to more of a traditional university experience for the Autumn 2021 semester. The University State of Emergency, which was declared by the university president on March 22, 2020, was lifted effective July 1, 2021.

COVID-19 disrupted key university operations and resulted in significant declines in tuition, housing and dining and athletics revenues. In response to the COVID-19 outbreak, the university instituted a series of cost controls, including a hiring pause and business-only essential spending. After an unprecedented year managing the COVID-19 pandemic, the university's financial position remains strong. Total net position increased \$3.19 billion, to \$8.62 billion at June 30, 2021, driven primarily by strong investment performance, continued positive momentum at the Health System, significant efficiency measures across the university and reductions in university net pension and other post-employment benefit liabilities.

Demand for an Ohio State education and outcomes for students also remain strong. Total enrollment for Autumn 2020 was 67,957, down 305 students compared to Autumn 2019. 94% of the freshmen enrolled in Autumn 2019 returned to OSU in Autumn 2020. 69% of students graduated within four years, and over 87% graduated within six years.

The following sections provide additional details on the university's 2021 financial results and a look ahead at significant economic conditions that are expected to affect the university in the future.

Management's Discussion & Analysis (Unaudited) - continued

Statement of Net Position

Summary Statement of Net Position <i>(in thousands)</i>			
	2021	2020	2019
Cash and temporary investments	\$ 3,371,175	\$ 3,633,027	\$ 3,308,174
Receivables, inventories, prepaids and other current assets	1,038,798	808,875	872,714
Total current assets	4,409,973	4,441,902	4,180,888
Restricted cash	276,243	401,664	492,033
Noncurrent notes and pledges receivable, net	134,207	110,673	124,901
Net other post-employment benefit receivable	275,182	77,901	74,520
Long-term investment pool	7,041,973	5,287,131	5,256,759
Other long-term investments	348,227	301,676	219,455
Other noncurrent assets	202,911	-	-
Capital assets, net of accumulated depreciation	6,267,672	5,700,078	5,268,363
Total noncurrent assets	14,546,415	11,879,123	11,436,031
Total assets	18,956,388	16,321,025	15,616,919
Deferred outflows	467,600	717,357	1,155,735
Total assets and deferred outflows	\$ 19,423,988	\$ 17,038,382	\$ 16,772,654
Accounts payable and accrued expenses	\$ 774,841	\$ 638,750	\$ 591,844
Medicare advance payment program	254,854	274,915	-
Deposits and advance payments for goods and services	371,040	268,481	281,886
Current portion of bonds, notes and lease obligations	352,716	374,717	618,302
Other current liabilities	93,883	88,673	112,259
Total current liabilities	1,847,334	1,645,536	1,604,291
Noncurrent portion of bonds, notes and lease obligations	2,690,587	2,732,098	2,543,360
Net pension liability	2,679,333	3,025,029	3,715,058
Net other post-employment benefits liability	22,683	1,459,572	1,339,383
Advance from concessionaire	980,953	1,002,769	1,024,555
Other noncurrent liabilities	789,941	527,489	434,885
Total noncurrent liabilities	7,163,497	8,746,957	9,057,241
Total liabilities	9,010,831	10,392,493	10,661,532
Deferred inflows	1,796,237	1,221,395	677,046
Net investment in capital assets	3,471,509	3,010,095	2,605,381
Restricted:			
Nonexpendable	1,789,304	1,622,782	1,580,115
Expendable	2,030,928	1,125,359	1,303,269
Unrestricted	1,325,179	(333,742)	(54,689)
Total net position	8,616,920	5,424,494	5,434,076
Total liabilities, deferred inflows and net position	\$ 19,423,988	\$ 17,038,382	\$ 16,772,654

During the year ended June 30, 2021, **cash and temporary investment** balances decreased \$262 million, to \$3.37 billion, reflecting capital expenditures and net cash flows for operating activities. 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 \$125 million, to \$276 million at June 30, 2021, 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.

Management's Discussion & Analysis (Unaudited) - continued

Accounts receivable increased \$210 million, to \$737 million at June 30, 2021. Health System receivables were up \$105 million, reflecting an overall increase in hospital patient acuity and increased outpatient volumes. Receivables on grants and contracts increased \$86 million, driven primarily by a \$56 million in receivables on grants managed by the Office of Sponsored Programs.

The fair value of the university's **long-term investment pool** (LTIP) increased \$1.75 billion, to \$7.04 billion at June 30, 2021. The increase is primarily due to a \$1.69 billion increase in the fair value of LTIP assets, \$137 million of interest and dividend income and \$251 million of net principal additions. These increases were partially offset by \$247 million in distributions and \$80 million of expenses. 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 \$106 million, to \$118 million at June 30, 2021, reflecting an expansion of securities lending activity in 2021. 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 \$47 million, to \$348 million, at June 30, 2021, primarily due to unrealized gains and capital calls on private equity investments.

Capital assets, which include the university's land, buildings, improvements, equipment and library books, net of depreciation, grew \$568 million, to \$6.27 billion at June 30, 2021. 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).

Additions to university capital assets totaled \$1.03 billion in 2021. The Health System accounted for \$500 million of the total and includes expenditures for facilities, infrastructure improvement, land, and equipment purchases. The remaining \$532 million of university capital additions include \$60 million of equipment and library books, \$33 million related to the Workday Enterprise Resource Planning project, \$102 million related to the Comprehensive Energy Management Plan (CEMP) facility improvements and \$337 million related to improvements and renovations of various academic buildings, athletic facilities, student life facilities and other infrastructure.

Management's Discussion & Analysis (Unaudited) - continued

The replacement of the College of Dentistry Postle Hall and Mars G. Fontana Labs Advanced Materials Corridor projects were completed during the fiscal year. New science facilities were finished at the Newark and Wooster regional campuses. The Workday Enterprise Resource Planning project went live during the fiscal year, and the new Ty Tucker Tennis Center was completed. The WOSU radio and television operation took possession of their new headquarters on High Street, and the Health Sciences Faculty Office and Optometry clinic at the corner of 11th and Neil Avenues was placed in service. The Health System completed construction of a new parking garage for the new inpatient hospital as well as a new central sterile supply facility.

The OSU Health System has major construction projects currently underway including:

- New Inpatient Hospital – Construction is underway on a 1.9 million square foot, 24-story inpatient hospital east of Cannon Drive. Scheduled to open in early 2026, the \$1.79 billion hospital is the largest single facilities project ever undertaken at The Ohio State University.
- Health System Outpatient Care Facilities – Construction is underway or nearing completion on new outpatient care facilities in New Albany, Dublin and Powell. These comprehensive facilities are part of a new suburban outpatient care program that supports growth in the region and excellence in academic health care. Also under construction is a \$344 million West Campus outpatient facility that will include the region's first proton therapy facility.

Major academic facility projects currently underway include:

- Interdisciplinary Research Facility – Construction is underway on a 305,000 square foot, five-story laboratory building on West Campus that will serve multiple research disciplines, including biomedical, life sciences, engineering and environmental sciences. Two floors will be dedicated to The Ohio State University Comprehensive Cancer Center. Scheduled for completion in 2023, the \$238 million facility will be an anchor for the university's future Innovation District.
- The Interdisciplinary Health Sciences Center – This project will renovate existing facilities and construct a new building for interprofessional education through the health sciences including the college of Medicine and Optometry. Occupancy is slated for 2024.
- The Energy Advancement and Innovation Center – This new facility will be a hub for Ohio State faculty members, students, alumni, researchers, local entrepreneurs and industry experts to work together on the next generation of smart energy systems, renewable energy and green mobility solutions. Opening is slated for the fall of 2023.
- Arts District – Work continues on the \$165 million Arts District project on the west side of High Street between 15th and 18th avenues. Included are new facilities for

Management's Discussion & Analysis (Unaudited) - continued

the School of Music (Timashev Family Music Building) and Department of Theatre, Film, and Media Arts.

The university's estimated future capital commitments, based on contracts and purchase orders, total approximately \$1.74 billion at June 30, 2021.

Accounts payable and accrued expenses increased \$136 million, to \$775 million at June 30, 2021, reflecting increases in payables to vendors for supplies and services.

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. The university paid \$59 million and \$56 million in total fixed and O&M utility fees for the years ended June 30, 2021 and 2020, respectively. The total amounts payable to the concessionaire increased \$94 million, to \$236 million at June 30, 2021. The \$12 million current portion of this liability is included in other current liabilities on the Statement of Net Position.

University debt, in the form of **bonds, notes and capital lease obligations**, decreased \$64 million, to \$3.04 billion at June 30, 2021. In June 2020, the university issued \$186 million in Series 2020A fixed rate bonds to refund \$227 million of its variable rate bonds. In addition, the university entered into forward-starting interest-rate swap agreements to advance refund its Series 2013A bonds. The swap agreements are effective June 2023, have a total notional amount of \$329 million and are considered effective hedges. At June 30, 2021, the fair value of the swap agreements was \$12 million and is reported as a noncurrent asset and offsetting deferred inflow of resources. At June 30, 2020, the fair value of the swap agreements was negative \$7 million and is reported as a noncurrent liability and offsetting deferred outflow of resources.

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.

Management's Discussion & Analysis (Unaudited) - continued

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 \$290 million and \$318 million at June 30, 2021 and 2020, respectively.

On September 30, 2021, the University closed on \$600,000 in tax-exempt fixed rate General Receipts Bonds - Series 2021A. The proceeds of the bonds will be used to fund construction of the Wexner Medical Center's new Inpatient Hospital, scheduled to open in 2026.

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. A related accounting standard, GASB Statement No. 75, 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 2021, the university's share of OPERS and STRS-Ohio net pension liabilities decreased \$346 million, to \$2.68 billion at June 30, 2021. The decrease relates primarily to OPERS net pension liabilities, which were down \$481 million, to \$1.50 billion. In calendar year 2020, OPERS realized a 12.02% return on defined benefit plan investments for the period. STRS net pension liabilities increased \$136 million, to \$1.18 billion, reflecting fiscal year 2020 STRS investment returns of 3.14%.

Deferred outflows related to pensions decreased \$106 million, to \$340 million at June 30, 2021, and deferred inflows related to pensions increased \$195 million, to \$682 million at June 30, 2021. The changes in pension deferrals relate primarily to OPERS projected vs actual investment returns. These deferrals will be recognized as pension expense in future periods.

In 2021, the university's share of OPERS and STRS-Ohio net OPEB liabilities swung from a \$1.36 billion net liability to a \$275 million net asset at June 30, 2021, primarily due to changes in OPERS benefit terms. On January 15, 2020, the OPERS Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances. These changes in benefit terms, combined with an increase in the discount rate from 3.16% to 6.00%, resulted in a \$1.63 billion reduction in the university's share of OPERS net OPEB liabilities. The university's share of STRS-Ohio net OPEB assets was stable, increasing \$7 million, to \$85 million at June 30, 2021.

Deferred outflows related to OPEB decreased \$135 million, to \$104 million at June 30, 2021, and deferred inflows related to OPEB increased \$378 million, to \$676 million at June 30, 2021.

Management's Discussion & Analysis (Unaudited) - continued

The changes in pension deferrals relate primarily to OPERS deferrals for changes in assumptions and expected vs actual experience. These deferrals will be recognized as OPEB expense in future periods.

Total pension and OPEB expense recognized by the university decreased \$1.58 billion, to a negative (credit) of \$770 million in 2021. Total pension and OPEB expense includes employer contributions and (non-cash) expense accruals associated with the recognition of net pension and OPEB liabilities and deferrals. Total employer contributions were up \$16 million, to \$396 million in 2021. Pension and OPEB expense accruals were down \$1.59 billion, to negative \$1.17 billion.

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 \$397 million and \$407 million at June 30, 2021 and June 30, 2020, respectively, 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 2020*, cash and temporary investment balances increased \$325 million, to \$3.63 billion, primarily due to the Health System's receipt of \$275 million of Medicare Advance payments and \$143 million of Provider Relief Funds. The university's share of OPERS and STRS-Ohio net pension liabilities decreased \$690 million, to \$3.03 billion at June 30, 2020, primarily reflecting a 17.23% return in calendar 2019 on OPERS defined benefit plan investments. *In 2019*, the university's share of OPERS and STRS-Ohio net pension liabilities increased \$1.17 billion, to \$3.72 billion at June 30, 2019, primarily due to a combination of negative investment returns for OPERS and reductions in OPERS long-term assumed rate of return on pension plan investments. Cash and temporary investment balances increased \$285 million, to \$3.31 billion, primarily due to strong healthcare operating cash flows.

Management's Discussion & Analysis (Unaudited) - continued

Statement of Revenues, Expenses and Changes in Net Position

Summary of Revenues, Expenses and Changes in Net Position <i>(in thousands)</i>			
	2021	2020	2019
Operating Revenues:			
Tuition and fees, net	\$ 869,740	\$ 953,569	\$ 969,633
Grants and contracts	784,021	743,431	732,253
Auxiliary enterprises sales and services, net	175,961	298,064	339,615
OSU Health System sales and services, net	3,952,605	3,449,681	3,432,271
Departmental sales and other operating revenues	205,905	187,089	201,783
Total operating revenues	<u>5,988,232</u>	<u>5,631,834</u>	<u>5,675,555</u>
Operating Expenses:			
Educational and general	2,248,013	2,809,135	2,665,355
Auxiliary enterprises	206,123	320,392	361,346
OSU Health System	2,733,141	3,345,167	3,109,070
Depreciation	457,950	425,012	413,039
Total operating expenses	<u>5,645,227</u>	<u>6,899,706</u>	<u>6,548,810</u>
Net operating income (loss)	343,005	(1,267,872)	(873,255)
Non-operating revenues (expenses):			
State share of instruction and line-item appropriations	486,115	461,838	469,679
Gifts - current use	129,723	157,511	160,102
Net investment income	1,859,173	231,190	229,663
Federal COVID-19 assistance programs	150,037	158,058	-
Grants, interest expense and other non-operating	11,363	19,169	(14,961)
Net non-operating revenue	<u>2,636,411</u>	<u>1,027,766</u>	<u>844,483</u>
Income (loss) before other changes in net position	2,979,416	(240,106)	(28,772)
State capital appropriations	63,988	69,905	64,900
Private capital gifts	78,942	77,425	26,565
Additions to permanent endowments	63,157	63,695	45,533
Capital contributions and other changes in net position	6,923	19,499	3,236
Total changes in net position	<u>213,010</u>	<u>230,524</u>	<u>140,234</u>
Increase (decrease) in net position	3,192,426	(9,582)	111,462
Net position - beginning of year	<u>5,424,494</u>	<u>5,434,076</u>	<u>5,322,614</u>
Net position - end of year	<u>\$ 8,616,920</u>	<u>\$ 5,424,494</u>	<u>\$ 5,434,076</u>

Net **tuition and fees** decreased \$84 million or 9%, to \$870 million in 2021, due primarily to a decrease in gross tuition of \$88 million. Gross tuition decreased \$48 million for Autumn semester and \$53 million for Spring semester, offset by an increase of \$13 million for Summer semester. Autumn and Spring tuition decreased primarily due to decreases in non-resident fees resulting from out-of-state students choosing all online instruction. The increase in Summer tuition reflects a shift back to in-person instruction.

Operating **grant and contract revenues** increased \$41 million, to \$784 million, reflecting increases in federal grants of \$37 million. Grants managed by the Office of Sponsored Programs increased \$7 million.

Total **auxiliary revenues** decreased \$122 million, to \$176 million, due primarily to revenue losses associated with the postponement of fall sports of \$85 million, decreases in Student Life housing and dining revenues of \$32 million, and decreases in Business Advancement (Schottenstein Center, Blackwell, and Fawcett Center) revenues of \$17 million. These

Management's Discussion & Analysis (Unaudited) - continued

revenue reductions were partially offset by an \$11 million decrease in scholarship allowances attributable to room and board. **Auxiliary expenses** decreased \$114 million, to \$206 million, primarily due to decreases in year-end accruals for pension and other post-employment benefits of \$70 million, Athletics expenses of \$34 million, and Business Advancement (Schottenstein Center and Blackwell) expenses of \$11 million.

Educational and general expenses decreased \$561 million to \$2.25 billion in 2021, primarily due to a \$576 million reduction in allocated pension and OPEB expense. Additional details are provided below.

Educational and General Expenses <i>(in thousands)</i>	2021	2020	2019
Instruction and departmental research	\$ 1,050,943	\$ 1,051,376	\$ 1,038,290
Separately budgeted research	497,923	505,290	492,816
Public service	170,867	176,889	176,384
Academic support	252,353	223,552	223,172
Student services	80,175	89,162	93,405
Institutional support	356,154	355,179	246,307
Operation and maintenance of plant	118,406	117,727	123,128
Scholarships and fellowships	147,269	139,622	127,769
Non-cash accruals for pensions and other postemployment benefits	(426,078)	150,338	144,084
Total educational and general expense	<u>\$ 2,248,013</u>	<u>\$ 2,809,135</u>	<u>\$ 2,665,355</u>

Most E&G expenditure categories were flat in 2021, reflecting expenditure controls implemented in response to the outbreak of COVID-19. Ohio State instituted a hiring pause on April 1, 2020. The university also temporarily paused the annual merit compensation increase process and instituted pauses in off-cycle salary increases. Restrictions on university travel and a review of all non-essential spending such as supplies, equipment purchases, conferences and membership expenses led to additional savings. These savings were offset by COVID-19-related operational expenses of \$75 million and disbursement of federal emergency aid to students.

Health System operating revenues increased \$503 million, to \$3.95 billion in 2021, reflecting increases in hospital patient acuity and growth in outpatient volumes. Operating expenses (excluding depreciation, interest and transfers) decreased \$612 million to \$2.73 billion, primarily due to a \$948 million swing in expenses associated with pension and OPEB accruals. Excluding pension and OPEB, Health System operating expenses increased \$318 million. An in-depth look at the Health System, as presented in their stand-alone financial statements, is provided below.

In total, the Health System operates nearly 1,500 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 29 consecutive years as one of "America's Best Hospitals." and is ranked first in Central Ohio. The Health System is recognized as a national leader in ten specialties including: Cancer, Cardiology & Heart Surgery, Diabetes & Endocrinology, Ear,

Management's Discussion & Analysis (Unaudited) - continued

Nose & Throat, Gastroenterology and GI Surgery, Gynecology, Neurology & Neurosurgery, Pulmonary and Lung Surgery, Rehabilitation, and Urology. The Ear, Nose & Throat program ranked eighth in the United States. The Geriatrics specialty, along with 13 procedures and conditions, was ranked as high performing.

The Health System is also proud to be the first 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 Ohio State University Wexner Medical Center has more "Top Doctors" than any other central Ohio hospital. Wexner Medical Center physicians were selected by Castle Connolly because they are among the very best in their specialties.

Suspended operations due to the Covid-19 pandemic resulted in decreases in revenues and patient care volumes significantly below budget projections in 2020. In 2021, the Health System experienced recovery in surgical and procedural volumes. Total surgical volume increased 13.4% compared to 2020. Hospital admissions saw a slight growth in 2021 however the Health System experienced an increase of 8.7% in the acuity of the patient in the hospital leading to strong results in operations for the year.

Approximately 88% of total operating revenues are from patient care activities. Other Operating Revenues include revenue from reference labs, cafeteria operations, rental agreements and other non-patient services. Due to the increasing complexity and significantly growing number of specialty oral and self-administered pharmaceuticals available for cancer and non-cancer patients, the Health System operates a Specialty Retail Pharmacy dedicated to improving patient care by easing the challenges of managing medications. The Specialty Retail Pharmacy contributed \$204.9 million to Health System operating revenues in 2021 and \$166.7 million 2020.

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 Heath System. The goal of this managed unit is to standardize the care and quality outcomes of all the neonatal patients in Central Ohio. The NICU contributed \$13.9 million of operating revenues in 2021 and \$17.8 million in 2020. In 2019, the Health System enrolled in the Care Innovation and Community Improvement Program (CICIP). CICIP was developed to increase alignment of quality improvement strategies and goals between the State, Managed Care Organizations (MCO), and both public and nonprofit hospital agencies. The Health System recognized \$70.2 million in Other Operating Revenues related to CICIP in 2021 and \$52.6 million in 2020.

Operating expenses decreased \$679.2 million or 20.2% from 2020 to 2021, primarily due to expenses associated with pension and OPEB accruals, which swung from a positive \$264 million in 2020 to a negative \$679 million in 2021. Excluding pension and OPEB accruals, Health System operating expenses increased \$264 million. Salaries and benefits increased \$61 million, reflective of the recovery of volume due to the Covid-19 pandemic. Supplies and drugs increased \$151.4 million or 15.9%. The increase in supplies was a result of a strong transplant year for heart and lung as well as an increase in intensity for surgical and procedural volume. The Health System performed approximately 483,000 Covid-19 tests that resulted in

Management's Discussion & Analysis (Unaudited) - continued

increased lab costs for the system. The increase in drugs is due to strong volumes at the James as well as the Specialty Retail Pharmacy. Purchased services grew \$34.9 million or 8.9% in 2021 reflecting increased hospital franchise fees as well as higher cleaning and advertising costs. The increase in hospital franchise fees is a result of additional assessments due to Covid-19 related emergency spending measures.

The Health System is continuing its vision to deliver unparalleled care and meet anticipated future growth, embarking on a plan to expand its care with new, large outpatient care facilities planned for New Albany, Dublin, and Powell. A new inpatient hospital scheduled to open in early 2026 will be a 1.9 million square foot facility and the largest single facilities project ever undertaken at The Ohio State University. The new tower will enhance research, clinical training and patient care. The hospital will have up to 820 beds in private rooms, 60 neonatal intensive care unit bassinets, 24 floors, an emergency department, imaging suites, operating rooms and critical care and medical/surgical beds. The Health System will continue creating an innovative healthcare delivery model to deliver high value care with an unparalleled patient experience and access. By pushing the boundaries of discovery and knowledge, The Ohio State University Wexner Medical Center will solve significant problems and deliver unparalleled care.

Consolidated revenues for **OSU Physicians, Inc.** (OSUP), the University's central practice group for physician faculty members of the College of Medicine and Public Health, increased \$64 million, to \$648 million in 2021. Net patient care revenue increased \$49 million, reflecting the lifting of coronavirus restrictions and the resumption of services provided by OSUP. Other revenues increased \$15 million, primarily due to increases in university operating support. Consolidated operating expenses increased \$40 million, to \$603 million in 2021. Approximately \$40 million of the increase came from physician and other provider related costs which was primarily due to new physicians and other providers entering the practice during fiscal year 2021. Staff salaries and benefits increased \$1 million, reflecting an increase in staff FTEs. Non-operating income (expense) for OSUP decreased \$20 million, primarily due to \$12 million in Provider Relief Funds received and recognized as revenue in 2020. OSUP balances are included in the Discretely Presented Component Units columns of the university's financial statements.

Total state operating support increased \$24 million, to \$486 million, reflecting increases in state **share of instruction** (SSI). Total SSI for 2021 was \$401 million, a 6% increase over final 2020 distributions. In response to the impact of the COVID-19 pandemic on economic activity, the State of Ohio implemented a number of cost containment measures, including reductions in SSI appropriations for the final two months of 2020. **State line-item appropriations** were stable in 2021, increasing \$1 million to \$85 million. **State capital appropriations** decreased \$6 million, to \$64 million.

In response to the COVID-19 outbreak, the federal government has provided support to individuals, companies and non-profit institutions in the form of loans, grants, tax changes and other types of relief. The university recognized revenues totaling \$150 million for **federal COVID-19 assistance programs** in 2021, including \$59 million of CARES institutional grants, \$25 million of CARES emergency grants to students, \$42 million of Coronavirus Relief Funds from the State of Ohio, and \$16 million in FEMA Public Assistance funds provided to the Health

Management's Discussion & Analysis (Unaudited) - continued

System. In 2020, the university recognized revenues totaling \$158 million for federal COVID-19 assistance, including \$143 million of Provider Relief Funds for the Health System and \$14 million of CARES emergency grants to students. Amounts provided to the university under these grant programs are recognized as non-operating revenues in the Statement of Revenues, Expenses and Changes in Net Position as eligibility requirements are met. In addition to the Provider Relief Funds, the Health System received \$275 million in 2020 under the **Medicare Accelerated and Advance Payment Program**. These amounts are considered short-term loans, and repayments began in 2021. Current liabilities for advance payments provided to the Health System totaled \$255 million and \$275 million at June 30, 2021 and 2020, respectively.

Total **gifts** to the university decreased \$27 million, to \$272 million in 2021. Several colleges and support units received gifts in excess of \$1 million in 2021, including Veterinary Medicine, the College of Food, Agricultural and Environmental Sciences, University Hospitals, the James Cancer Hospital and Research Institute, the Comprehensive Cancer Center, the College of Medicine, the College of Arts and Sciences, the College of Engineering, Fisher College of Business, Moritz College of Law, General University Scholarships and the Department of Athletics. Support came from more than 194,000 alumni and friends.

University investments yielded \$1.86 billion of **net investment income** in 2021, compared with \$231 million in 2020. For 2021, the LTIP returned +29.2% compared to +1.1% in 2020. In 2021, the LTIP was above benchmark for all asset classes after having lagged the benchmark across all asset classes in 2020.

For 2021, the Global Equity allocation returned +41.0% which outperformed on a relative basis to the MSCI ACWI benchmark, which recorded a +39.3% result, by +1.7% for the year. The LTIP's Global Fixed Income allocation outperformed compared to the US Aggregate Bond benchmark, generating a +7.7% return versus -0.3% for the benchmark. The Real Assets allocation returned +11.0%, outperforming the CPI +5% return of +10.1% for the year.

Prior-Year Highlights: *In 2020*, total net position was stable, decreasing \$10 million, to \$5.42 billion at June 30, 2020. Federal assistance provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the implementation of expenditure controls offset a significant portion of the revenue losses from suspended operations. Health System operating revenues were relatively stable in 2020, increasing \$17 million, to \$3.45 billion. University investments yielded \$231 million of net investment income in 2020, compared with \$230 million in 2019. *In 2019*, Health System operating revenues grew \$328 million, to \$3.43 billion. Growth in surgical cases, increased chemotherapy and pharmaceutical volumes and increased bed capacity contributed to the growth in operating revenue. Educational and general expenses increased \$667 million, to \$2.67 billion in 2019, primarily due to a \$557 swing in expenses associated with pension and other post-employment benefit (OPEB) liabilities. University investments yielded \$230 million of net investment income in 2019, down from \$439 million in 2018. Total net position increased \$112 million, to \$5.43 billion at June 30, 2019, primarily due to strong Health System operating results.

Management's Discussion & Analysis (Unaudited) - continued

Statement of Cash Flows

University Cash Flows Summary <i>(in thousands)</i>	2021	2020	2019
Net cash flows used in operating activities	\$ (402,268)	\$ (4,234)	\$ (7,757)
Net cash flows from noncapital financing activities	889,559	934,803	779,439
Capital appropriations and gifts for capital projects	145,499	104,855	99,114
Payments for purchase or construction of capital assets	(891,524)	(739,379)	(604,717)
Principal and interest payments on capital debt and leases, net of federal Build America Bond interest subsidies	(184,739)	(180,250)	(180,138)
Net cash flows provided (used) in investing activities	(849,008)	68,118	(1,128)
Net increase (decrease) in cash and cash equivalents	<u>\$ (1,292,481)</u>	<u>\$ 183,913</u>	<u>\$ 84,813</u>

University cash and cash equivalents decreased \$1.29 billion in 2021. Net cash used in operating activities was \$402 million, compared to \$4 million in 2020. The decrease relates primarily to the 2020 receipt of \$275 million in Medicare Advance Payment Program funds by the Health System and 2021 increases in Health System payments for compensation and supplies and services. Net cash flows from noncapital financing activities decreased \$45 million, to \$890 million, reflecting a decrease in current-use gift receipts. Payments for purchase or construction of capital assets increased \$152 million, to \$892 million, primarily due to increases in Health System capital expenditures. Cash used by investing activities was \$849 million, reflecting net purchases of temporary investments.

Management's Discussion & Analysis (Unaudited) - continued

Economic Factors That Will Affect the Future

Ohio State continues to mount a comprehensive response to the COVID-19 pandemic, both to support the health and safety of the university community and as part of its role as a leading national flagship public research university. Ohio State experts supported the State of Ohio's response, and the Wexner Medical Center was at the forefront of addressing patient care needs. The university plans to reactivate campus in Autumn 2021 with increased in-person activity while maintaining an active focus on COVID-19.

Dr. Kristina M. Johnson became the 16th university president in August 2020 amid the pandemic. In her first State of the University address, President Johnson announced a commitment to four areas of excellence: academic, research and creative expression, entrepreneurship and partnerships, and service to the State of Ohio, the nation and the world.

The university's FY2022 Financial Plan reflects these new initiatives and enhances the university's strategic plan with a focus on the following areas:

- **Academic Excellence** – The university plans to increase the number of tenure track faculty by up to 350 over the next ten years. At the same time, the university will invest \$4 million in the Drake Institute for Teaching and Learning to extend best practices in instruction.
- **Excellence in Research and Creative Expression** – Dr. Grace Wang, Executive Vice President for Research, Innovation, and Knowledge Enterprise (ERIK), will lead an initiative to double research expenditures over the next decade. The FY2022 Financial Plan includes operating investments totaling at least \$35 million in academic and research initiatives. Additional capital investments will also be made in this area.
- **Excellence in Entrepreneurship and Partnership** – ERIK will also serve as a hub on which to build external relationships that will help grow the university's portfolio of federally funded research and expand strategic partnerships with industry. Among the community partnerships for the university's Innovation District is an \$87.5 million commitment from JobsOhio.
- **Excellence in Service to the State of Ohio, the Nation and the World** – To best serve the economic and personal prosperity of the region and the State of Ohio, the university is on track to provide opportunities for students to achieve a "debt-free bachelor's degree" within the decade. Since FY2016, the university has added more than \$200 million in new need-based student aid. In FY2022, the university will invest more than \$53 million in three programs: The Buckeye Opportunity Program, President's Affordability Grants, and the Land Grant Opportunity Program. A fifth incoming class of Ohio students will enter under the Ohio State Tuition Guarantee, which locks in rates for tuition, mandatory fees and room and board for four years.

Management's Discussion & Analysis (Unaudited) - continued

The Wexner Medical Center continues to reinvest projected margin in patient care and capital planning to support growing demand. Strategic growth initiatives include the opening of new outpatient care facilities in New Albany, Dublin and on the university's West Campus. The West Campus outpatient facility, slated to open in 2023, will include central Ohio's first proton therapy facility, in partnership with Nationwide Children's Hospital. Also planned to open in 2023 on West Campus is an Interdisciplinary Research Facility, which will service a variety of research disciplines, including the OSU Comprehensive Cancer Center. Construction is also underway on a new 1.9 million square foot Inpatient Hospital, scheduled to open in 2026.

To safeguard the university's resources during the pandemic, the university set FY2021 savings efficiency goals of \$175 million for the university, \$77.6 million for the Wexner Medical Center and \$45 million for capital expenditures. The university exceeded these savings goals. Targets for FY2022 efficiency savings total \$90 million, including \$35 million for university, \$30 million for Wexner Medical Center and \$25 million for capital.

The impact of COVID-19 on university finances and operations may continue to be felt for at least the coming (FY2022) fiscal year, depending on vaccination rates and whether the COVID-19 virus or variations of the virus continue to spread in the United States and around the world. Future adverse consequences of the COVID-19 pandemic may include, but are not limited to: a decline in enrollment (including a disproportional decline in enrollment by international students); a decline in demand for university housing; a decline in demand for university programs that involve travel or that have international connections; cancellation, postponement and/or reduced attendance for athletic events; and an increase in costs associated with purchasing of personal protective equipment and implementing community-wide testing programs. University management continues to monitor the course of the pandemic and is prepared to take additional measures to protect the health of the university community and promote the continuity of its academic mission.

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 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, 2021 and June 30, 2020
(In thousands)

	Primary Institution		Discretely Presented Component Units		Total University	
	2021	2020	2021	2020	2021	2020
ASSETS AND DEFERRED OUTFLOWS:						
Current Assets:						
Cash and cash equivalents	\$ 677,386	\$ 1,844,446	\$ 260,758	\$ 186,705	\$ 938,144	\$ 2,031,151
Temporary investments	2,693,789	1,788,581	1,614	15,135	2,695,403	1,803,716
Accounts receivable, net	736,500	526,682	69,268	56,555	805,768	583,238
Notes receivable - current portion, net	25,231	25,231	-	424	25,231	25,655
Pledges receivable - current portion, net	63,799	79,240	-	-	63,799	79,240
Accrued interest receivable	19,848	21,274	-	-	19,848	21,274
Inventories and prepaid expenses	150,576	170,732	4,623	4,279	155,199	175,011
Investments held under securities lending program	118,266	12,092	-	-	118,266	12,092
Amounts due from (to) primary institution	(75,422)	(26,376)	75,422	26,376	-	-
Total Current Assets	4,409,973	4,441,902	411,685	289,474	4,821,658	4,731,377
Noncurrent Assets:						
Restricted cash	276,243	401,664	-	-	276,243	401,664
Notes receivable, net	36,766	51,425	800	850	37,566	52,275
Pledges receivable, net	97,441	59,248	-	-	97,441	59,248
Net other post-employment benefit asset	275,182	77,901	-	-	275,182	77,901
Long-term investment pool	7,041,973	5,287,131	-	-	7,041,973	5,287,131
Other long-term investments	348,227	301,676	-	-	348,227	301,676
Other noncurrent assets	202,911	-	1,222	-	204,133	-
Capital assets, net	6,267,672	5,700,078	296,209	243,277	6,510,934	5,922,015
Total Noncurrent Assets	14,546,415	11,879,123	298,231	244,127	14,791,699	12,101,910
Total Assets	18,956,388	16,321,025	709,916	533,601	19,613,357	16,833,287
Deferred Outflows:						
Pension	339,679	445,769	-	-	339,679	445,769
Other post-employment benefits	104,182	239,629	-	-	104,182	239,629
Other deferred outflows	23,739	31,959	-	-	23,739	31,959
Total Deferred Outflows	467,600	717,357	-	-	467,600	717,357
Total Assets and Deferred Outflows	\$ 19,423,988	\$ 17,038,382	\$ 709,916	\$ 533,601	\$ 20,080,957	\$ 17,550,644
LIABILITIES, DEFERRED INFLOWS AND NET POSITION:						
Current Liabilities:						
Accounts payable and accrued expenses	\$ 774,841	\$ 638,750	\$ 33,586	\$ 30,877	\$ 808,427	\$ 669,627
Medicare advance payment program	254,854	274,915	10,191	12,585	265,045	287,500
Deposits and advance payments for goods and services	371,040	268,481	4,742	3,141	375,782	271,622
Current portion of bonds, notes and leases payable	62,746	57,002	1,455	1,607	64,201	58,608
Long-term bonds payable, subject to remarketing	289,970	317,715	-	-	289,970	317,715
Liability under securities lending program	118,266	12,092	-	-	118,266	12,092
Other current liabilities	110,847	108,209	11,801	9,153	122,648	117,362
Amounts due to (from) primary institution - current	(135,230)	(31,628)	135,230	31,628	-	-
Total Current Liabilities	1,847,334	1,645,536	197,005	88,991	2,044,339	1,734,526
Noncurrent Liabilities:						
Bonds, notes and leases payable	2,690,587	2,732,098	14,911	16,290	2,705,498	2,748,388
Concessionaire payable	223,721	134,362	-	-	223,721	134,362
Net pension liability	2,679,333	3,025,029	-	-	2,679,333	3,025,029
Net other post-employment benefit liability	22,683	1,459,572	-	-	22,683	1,459,572
Compensated absences	214,428	210,158	-	-	214,428	210,158
Self-insurance accruals	85,083	87,928	-	-	85,083	87,928
Amounts due to third-party payors - Health System	90,403	60,516	-	-	90,403	60,516
Irrevocable split-interest agreements	36,328	31,853	-	-	36,328	31,853
Refundable advances for Federal Perkins loans	26,005	29,695	-	-	26,005	29,695
Advance from concessionaire	980,953	1,002,769	-	-	980,953	1,002,769
Other noncurrent liabilities	283,643	104,255	59,960	39,215	290,656	122,132
Amounts due to (from) primary institution - noncurrent	(169,670)	(131,278)	169,670	131,278	-	-
Total Noncurrent Liabilities	7,163,497	8,746,957	244,541	186,783	7,355,091	8,912,402
Total Liabilities	9,010,831	10,392,493	441,546	275,774	9,399,430	10,646,928
Deferred Inflows:						
Parking service concession arrangement	397,283	406,914	-	-	397,283	406,914
Pension	682,490	487,347	-	-	682,490	487,347
Other post-employment benefits	675,698	298,463	-	-	675,698	298,463
Other deferred inflows	40,766	28,671	-	-	40,766	28,671
Total Deferred Inflows	1,796,237	1,221,395	-	-	1,796,237	1,221,395
Net Position:						
Net investment in capital assets	3,471,509	3,010,095	271,367	216,111	3,742,876	3,226,206
Restricted:						
Nonexpendable	1,789,304	1,622,782	-	-	1,789,304	1,622,782
Expendable	2,030,928	1,125,359	-	-	2,030,928	1,125,359
Unrestricted	1,325,179	(333,742)	(2,997)	41,716	1,322,182	(292,026)
Total Net Position	8,616,920	5,424,494	268,370	257,827	8,885,290	5,682,321
Total Liabilities, Deferred Inflows and Net Position	19,423,988	17,038,382	709,916	533,601	20,080,957	17,550,644

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

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

Years ended June 30, 2021 and June 30, 2020
(In thousands)

	Primary Institution		Discretely Presented Component Units		Total University	
	2021	2020	2021	2020	2021	2020
Operating Revenues:						
Student tuition and fees (net of scholarship allowances of \$234,727 and \$238,920, respectively)	\$ 869,740	\$ 953,569	\$ -	\$ -	\$ 869,740	\$ 953,569
Federal grants and contracts	407,404	369,977	18,969	12,946	426,373	382,923
State grants and contracts	76,611	78,217	-	-	76,611	78,217
Local grants and contracts	27,538	27,015	-	-	27,538	27,015
Private grants and contracts	272,468	268,222	37,461	39,852	309,929	308,074
Sales and services of educational departments	168,707	142,389	10,053	9,354	178,760	151,743
Sales and services of auxiliary enterprises (net of scholarship allowances of \$26,375 and \$39,982, respectively)	175,961	298,064	-	-	175,961	298,064
Sales and services of the OSU Health System, net	3,952,605	3,449,681	-	-	3,952,605	3,449,681
Sales and services of OSU Physicians, Inc., net	-	-	647,601	584,222	647,601	584,222
Other operating revenues	37,198	44,700	-	-	37,198	44,700
Total Operating Revenues	5,988,232	5,631,834	714,084	646,374	6,702,316	6,278,208
Operating Expenses:						
Educational and General:						
Instruction and departmental research	957,504	1,096,254	7,782	8,821	965,286	1,105,075
Separately budgeted research	436,886	537,912	21,110	15,923	457,996	553,835
Public service	139,588	187,854	6,209	12,243	145,797	200,097
Academic support	190,097	250,674	-	-	190,097	250,674
Student services	52,086	95,070	-	-	52,086	95,070
Institutional support	229,993	378,552	22,345	20,367	252,338	398,919
Operation and maintenance of plant	95,672	122,449	717	741	96,389	123,190
Scholarships and fellowships	146,187	140,370	-	-	146,187	140,370
Auxiliary enterprises	206,123	320,392	-	-	206,123	320,392
OSU Health System	2,733,141	3,345,167	-	-	2,733,141	3,345,167
OSU Physicians, Inc.	-	-	603,324	563,200	603,324	563,200
Depreciation	457,950	425,012	12,754	10,272	470,704	435,284
Total Operating Expenses	5,645,227	6,899,706	674,241	631,567	6,319,468	7,531,273
Net Operating Income (Loss)	343,005	(1,267,872)	39,843	14,807	382,848	(1,253,065)
Non-operating Revenues (Expenses):						
State share of instruction and line-item appropriations	486,115	461,838	-	-	486,115	461,838
Federal subsidies for Build America Bonds interest	10,790	10,987	-	-	10,790	10,987
Federal non-exchange grants	66,124	61,531	-	-	66,124	61,531
Federal COVID-19 assistance programs	150,037	158,058	-	11,805	150,037	169,863
State non-exchange grants	13,246	14,702	-	-	13,246	14,702
Gifts	129,723	157,511	-	-	129,723	157,511
Net investment income	1,859,173	231,190	1,753	1,925	1,860,926	233,115
Interest expense on plant debt	(125,687)	(116,379)	(1,549)	(1,531)	(127,236)	(117,910)
Other non-operating revenues (expenses)	46,890	48,328	(30,445)	(13,110)	16,445	35,218
Net Non-operating Revenue	2,636,411	1,027,766	(30,241)	(911)	2,606,170	1,026,855
Income (Loss) before Changes in Net Position	2,979,416	(240,106)	9,602	13,896	2,989,018	(226,210)
Changes in Net Position:						
State capital appropriations	63,988	69,905	-	-	63,988	69,905
Private capital gifts	78,942	77,425	-	-	78,942	77,425
Additions to permanent endowments	63,157	63,695	-	-	63,157	63,695
Capital contributions and changes in net position	6,923	19,499	941	5,079	7,864	24,578
Total Changes in Net Position	213,010	230,524	941	5,079	213,951	235,603
Increase (Decrease) in Net Position	3,192,426	(9,582)	10,543	18,975	3,202,969	9,393
Net Position - Beginning of Year:	5,424,494	5,434,076	257,827	238,852	5,682,321	5,672,928
Net Position - End of Year	\$ 8,616,920	\$ 5,424,494	\$ 268,370	\$ 257,827	\$ 8,885,290	\$ 5,682,321

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

THE OHIO STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2021 and June 30, 2020
(in thousands)

	Primary Institution		Discretely Presented Component Units		Total University	
	2021	2020	2021	2020	2021	2020
Cash Flows from Operating Activities:						
Tuition and fee receipts	\$ 758,837	\$ 838,750	\$ -	\$ -	\$ 758,837	\$ 838,750
Grant and contract receipts	746,479	764,850	77,991	67,488	824,470	832,338
Receipts for sales and services	4,227,793	3,981,772	599,436	595,501	4,827,229	4,577,273
Payments to or on behalf of employees	(2,771,435)	(2,672,926)	(435,974)	(421,493)	(3,207,409)	(3,094,419)
University employee benefit payments	(784,093)	(721,606)	(98,310)	(93,854)	(882,403)	(815,460)
Payments to vendors for supplies and services	(2,419,832)	(2,080,763)	(24,650)	(78,502)	(2,444,482)	(2,159,265)
Payments to students and fellows	(133,905)	(165,171)	-	-	(133,905)	(165,171)
Student loans issued	(3,764)	(3,249)	-	-	(3,764)	(3,249)
Student loans collected	9,778	9,061	-	-	9,778	9,061
Student loan interest and fees collected	911	1,949	-	-	911	1,949
Other receipts (payments)	(33,037)	43,099	-	-	(33,037)	43,099
Net cash provided (used) by operating activities	<u>(402,268)</u>	<u>(4,234)</u>	<u>118,493</u>	<u>69,140</u>	<u>(283,775)</u>	<u>64,906</u>
Cash Flows from Noncapital Financing Activities:						
State share of instruction and line-item appropriations	486,115	461,838	-	-	486,115	461,838
Non-exchange grant receipts	79,370	76,233	-	-	79,370	76,233
Federal COVID-19 assistance programs	144,286	158,058	-	11,805	144,286	169,863
Gift receipts for current use	93,413	148,904	-	-	93,413	148,904
Additions to permanent endowments	63,157	63,695	-	-	63,157	63,695
Drawdowns of federal direct loan proceeds	310,679	332,591	-	-	310,679	332,591
Disbursements of federal direct loans to students	(312,319)	(330,524)	-	-	(312,319)	(330,524)
Amounts received from irrevocable split-interest agreements	10,192	5,187	-	-	10,192	5,187
Amounts paid to annuitants and life beneficiaries	(2,063)	(1,797)	-	-	(2,063)	(1,797)
Agency funds receipts	5,052	4,549	-	-	5,052	4,549
Agency funds disbursements	(4,546)	(5,564)	-	-	(4,546)	(5,564)
Other receipts	16,223	21,633	8,784	5,838	25,007	27,471
Net cash provided by noncapital financing activities	<u>889,559</u>	<u>934,803</u>	<u>8,784</u>	<u>17,643</u>	<u>898,343</u>	<u>952,446</u>
Cash Flows from Capital Financing Activities:						
Proceeds from capital debt	-	-	1,596	12,003	1,596	12,003
State capital appropriations	67,302	71,605	-	-	67,302	71,605
Gift receipts for capital projects	78,197	33,250	-	-	78,197	33,250
Payments for purchase or construction of capital assets	(891,524)	(739,379)	(66,540)	(55,221)	(958,064)	(794,600)
Principal payments on capital debt and leases	(70,566)	(68,343)	(1,191)	(2,934)	(71,757)	(71,277)
Interest payments on capital debt and leases	(124,963)	(117,234)	(1,531)	(1,501)	(126,494)	(118,735)
Federal subsidies for Build America Bonds interest	10,790	5,327	-	-	10,790	5,327
Net cash (used) by capital financing activities	<u>(930,764)</u>	<u>(814,774)</u>	<u>(67,666)</u>	<u>(47,653)</u>	<u>(998,430)</u>	<u>(862,427)</u>
Cash Flows from Investing Activities:						
Net (purchases) sales of temporary investments	(882,182)	(27,789)	13,852	(12,550)	(868,330)	(40,339)
Proceeds from sales and maturities of long-term investments	3,648,843	3,122,487	-	13,926	3,648,843	3,136,413
Investment income, net of related expenses	370,290	142,413	590	2,046	370,880	144,459
Purchases of long-term investments	(3,985,959)	(3,168,993)	-	-	(3,985,959)	(3,168,993)
Net cash provided (used) by investing activities	<u>(849,008)</u>	<u>68,118</u>	<u>14,442</u>	<u>3,422</u>	<u>(834,566)</u>	<u>71,540</u>
Net Increase (Decrease) in Cash	(1,292,481)	183,913	74,053	42,552	(1,218,428)	226,465
Cash and Cash Equivalents - Beginning of Year	2,246,110	2,062,197	186,705	144,153	2,432,815	2,206,350
Cash and Cash Equivalents - End of Year	<u>\$ 953,629</u>	<u>\$ 2,246,110</u>	<u>\$ 260,758</u>	<u>\$ 186,705</u>	<u>\$ 1,214,387</u>	<u>\$ 2,432,815</u>

THE OHIO STATE UNIVERSITY
STATEMENTS OF CASH FLOWS, Cont'd
Years Ended June 30, 2021 and June 30, 2020
(in thousands)

	Primary Institution		Discretely Presented Component Units		Total University	
	2021	2020	2021	2020	2021	2020
Reconciliation of Net Operating Income (Loss) to Net Cash Used by Operating Activities:						
Operating income (loss)	\$ 343,005	\$ (1,267,872)	\$ 39,844	\$ 14,807	\$ 382,849	\$ (1,253,065)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	457,950	425,012	12,754	10,272	470,704	435,284
Changes in assets and liabilities:						
Accounts receivable, net	(211,658)	110,490	(11,496)	4,735	(223,154)	115,225
Notes receivable, net	5,359	(4,743)	474	2,188	5,833	(2,555)
Accrued interest receivable	(648)	28	-	-	(648)	28
Inventories and prepaid expenses	20,156	(37,208)	(345)	364	19,811	(36,844)
Amounts due to/from primary institution	(92,948)	(27,036)	54,945	5,603	(38,003)	(21,433)
Net other post-employment benefit asset	(197,281)	(3,381)	-	-	(197,281)	(3,381)
Deferred outflows	234,551	448,217	-	24	234,551	448,241
Other noncurrent assets	(190,622)	-	(665)	-	(191,287)	-
Accounts payable and accrued liabilities	159,506	84,258	3,146	4,726	162,652	88,984
Medicare advance payment program	(20,061)	274,915	(2,394)	12,585	(22,455)	287,500
Self-insurance accruals	(2,845)	5,421	-	-	(2,845)	5,421
Amounts due to third-party payors - Health System	29,887	11,142	-	-	29,887	11,142
Deposits and advanced payments	115,655	(25,440)	1,600	806	117,255	(24,634)
Compensated absences	4,270	32,486	-	-	4,270	32,486
Refundable advances for Federal Perkins loans	(3,690)	(3,783)	-	-	(3,690)	(3,783)
Advance from concessionaire	(21,816)	(21,786)	-	-	(21,816)	(21,786)
Net pension liability	(345,696)	(690,029)	-	(136)	(345,696)	(690,165)
Net other post-employment benefit liability	(1,436,889)	120,189	-	(60)	(1,436,889)	120,129
Deferred inflows	562,747	548,207	-	(13)	562,747	548,194
Other liabilities	188,800	16,679	20,630	13,239	209,430	29,918
Net cash provided (used) by operating activities	\$ (402,268)	\$ (4,234)	\$ 118,493	\$ 69,140	\$ (283,775)	\$ 64,906
Non Cash Transactions:						
Construction in process in accounts payable	\$ 47,852	\$ 33,503	\$ 9,414	\$ 9,534	\$ 57,266	\$ 43,037
Construction in process in concessionaire payable	101,507	102,867	-	-	101,507	102,867
Capital lease	11,316	10,970	-	-	11,316	10,970
Stock gifts	19,473	19,306	-	-	19,473	19,306
Net increase (decrease) in fair value of investments	1,487,302	88,869	1,064	(248)	1,488,366	88,621
Forgiveness of debt	-	-	278	-	278	-
Bond refunding placed in escrow	-	232,024	-	-	-	232,024

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

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.

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

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 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.
- **Pelotonia** – The fiscal dependency criteria apply to this not-for-profit fundraising organization, which operates exclusively for the benefit of The Ohio State University.

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.

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

- **Science and Technology Campus Corporation (SciTech)** – This non-profit organization, which was established to further development of the university's Science and Technology Campus, is fiscally dependent on the university.

Summary financial statement information for the university's blended and discretely presented component units is provided in Notes 21 and 22. 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 reflects eliminations of transactions between the primary institution and the discretely presented 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 changes in net position was \$0 for the years ended June 30, 2021 and 2020.

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 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, and related 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.

Notes to Financial Statements – Years Ended June 30, 2021 and 2020

(dollars in thousands)

- **Restricted - expendable:** Amounts whose use is subject to externally-imposed stipulations that can be fulfilled by actions of the university pursuant to those stipulations or that expire by the passage of time.
- **Unrestricted:** Amounts which are not subject to externally-imposed stipulations. Substantially all unrestricted balances are internally designated for use by university departments to support working capital needs, to fund related academic or research programs, and to provide for unanticipated shortfalls in revenues and deviations in enrollment.

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, 2021, the university has made commitments to limited partnerships totaling \$1,352,335 that have not yet been funded. These commitments may extend for a maximum of twelve 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, 2021 and 2020
(dollars in thousands)

Endowment Policy

All endowments are invested in the university's Long Term Investment Pool, which consists of 6,973 Board authorized funds and 209 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, 2021, the fair value of the university and Foundation gifted endowments is \$2,678,895, which is \$811,004 above the historical dollar value of \$1,867,891. Although the fair value of the gifted endowments in total exceeds the historical cost at June 30, 2021, there are 191 named funds that remain underwater (excluding income-to-principal transfers, or transfers of operating funds to that named fund). The fair value of these underwater funds at June 30, 2021 is \$73,494, which is \$4,844 below the historical dollar value of \$78,338.

At June 30, 2020, the fair value of the university and Foundation gifted endowments is \$2,034,290, which is \$238,321 above the historical dollar value of \$1,795,969. Although the fair value of the gifted endowments in total exceeds the historical cost at June 30, 2020, there are 2,689 named funds that remain underwater (excluding income-to-principal transfers, or transfers of operating funds to that named fund). The fair value of these underwater funds at June 30, 2020 is \$858,109, which is \$78,992 below the historical dollar value of \$937,101.

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.

Notes to Financial Statements – Years Ended June 30, 2021 and 2020

(dollars in thousands)

An allowance for uncollectible pledges receivable is provided based on management's judgment of potential uncollectible amounts and includes such factors as prior collection history, type of gift and nature of fundraising.

Inventories

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

Capital Assets and Collections

Capital assets are long-life assets in the service of the university and include land, buildings, improvements, equipment, software and library books. Capital assets are stated at cost or 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

Derivative instruments are reported at fair value in the Statement of Net Position. The university has entered into interest-rate swap agreements, which are considered effective hedging derivatives. Changes in the fair value of these instruments are reported as deferred outflows or deferred inflows in the Statement of Net Position. Additional information on derivative instruments is provided in Note 10.

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

Operating and Non-Operating Revenues and Expenses

The university defines operating activities, for purposes of reporting on the Statement of Revenues, Expenses, and 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. In addition, amounts provided to the university under Federal COVID-19 assistance grant programs are recognized as non-operating revenues as eligibility requirements are met.

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.

Notes to Financial Statements – Years Ended June 30, 2021 and 2020

(dollars in thousands)

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

Government Grants and Contracts

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

Federal COVID-19 Assistance Programs

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the American Rescue Plan Act (ARPA) provide budgetary relief to higher education institutions through numerous provisions. These acts and other federal COVID-19 assistance programs provide support to individuals, companies and non-profit institutions in the form of loans, grants, tax changes and other types of relief. CARES Act Provider Relief Funds were distributed for lost revenues and healthcare related expenses due to operational changes to prepare for treating patients with COVID-19.

For the year ended June 30, 2021, the university recognized revenues totaling \$150,037 for federal COVID-19 assistance programs, including \$58,920 of CARES institutional grants, \$25,403 of CARES emergency grants to students, \$42,614 of Coronavirus Relief Funds from the State of Ohio, \$263 in CARES Strengthening Institutions programs, \$6,585 in CARES Provider Relief funds, \$625 in PPP loan forgiveness, \$19 in additional CARES assistance and \$15,608 in FEMA Public Assistance funds, which were provided to the Health System for costs associated with emergency protective measures in response to COVID-19. For the year ended June 30, 2020, the university recognized revenues totaling \$158,058, including \$143,301 of Provider Relief Funds for the Health System and \$14,757 of CARES emergency grants to students. Amounts provided under federal COVID-19 grant programs are recognized as non-operating revenues in the Statement of Revenues, Expenses and Changes in Net Position as eligibility requirements are met.

The CARES Act expands the Medicare Accelerated and Advance Payment Program. These advance payments are intended to provide necessary funds for the disruption in claims processing and may also be offered in circumstances such as national emergencies or natural disasters to accelerate cash flow to impacted healthcare providers and suppliers. Amounts provided under the Medicare Accelerated and Advance Payment Program are considered short-

Notes to Financial Statements – Years Ended June 30, 2021 and 2020

(dollars in thousands)

term loans and are reported as current liabilities in the Statement of Net Position. Advance payments totaling \$274,915 were provided to the Health System in 2020. In 2021, the Health System began to repay the advance through retractions (reductions) in Medicare payments. Current liabilities for advance payments provided to the Health System totaled \$254,854 and \$274,915 at June 30, 2021 and 2020, respectively.

OSU Physicians, which is shown as a discretely presented component unit in the university's financial statements, received and recognized \$11,805 of Provider Relief Fund revenue for the year ended June 30, 2020. OSU Physicians also received \$12,585 in Medicare advance payments in 2020. Current liabilities for advance payments provided to OSU Physicians totaled \$10,191 and \$12,585 at June 30, 2021 and 2020, respectively.

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 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, 2021 and 2020 are \$51,138 and \$52,589, respectively, after applying

Notes to Financial Statements – Years Ended June 30, 2021 and 2020

(dollars in thousands)

a decrease of \$468 and \$5,661, 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, 2021 and 2020 are \$7,458 and \$8,437, respectively.

Management Estimates

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

Newly Issued Accounting Pronouncements

In order to provide temporary relief to governments in light of the COVID-19 pandemic, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement – which was issued in May 2020 and is effective immediately – extends the effective dates of certain accounting and financial reporting provisions in Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018. The effective dates of the accounting pronouncements listed below have been updated in accordance with Statement No. 95.

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 June 15, 2021 (FY2022).

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates (IBOR)*. Due to global reference rate reform, the London Interbank Offered Rate (LIBOR) is expected to cease to exist at the end of 2021. This standard addresses accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021 (FY2023). All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020 (FY2021). The other requirements had no impact on the university's financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This standard addresses P3s and APAs and amends current guidance in GASB 60, Accounting and Financial Reporting for Service Concession Arrangements. In general, the standard applies the right-of-use model set forth in GASB 87 to P3 arrangements and provides accounting and disclosure guidance for both transferors and operators of governmental assets. The standard is effective for periods beginning after June 15, 2022 (FY2023).

Notes to Financial Statements – Years Ended June 30, 2021 and 2020

(dollars in thousands)

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement requires recognition of a right-to-use subscription asset, initially measured as the sum of the initial subscription liability amount, payments made to the vendor before commencement of the subscription term, and capitalizable implementation costs. The subscription asset is then amortized over the subscription term. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 (FY2023), and all reporting periods thereafter.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. This Statement clarifies how the absence of a governing board should be considered in determining whether a primary government is financially accountable for purposes of evaluating potential component units and modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. It also establishes accounting and financial reporting requirements for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans and modifies the investment valuation requirements for all Section 457 plans. The provisions that limit the applicability of the "absence of a governing board" and "financial burden" criteria to arrangements other than defined contribution plans would be effective immediately; other provisions would be effective for reporting periods beginning after June 15, 2021.

In 2021, the university adopted GASB Statement No. 84, *Fiduciary Activities*, GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period* and GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*. The adoption of these standards had no material impact on the university's financial statements.

University management is currently assessing the impact that implementation of GASB Statements No. 87, 93, 94, 96 and 97 will have on the university's financial statements.

Other

The university is exempt from income taxes under Internal Revenue service rules. Any unrelated business income is taxable.

NOTE 2 — CASH AND CASH EQUIVALENTS

At June 30, 2021, the carrying amount of the primary institution's cash, cash equivalents and restricted cash is \$953,629 as compared to bank balances of \$953,759. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit.

Notes to Financial Statements – Years Ended June 30, 2021 and 2020

(dollars in thousands)

Of the bank balances, \$87,861 is covered by federal deposit insurance and \$865,898 is uninsured but collateralized by pools of securities pledged by the depository banks and held in the name of the respective banks.

At June 30, 2020, the carrying amount of the primary institution's cash, cash equivalents and restricted cash is \$2,246,110 as compared to bank balances of \$2,239,213. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$307,728 is covered by federal deposit insurance and \$1,931,485 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, 2021, the carrying amount of the discretely presented component units' cash, cash equivalents and restricted cash is \$260,758 as compared to bank balances of \$261,688. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$2,027 is covered by federal deposit insurance and \$259,661 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, 2020, the carrying amount of the discretely presented component units' cash, cash equivalents and restricted cash is \$186,705 as compared to bank balances of \$188,647. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$5,364 is covered by federal deposit insurance and \$183,283 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-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.

Notes to Financial Statements – Years Ended June 30, 2021 and 2020

(dollars in thousands)

The university's Board of Trustees approved the following thematic asset classes, allocation ranges and benchmarks for the Long-Term Investment Pool:

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

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

Other Long-Term Investments are non-unitized investments that relate primarily to gift arrangements between donors and the OSU Foundation. Included in this category are charitable remainder trust assets invested in mutual funds, OSU Foundation interests in unitrust, gift annuities, annuity trust and pooled income agreements, life insurance policies for which the OSU Foundation has been named owner and beneficiary, and certain real estate investments. Also included in this category are 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, 2021 and 2020
(dollars in thousands)

Total university investments by major category for the primary institution at June 30, 2021 and 2020 are as follows:

	Primary Institution	
	2021	2020
Temporary Investments	\$ 2,693,789	\$ 1,788,581
Long-Term Investment Pool:		
Gifted Endowment - University	1,333,836	1,038,113
Gifted Endowment - OSU Foundation	1,345,059	996,177
Quasi Endowment - Operating	1,740,687	1,363,204
Quasi Endowment - Designated	2,622,391	1,889,637
Total Long-Term Investment Pool	7,041,973	5,287,131
Securities Lending Collateral Investments	118,266	12,092
Other Long-Term Investments	348,227	301,676
Total Investments	<u>\$ 10,202,255</u>	<u>\$ 7,389,480</u>

Total university investments by investment type for the primary institution at June 30, 2021 are as follows:

	Primary Institution				
	Temporary	Long-Term	Other	Securities	Total
	Investments	Investment Pool	Long-Term	Lending Collateral	
			Investments	Investments	
U.S. equity	\$ -	\$ 1,159,881	\$ 22,530	\$ -	\$ 1,182,411
International equity	-	513,586	-	-	513,586
Equity mutual funds	109,272	1,072,486	27,451	-	1,209,209
U.S. government obligations	183,912	605	844	-	185,361
U.S. government agency obligations	128,991	-	-	-	128,991
Corporate bonds and notes	1,663,809	-	-	-	1,663,809
Bond mutual funds	505,032	539,956	25,602	-	1,070,590
Foreign government bonds	25,119	-	-	-	25,119
Real assets	5	762,928	23,577	-	786,510
Hedge funds	-	565,599	-	-	565,599
Private equity	-	2,058,643	225,102	-	2,283,745
Commercial paper	32,534	-	-	-	32,534
Cash and cash equivalents	-	368,289	-	-	368,289
Other	45,115	-	23,121	-	68,236
Securities Lending Collateral Assets:					
Repurchase agreements	-	-	-	72,042	72,042
Variable rate notes	-	-	-	-	-
Commercial Paper	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Cash and other adjustments	-	-	-	46,224	46,224
	<u>\$ 2,693,789</u>	<u>\$ 7,041,973</u>	<u>\$ 348,227</u>	<u>\$ 118,266</u>	<u>\$ 10,202,255</u>

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

Total university investments by investment type for the primary institution at June 30, 2020 are as follows:

	Primary Institution				
	Temporary	Long-Term	Other	Securities	Total
	Investments	Investment Pool	Long-Term Investments	Lending Collateral Investments	
U.S. equity	\$ -	\$ 664,055	\$ -	\$ -	\$ 664,055
International equity	-	475,277	-	-	475,277
Equity mutual funds	84,580	445,874	21,526	-	551,980
U.S. government obligations	117,993	1,448	510	-	119,951
U.S. government agency obligations	135,206	-	-	-	135,206
Corporate bonds and notes	1,297,564	-	-	-	1,297,564
Bond mutual funds	90,223	-	16,435	-	106,658
Foreign government bonds	7,542	-	-	-	7,542
Real assets	8,999	526,131	22,089	-	557,219
Hedge funds	-	504,888	-	-	504,888
Private equity	-	1,225,211	220,507	-	1,445,718
Commercial paper	26,480	-	-	-	26,480
Cash and cash equivalents	-	1,444,247	-	-	1,444,247
Other	19,994	-	20,609	-	40,603
Securities Lending Collateral Assets:					
Repurchase agreements	-	-	-	4,877	4,877
Variable rate notes	-	-	-	525	525
Commercial Paper	-	-	-	1,300	1,300
Certificates of deposit	-	-	-	4,850	4,850
Cash and other adjustments	-	-	-	540	540
	<u>\$ 1,788,581</u>	<u>\$ 5,287,131</u>	<u>\$ 301,676</u>	<u>\$ 12,092</u>	<u>\$ 7,389,480</u>

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

	2021	2020
Interest and dividends	\$ 190,698	\$ 194,485
Net increase in fair value of investments	1,727,863	88,869
Investment expenses	(59,388)	(52,164)
Total	<u>\$ 1,859,173</u>	<u>\$ 231,190</u>

Notes to Financial Statements – Years Ended June 30, 2021 and 2020

(dollars in thousands)

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 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 or meet the intent to sell criteria are reflected as Level 3 investments.

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

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.

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 \$123,786 and \$118,873 at June 30, 2021 and 2020, respectively.

Investments by fair value category for the primary institution at June 30, 2021 are as follows:

	Primary Institution				
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV as Practical Expedient (NAV)	Total Fair Value
U.S. equity	\$ 1,182,411	\$ -	\$ -	\$ -	\$ 1,182,411
International equity	513,586	-	-	-	513,586
Equity mutual funds	357,359	-	-	851,850	1,209,209
U.S. government obligations	605	184,756	-	-	185,361
U.S. government agency obligations	-	128,991	-	-	128,991
Corporate bonds and notes	-	1,663,809	-	-	1,663,809
Bond mutual funds	948,268	-	-	122,322	1,070,590
Foreign government bonds	-	25,119	-	-	25,119
Real assets	127,615	-	94,137	564,758	786,510
Hedge funds	-	-	-	565,599	565,599
Private equity	-	-	403,773	1,879,972	2,283,745
Commercial paper	-	32,534	-	-	32,534
Cash equivalents	244,503	-	-	-	244,503
Other	-	44,584	23,652	-	68,236
Securities Lending Collateral Assets:					
Repurchase agreements	-	72,042	-	-	72,042
Other adjustments	-	46,224	-	-	46,224
	<u>\$ 3,374,347</u>	<u>\$ 2,198,059</u>	<u>\$ 521,562</u>	<u>\$ 3,984,501</u>	<u>\$ 10,078,469</u>

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

Investments by fair value category for the primary institution at June 30, 2020 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	664,055	-	-	-	664,055	
International equity	475,277	-	-	-	475,277	
Equity mutual funds	198,477	-	-	353,503	551,980	
U.S. government obligations	1,448	118,503	-	-	119,951	
U.S. government agency obligations	-	135,206	-	-	135,206	
Corporate bonds and notes	-	1,297,564	-	-	1,297,564	
Bond mutual funds	106,658	-	-	-	106,658	
Foreign government bonds	-	7,542	-	-	7,542	
Real assets	15,743	-	93,357	448,119	557,219	
Hedge funds	-	-	-	504,888	504,888	
Private equity	-	-	273,589	1,172,129	1,445,718	
Commercial paper	-	26,480	-	-	26,480	
Cash equivalents	1,325,374	-	-	-	1,325,374	
Other	-	19,543	21,060	-	40,603	
Securities Lending Collateral Assets:						
Repurchase agreements	-	4,877	-	-	4,877	
Variable rate notes	-	525	-	-	525	
Commercial paper	-	1,300	-	-	1,300	
Certificates of deposit	-	4,850	-	-	4,850	
Other adjustments	542	(2)	-	-	540	
	\$ 2,787,574	\$ 1,616,388	\$ 388,006	\$ 2,478,639	\$ 7,270,607	

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, 2021 is as follows:

	Fair Value	Unfunded Commitments	Remaining Life	Redemption Notice Period	Redemption Restrictions
Mutual funds - non-public international	\$ 974,172	-	No limit	1 to 30 days	None
Hedge funds - absolute return, credit, long/short equities	565,599	-	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	1,879,972	945,455	1-12 years	Partnerships ineligible for redemption	Not redeemable
Real assets - natural resources, real estate, infrastructure	564,758	138,354	1-12 years	Partnerships ineligible for redemption	Not redeemable
	\$ 3,984,501	\$ 1,083,809			

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(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.

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, 2021 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	\$ 185,361	\$ 35,954	\$ 147,691	\$ 1,716	\$ -
U.S. government agency obligations	128,784	1,351	23,943	33,736	69,754
Commercial paper	32,534	32,534	-	-	-
Corporate bonds	1,663,809	373,786	968,603	154,052	167,368
Bond mutual funds	1,070,590	337,094	478,241	114,304	140,951
Other governmental bonds	44,584	5,803	31,732	253	6,796
Foreign governmental bonds	25,119	13,101	10,994	832	192
Securities Lending Collateral: Repurchase agreements	72,042	72,042	-	-	-
Total	\$ 3,222,823	\$ 871,665	\$ 1,661,204	\$ 304,893	\$ 385,061

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

The maturities of the university's interest-bearing investments for the primary institution at June 30, 2020 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	\$ 119,951	\$ 18,089	\$ 92,464	\$ 9,398	\$ -
U.S. government agency obligations	-	135,100	4,045	22,649	24,953
Commercial paper	26,480	26,480	-	-	-
Corporate bonds	1,297,564	326,619	796,759	80,752	93,434
Bond mutual funds	106,658	1,800	66,342	23,578	14,938
Other governmental bonds	19,543	1,108	15,568	994	1,873
Foreign governmental bonds	7,542	-	7,542	-	-
Securities Lending Collateral:					
Repurchase agreements	4,877	4,877	-	-	-
Certificates of deposit	525	525	-	-	-
Commercial paper	1,300	1,300	-	-	-
Variable rate notes	4,850	4,850	-	-	-
Total	\$ 1,724,390	\$ 389,693	\$ 1,001,324	\$ 139,675	\$ 193,698

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, 2021 and 2020
(dollars in thousands)

The credit ratings of the university's interest-bearing investments for the primary institution at June 30, 2021 are as follows:

	Primary Institution											Not Rated	
	Total	AAA	AA	A	BBB	BB	B	CCC	CC	C	D		
U.S. government and agency obligations	\$ 314,353	\$ 2,892	\$ 232,040	\$ 75,785	\$ 3,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 427
Corporate bonds	1,663,809	128,683	151,803	556,677	582,777	35,585	7,559	-	-	-	-	-	200,725
Bond mutual funds	1,070,590	147,791	110,394	258,440	274,999	31,019	17,545	3,993	2,148	514	514	-	223,233
Foreign government bonds	25,119	1,069	13,189	6,364	2,195	-	2,024	-	-	-	-	-	278
Commercial paper	32,534	4,996	3,165	22,623	1,750	-	-	-	-	-	-	-	-
Other government bonds	44,584	655	24,123	13,591	1,483	-	-	-	-	-	-	-	4,732
Securities Lending Collateral:													
Repurchase agreements	72,042	-	-	-	-	-	-	-	-	-	-	-	72,042
Certificates of deposit	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial paper	-	-	-	-	-	-	-	-	-	-	-	-	-
Variable rate notes	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$ 3,223,031	\$ 286,086	\$ 534,714	\$ 933,480	\$ 866,413	\$ 66,604	\$ 27,128	\$ 3,993	\$ 2,148	\$ 514	\$ 514	\$ -	\$ 501,437

The credit ratings of the university's interest-bearing investments for the primary institution at June 30, 2020 are as follows:

	Primary Institution											Not Rated	
	Total	AAA	AA	A	BBB	BB	B	CCC	CC	C	D		
U.S. government and agency obligations	\$ 255,157	\$ 6,431	\$ 165,407	\$ 77,729	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,590
Corporate bonds	1,297,564	94,714	225,727	468,096	354,052	26,780	2,774	-	-	-	-	-	125,421
Bond mutual funds	106,658	20,084	49,875	17,267	17,139	932	680	654	-	-	-	-	27
Foreign government bonds	7,542	2,957	1,809	352	-	-	-	-	-	-	-	-	2,424
Commercial paper	26,480	-	-	26,480	-	-	-	-	-	-	-	-	-
Other government bonds	19,543	575	9,493	7,317	922	-	-	-	-	-	-	-	1,236
Securities Lending Collateral:													
Repurchase agreements	4,877	-	-	-	-	-	-	-	-	-	-	-	4,877
Certificates of deposit	525	-	-	525	-	-	-	-	-	-	-	-	-
Commercial paper	1,300	-	-	1,300	-	-	-	-	-	-	-	-	-
Variable rate notes	4,850	-	925	3,925	-	-	-	-	-	-	-	-	-
Total	\$ 1,724,496	\$ 124,761	\$ 453,236	\$ 602,991	\$ 372,113	\$ 27,712	\$ 3,454	\$ 654	\$ -	\$ -	\$ -	\$ -	\$ 139,575

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, 2021 and June 30, 2020.

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, 2021 and 2020
(dollars in thousands)

At June 30, 2021, 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	\$ -	\$ -	2	\$ -	\$ -	-
Australian dollar	13,268	17,509	37	12,060	-	-
Bangladeshi taka	-	-	-	-	-	-
Brazilian real	904	14,857	42	-	-	-
Canadian dollar	34,149	19,543	18	10,822	-	-
Cayman Islands Dollar	-	1,489	-	-	-	-
Chilean peso	82	62	19	-	-	-
Chinese yuan	(202)	75,481	8	-	-	-
Columbian peso	27	24	-	-	-	-
Czech Republic koruna	27	931	-	-	-	-
Danish krone	3,142	5,062	2	-	-	-
Egyptian pound	14	13	-	-	-	-
Euro	157,006	90,616	10	8,176	42	173,594
Great Britain pound sterling	57,597	55,533	36	28,686	-	284,936
Hong Kong dollar	37,836	57,016	-	-	-	-
Hungarian forint	41	31	-	-	-	-
Iceland Krona	-	-	9	-	-	-
Indian rupee	1,739	26,530	9	-	-	-
Indonesian rupiah	192	2,123	10	-	-	-
Israeli shekel	123	237	-	-	5,860	-
Japanese yen	142,466	45,694	2	901	-	-
Kenyan Shilling	-	504	-	-	-	-
Kuwaiti dinar	96	66	-	-	-	-
Malaysian ringgit	219	218	-	-	-	-
Mexican peso	301	4,933	52	-	-	-
New Taiwan dollar	6,806	33,480	-	-	-	-
New Turkish lira	41	592	-	-	-	-
New Zealand dollar	253	96	-	-	-	-
Norwegian krone	6,052	4,716	19	-	-	-
Pakistan rupee	-	8	-	-	-	-
Peruvian nuevo sol	-	1,165	(2)	-	-	-
Philippine peso	109	1,624	-	-	-	-
Polish zloty	109	466	-	-	-	-
Qatari riyal	109	85	-	-	-	-
Romanian new leu	-	4	-	-	-	-
Russian ruble	397	6,511	19	-	-	-
Saudi Riyal	506	405	-	-	-	-
Singapore dollar	868	630	-	-	-	-
South African rand	616	4,737	-	-	-	-
South Korean Won	13,612	42,995	54	-	-	-
Sri Lanka rupee	-	-	-	-	-	-
Swedish krona	12,766	13,802	-	-	-	-
Swiss franc	21,945	11,961	(1)	-	-	26,429
Thailand bhat	274	3,809	-	-	-	-
UAE dirham	96	91	-	-	-	-
Total	\$ 513,586	\$ 545,649	\$ 345	\$ 60,645	\$ 5,902	\$ 484,959

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

At June 30, 2020, exposure to foreign currency risk for the primary institution is as follows:

	Primary Institution					
	Common Stock	Equity Mutual Funds	Bond Mutual Funds	Corporate Bonds and Notes	Foreign Government Bonds	Partnerships and Hedge Funds
Argentine Peso	\$ -	\$ -	\$ 10	\$ -	\$ -	\$ -
Australian dollar	10,707	18,220	(17)	-	-	-
Bangladeshi taka	-	-	-	-	-	-
Brazilian real	4,197	10,345	20	-	-	-
Canadian dollar	12,121	10,611	136	-	-	-
Chilean peso	482	82	-	-	-	-
Chinese yuan	3,403	81,917	6	-	-	-
Columbian peso	153	26	-	-	-	-
Czech Republic koruna	83	422	2	-	-	-
Danish krone	6,695	4,842	12	-	-	-
Egyptian pound	110	17	-	-	-	-
Euro	138,326	64,318	338	2,136	514	108,723
Great Britain pound sterling	33,694	32,097	8	16,075	-	147,093
Hong Kong dollar	56,825	34,586	(2)	-	-	-
Hungarian forint	171	32	1	-	-	-
Iceland Krona	-	-	33	-	-	-
Indian rupee	6,536	6,898	-	-	-	-
Indonesian rupiah	1,180	1,989	3	-	-	-
Israeli shekel	162	6,909	9	-	-	-
Japanese yen	115,796	36,602	(4)	-	-	-
Kenyan Shilling	-	333	-	-	-	-
Kuwaiti dinar	-	76	-	-	-	-
Malaysian ringgit	1,493	751	1	-	-	-
Mexican peso	1,389	1,644	250	-	-	-
New Taiwan dollar	10,446	14,346	(18)	-	-	-
New Turkish lira	414	826	-	-	-	-
New Zealand dollar	306	926	143	-	-	-
Norwegian krone	4,451	1,945	82	-	-	-
Pakistan rupee	49	8	-	-	-	-
Peruvian nuevo sol	-	3	23	-	-	-
Philippine peso	657	1,031	-	-	-	-
Polish zloty	680	103	4	-	-	-
Qatari rial	666	97	-	-	-	-
Romanian new leu	-	-	(1)	-	-	-
Russian ruble	2,112	334	9	-	-	-
Saudi Riyal	2,093	315	-	-	-	-
Singapore dollar	928	2,295	3	-	-	-
South African rand	2,948	2,749	-	-	-	-
South Korean Won	14,830	8,782	(6)	-	-	-
Sri Lanka rupee	-	-	-	-	-	-
Swedish krona	10,618	14,990	30	-	-	-
Swiss franc	28,265	13,724	(43)	-	-	19,763
Thailand bhat	1,876	2,081	-	-	-	-
UAE dirham	415	67	-	-	-	-
Total	\$ 475,277	\$ 377,339	\$ 1,032	\$ 18,211	\$ 514	\$ 275,579

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

Securities Lending

The university has engaged in a securities lending program through its custodian bank of the Long-Term Investment Pool. Securities loaned at June 30, 2021 and 2020 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, 2021, 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, 2021, securities loaned by the university amounted to a fair value of \$163,207 and were secured by collateral in the amount of \$171,796. The portion of this collateral that was received in cash amounted to \$118,266 and is reflected within the university's statement of net position as a current asset and a corresponding current liability.

As of June 30, 2020, securities loaned by the university amounted to a fair value of \$32,319 and were secured by collateral in the amount of \$34,499. The portion of this collateral that was received in cash amounted to \$12,091 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, 2021 and 2020
(dollars in thousands)

NOTE 4 — ACCOUNTS, NOTES AND PLEDGES RECEIVABLE

Accounts receivable for the primary institution at June 30, 2021 and 2020 consist of the following:

	Primary Institution	
	2021	2020
Gross receivables - OSU Health System	\$ 1,180,623	\$ 973,045
Grant and contract receivables	154,484	68,675
Tuition and fees receivable	16,486	20,184
Receivables for departmental and auxiliary sales and services	65,097	45,574
State and federal receivables	11,629	14,237
Other receivables	3,379	70
Total receivables	1,431,698	1,121,785
Less: Allowances	695,198	595,103
Total receivables, net	<u>\$ 736,500</u>	<u>\$ 526,682</u>

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 \$16,294 and \$17,673 at June 30, 2021 and 2020, 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 \$168,613 in non-endowment pledges receivable and a related allowance for doubtful accounts of \$7,372 at June 30, 2021. The university recorded \$145,279 in non-endowment pledges receivable and a related allowance for doubtful accounts of \$6,790 at June 30, 2020.

Accounts receivable for the discretely presented component units at June 30, 2021 and 2020 consist of the following:

	Discretely Presented Component Units	
	2021	2020
Gross receivables - OSU Physicians	\$ 150,802	\$ 118,780
Other receivables	12,438	11,159
Total receivables	163,240	129,939
Less: Allowances	93,972	73,384
Total receivables, net	<u>\$ 69,268</u>	<u>\$ 56,555</u>

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

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

NOTE 5 — CAPITAL ASSETS

Capital assets activity for the primary institution for the year ended June 30, 2021 is summarized as follows:

	Primary Institution			
	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land	\$ 108,136	\$ 2,071	\$ -	\$ 110,207
Intangibles	18,563	-	98	18,465
Construction in progress	880,224	141,588	-	1,021,812
Total non depreciable assets	1,006,923	143,659	98	1,150,484
Capital assets being depreciated:				
Improvements other than buildings	950,770	26,476	-	977,247
Buildings and fixed equipment	6,902,736	538,939	24,749	7,416,926
Movable equipment, furniture and software	1,735,709	319,173	24,958	2,029,924
Library books	196,468	3,943	219	200,191
Total	9,785,683	888,531	49,926	10,624,288
Less: Accumulated depreciation	5,092,528	457,950	43,379	5,507,100
Total depreciable assets, net	4,693,155	430,581	6,547	5,117,188
Capital assets, net	\$ 5,700,078	\$ 574,240	\$ 6,645	\$ 6,267,672

The increase in construction in progress of \$141,588 in fiscal year 2021 represents the amount of capital expenditures for new projects of \$947,213, net of assets placed in service of \$805,625.

Capital assets activity for the primary institution for the year ended June 30, 2020 is summarized as follows:

	Primary Institution			
	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land	\$ 92,809	\$ 15,380	\$ 53	\$ 108,136
Intangibles	18,413	150	-	18,563
Construction in progress	395,784	484,440	-	880,224
Total non depreciable assets	507,006	499,970	53	1,006,923
Capital assets being depreciated:				
Improvements other than buildings	922,499	28,271	-	950,770
Buildings and fixed equipment	6,735,607	168,253	1,124	6,902,736
Movable equipment, furniture and software	1,648,658	161,910	74,859	1,735,709
Library books	194,331	2,571	434	196,468
Total	9,501,095	361,005	76,417	9,785,683
Less: Accumulated depreciation	4,739,738	425,012	72,222	5,092,528
Total depreciable assets, net	4,761,357	(64,007)	4,195	4,693,155
Capital assets, net	\$ 5,268,363	\$ 435,963	\$ 4,248	\$ 5,700,078

The increase in construction in progress of \$484,440 in fiscal year 2020 represents the amount of capital expenditures for new projects of \$609,786, net of assets placed in service of \$125,346.

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

Capital assets activity for the discretely presented component units for the year ended June 30, 2021 is summarized as follows:

	Discretely Presented Component Units			
	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land	\$ 31,461	-	-	\$ 31,461
Intangibles	26	-	26	-
Construction in progress	70,498	-	20,341	50,157
Total non depreciable assets	101,985	-	20,367	81,618
Capital assets being depreciated:				
Improvements other than buildings	28,268	3,739	9	31,998
Buildings and fixed equipment	159,926	81,695	-	241,621
Movable equipment, furniture and software	35,944	11,054	11,718	35,280
Total	224,138	96,488	11,727	308,899
Less: Accumulated depreciation	82,846	12,754	1,292	94,308
Total depreciable assets, net	141,292	83,734	10,435	214,591
Capital assets, net	\$ 243,277	\$ 83,734	\$ 30,802	\$ 296,209

The decrease in construction in progress of \$20,341 in fiscal year 2020 represents the amount of capital expenditures for new projects of \$58,481, net of assets placed in service of \$78,822.

Capital assets activity for the discretely presented component units for the year ended June 30, 2020 is summarized as follows:

	Discretely Presented Component Units			
	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land	\$ 29,438	\$ 2,023	-	\$ 31,461
Intangibles	62	-	36	26
Construction in progress	41,676	28,822	-	70,498
Total non depreciable assets	71,176	30,845	36	101,985
Capital assets being depreciated:				
Improvements other than buildings	29,694	1,460	2,886	28,268
Buildings and fixed equipment	134,029	27,601	1,704	159,926
Movable equipment, furniture and software	43,161	4,403	11,620	35,944
Total	206,884	33,464	16,210	224,138
Less: Accumulated depreciation	85,896	10,272	13,322	82,846
Total depreciable assets, net	120,988	23,192	2,888	141,292
Capital assets, net	\$ 192,164	\$ 54,037	\$ 2,924	\$ 243,277

The increase in construction in progress of \$28,822 in fiscal year 2020 represents the amount of capital expenditures for new projects of \$54,390, net of assets placed in service of \$25,568.

Notes to Financial Statements – Years Ended June 30, 2021 and 2020

(dollars in thousands)

The university recognized asset retirement obligations (AROs) of \$17,934 and \$17,934 at June 30, 2021 and 2020, respectively. Assets with AROs include university facilities in which radioactive materials are used, facilities handling hazardous chemicals or waste and fuel storage tanks, all of which are subject to regulation by the State of Ohio. Liability estimates are based on decommissioning funding plans (for facilities handling radioactive materials) and historical experience (for hazardous waste facilities and fuel storage tanks). The estimated remaining useful lives of these assets range from 0 to 26 years.

NOTE 6 — ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses for the primary institution at June 30, 2021 and 2020 consist of the following:

	Primary Institution	
	2021	2020
Payables to vendors for supplies and services	\$ 518,560	\$ 400,568
Accrued compensation and benefits	132,067	143,389
Retirement system contributions payable	67,256	55,826
Other accrued expenses	56,958	38,967
Total payables and accrued expenses	\$ 774,841	\$ 638,750

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, 2021 and 2020 consist of the following:

	Primary Institution	
	2021	2020
Current deposits and advance payments:		
Tuition and fees	\$ 56,453	\$ 47,900
Departmental and auxiliary sales and services	68,105	59,338
Affinity agreements	7,177	2,930
Advance from concessionaire	21,786	21,786
Grant and contract advances	156,179	122,426
Health system advances	24,263	-
Other deposits and advance payments	37,077	14,101
Total current deposits and advance payments	\$ 371,040	\$ 268,481
Noncurrent deposits and advance payments:		
Advance from concessionaire	\$ 980,953	\$ 1,002,769

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

Deposits and advance payments for goods and services for the discretely presented component units at June 30, 2021 and 2020 consist of the following:

	Discretely Presented Component Units	
	2021	2020
Current deposits and advance payments:		
Unearned rental income and deposits - Campus Partners	\$ 2,863	\$ 1,579
Unearned revenues - Transportation Research Center	1,597	1,095
Unearned rental income - SciTech	282	467
Total current deposits and advance payments	<u>\$ 4,742</u>	<u>\$ 3,141</u>
Non-current deposits and advance payments:		
Unearned rental income - Campus Partners	\$ 51,374	\$ 37,440
Unearned rental income and deposits - SciTech	8,587	1,775
Total (shown as other non-current liabilities)	<u>\$ 59,961</u>	<u>\$ 39,215</u>

NOTE 8 — SELF-INSURANCE ACCRUALS

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

Medical Malpractice

The university has established trusteed 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, 2020, Oval Limited provides coverage with limits of \$80,000 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)
7/1/20 – 6/30/21	\$80,000
7/1/16 – 6/30/20	\$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, 2021 and 2020

(dollars in thousands)

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, 2021, Oval reinsured, in excess of the self-insured retention, 100% of the first \$15,000 of risk to Berkley Hathaway Speciality Insurance. The next \$20,000 was fully ceded to The Medical Protective Company, then \$10,000 ceded to Endurance Specialty Insurance Ltd, with the next \$10,000 ceded to Arch Specialty Insurance Company, then \$5,000 was ceded to The Medical Protective Company and above that the Company ceded \$10,000 of the risk to Liberty Specialty Markets Bermuda Limited, with the remaining \$10,000 of the risk to Berkshire Hathaway Specialty Insurance.

The estimated liability and the related contributions to the trustee fund are based upon an independent actuarial determination as of June 30, 2021. 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, 2021 of the anticipated future payments on gross claims is estimated at its present value of \$54,118 discounted at an estimated rate of 3% (university funds) and an additional \$20,179 discounted at an estimated rate of 3% (Oval Limited).

Although actual experience upon the ultimate disposition of the claims may vary from this estimate, the self-insurance fund assets of \$222,299 (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, 2021, and the surplus of \$148,002 is included in unrestricted net position.

At June 30, 2020, the anticipated future payments on gross claims was estimated at its present value of \$56,749 discounted at an estimated rate of 3% (university funds) and an additional \$19,417 discounted at an estimated rate of 3% (Oval Limited). The self-insurance fund assets of \$204,872 (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, 2020, and the surplus of \$128,706 was included in unrestricted net position.

Employee Health Insurance

The university is also self-insured for employee health insurance. As of June 30, 2021 and 2020, \$46,333 and \$32,583, 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, 2021 and 2020, respectively, \$17,122 and \$18,102, 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, 2021 and 2020
(dollars in thousands)

Changes in reported self-insurance liabilities for the primary institution since June 30, 2019 result from the following activities:

	Malpractice		Health		Workers' Compensation	
	2021	2020	2021	2020	2021	2020
Liability at beginning of fiscal year	\$ 76,166	\$ 70,339	\$ 32,583	\$ 37,016	\$ 18,102	\$ 19,276
Current year provision for losses	1,977	9,036	416,109	373,448	5,355	5,166
Claim payments	(3,846)	(3,209)	(402,360)	(377,881)	(6,335)	(6,340)
Balance at fiscal year end	\$ 74,297	\$ 76,166	\$ 46,332	\$ 32,583	\$ 17,122	\$ 18,102

NOTE 9 — DEBT

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

Debt activity for the primary institution for the year ended June 30, 2021 is as follows:

	Primary Institution				
	Beginning			Ending	Current
	Balance	Additions	Reductions	Balance	Portion
Direct Borrowings and Direct Placements - Notes:					
WOSU	\$ 1,667	\$ -	\$ 159	\$ 1,508	\$ 159
OH Air Quality Note Series A	1,771	-	433	1,338	440
OH Air Quality Note Series B	2,340	-	-	2,340	-
St. Stephens Church Note	2,489	-	88	2,401	93
Direct Borrowings and Direct Placements - Other:					
Capital Lease Obligations	24,698	11,316	9,981	26,033	9,341
Ohio State Energy Partners	141,932	101,507	7,570	235,869	12,148
General Receipts Bonds - Fixed Rate:					
2010A, due serially through 2020	6,125	-	6,125	-	-
2010C, due 2040	654,785	-	-	654,785	-
2010D, due serially through 2032	84,625	-	4,635	79,990	11,675
2011, due 2111	500,000	-	-	500,000	-
2012A, due 2030	49,310	-	7,870	41,440	8,190
2012B, due 2033	10,525	-	1,540	8,985	1,575
2014A, due serially through 2044	124,250	-	2,690	121,560	2,825
2016A, due serially through 2111	600,000	-	-	600,000	-
2016B, due serially through 2030	17,535	-	1,405	16,130	1,465
2017, due serially through 2028	62,915	-	7,320	55,595	7,640
2020A, due serially through 2030	185,995	-	-	185,995	7,195
Special Purpose General Receipts Bonds - Fixed Rate:					
2013A, due 2043	337,955	-	-	337,955	-
General Receipts Bonds - Variable Rate:					
1997, due serially through 2027	3,350	-	1,650	1,700	1,700
1999B1, due serially through 2029	1,640	-	820	820	820
2001, due serially through 2032	6,765	-	3,315	3,450	3,450
2003C, due serially through 2031	5,190	-	5,190	-	-
2005B, due serially through 2035	8,120	-	8,120	-	-
2008B, due serially through 2028	17,650	-	8,650	9,000	9,000
2010E, due serially through 2035	125,000	-	-	125,000	125,000
2014B, due serially through 2044	150,000	-	-	150,000	150,000
	3,126,632	112,823	77,561	3,161,894	352,716
Unamortized Bond Premiums	114,545	-	9,415	105,130	-
Total outstanding debt	\$ 3,241,177	\$ 112,823	\$ 86,976	\$ 3,267,024	\$ 352,716

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

Debt activity for the primary institution for the year ended June 30, 2020 is as follows:

	Primary Institution				Current Portion
	Beginning Balance	Additions	Reductions	Ending Balance	
Direct Borrowings and Direct Placements - Notes:					
WOSU	\$ 1,826	\$ -	\$ 159	\$ 1,667	\$ 159
OH Air Quality Note Series A	2,198	-	427	1,771	433
OH Air Quality Note Series B	2,340	-	-	2,340	-
St. Stephens Church Note	2,573	-	84	2,489	88
Direct Borrowings and Direct Placements - Other:					
Capital Lease Obligations	21,001	10,958	7,261	24,698	9,972
Ohio State Energy Partners	41,672	102,811	2,551	141,932	7,570
General Receipts Bonds - Fixed Rate:					
2010A, due serially through 2020	16,325	-	10,200	6,125	6,125
2010C, due 2040	654,785	-	-	654,785	-
2010D, due serially through 2032	84,625	-	-	84,625	4,635
2011, due 2111	500,000	-	-	500,000	-
2012A, due 2030	58,220	-	8,910	49,310	7,870
2012B, due 2033	12,035	-	1,510	10,525	1,540
2014A, due serially through 2044	126,810	-	2,560	124,250	2,690
2016A, due serially through 2111	600,000	-	-	600,000	-
2016B, due serially through 2030	20,465	-	2,930	17,535	1,405
2017, due serially through 2028	69,950	-	7,035	62,915	7,320
2020A, due serially through 2030	-	185,995	-	185,995	7,195
Special Purpose General Receipts Bonds - Fixed Rate:					
2013A, due 2043	337,955	-	-	337,955	-
General Receipts Bonds - Variable Rate:					
1997, due serially through 2027	17,160	-	13,810	3,350	3,350
1999B1, due serially through 2029	10,765	-	9,125	1,640	1,640
2001, due serially through 2032	53,035	-	46,270	6,765	6,765
2003C, due serially through 2031	44,960	-	39,770	5,190	5,190
2005B, due serially through 2035	62,730	-	54,610	8,120	8,120
2008B, due serially through 2028	86,025	-	68,375	17,650	17,650
2010E, due serially through 2035	150,000	-	25,000	125,000	125,000
2014B, due serially through 2044	150,000	-	-	150,000	150,000
	3,127,455	299,764	300,587	3,126,632	374,717
Unamortized Bond Premiums	73,328	46,029	4,812	114,545	-
Total outstanding debt	\$ 3,200,783	\$ 345,793	\$ 305,399	\$ 3,241,177	\$ 374,717

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

Debt activity for the discretely presented component units for the year ended June 30, 2021 is as follows:

	Discretely Presented Component Units				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Direct Borrowings and Direct Placements:					
OSU Physicians - Series 2013 Health Care Facilities Revenue Bond, due through 2035	\$ 11,340	\$ -	\$ 586	\$ 10,754	\$ 601
OSU Physicians - Term Loan Payable, due 2023	837	-	279	558	284
TRC Ohio Development Service Agency Note Payable	4,454	-	238	4,216	318
Campus Partners - Columbus Foundation Note Payable	-	-	-	-	-
SciTech - Project Notes Series 2001	340	-	340	-	-
SciTech - Credit Facility	419	-	167	252	167
Campus Partners PPP Loan	288	266	278	276	-
Campus Partners EIDL Loan	160	-	10	150	4
Campus Partners Finance Fund Loan	59	-	15	44	30
Capital Lease Obligations	-	152	37	115	51
Total outstanding debt	<u>\$ 17,897</u>	<u>\$ 418</u>	<u>\$ 1,950</u>	<u>\$ 16,365</u>	<u>\$ 1,455</u>

Debt activity for the discretely presented component units for the year ended June 30, 2020 is as follows:

	Discretely Presented Component Units				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Direct Borrowings and Direct Placements:					
OSU Physicians - Series 2013 Health Care Facilities Revenue Bond, due through 2035	\$ 11,673	\$ -	\$ 333	\$ 11,340	\$ 586
OSU Physicians - Term Loan Payable, due 2023	1,347	-	510	837	277
TRC Ohio Development Service Agency Note Payable	4,691	-	237	4,454	237
Campus Partners - Columbus Foundation Note Payable	1,747	-	1,747	-	-
SciTech - Project Notes Series 2001	670	-	330	340	340
SciTech - Credit Facility	586	-	167	419	167
Campus Partners PPP Loan	-	288	-	288	-
Campus Partners EIDL Loan	-	160	-	160	-
Campus Partners Finance Fund Loan	-	59	-	59	-
Capital Lease Obligations	46	-	46	-	-
Total outstanding debt	<u>\$ 20,760</u>	<u>\$ 507</u>	<u>\$ 3,370</u>	<u>\$ 17,897</u>	<u>\$ 1,607</u>

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

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

	Primary Institution				
	Bonds		Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2022	\$ 330,535	\$ 118,235	\$ 22,181	\$ 16,108	\$ 487,059
2023	66,320	115,781	21,151	15,220	218,472
2024	60,775	112,646	18,467	14,167	206,055
2025	61,635	109,654	15,200	13,241	199,730
2026	48,645	106,760	12,420	12,392	180,217
2027-2031	243,210	499,462	61,311	49,796	853,779
2032-2036	117,145	459,661	49,917	32,063	658,786
2037-2041	786,840	399,972	45,119	16,159	1,248,090
2042-2046	77,300	242,710	23,723	4,217	347,950
2047-2051	350,000	177,247	-	-	527,247
2052-2056	-	170,600	-	-	170,600
2057-2061	250,000	125,060	-	-	375,060
2062-2066	-	120,000	-	-	120,000
2067-2071	-	120,000	-	-	120,000
2072-2076	-	120,000	-	-	120,000
2077-2081	-	120,000	-	-	120,000
2082-2086	-	120,000	-	-	120,000
2087-2091	-	120,000	-	-	120,000
2092-2196	-	120,000	-	-	120,000
2097-2101	-	120,000	-	-	120,000
2102-2106	-	120,000	-	-	120,000
2107-2111	500,000	120,000	-	-	620,000
	<u>\$ 2,892,405</u>	<u>\$ 3,837,788</u>	<u>\$ 269,489</u>	<u>\$ 173,363</u>	<u>\$ 7,173,045</u>

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

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

	Discretely Presented Component Units		
	Direct Borrowings and Direct Placements		
	Principal	Interest	Total
2022	\$ 1,455	\$ 323	\$ 1,778
2023	1,640	296	1,936
2024	974	274	1,248
2025	980	255	1,235
2026	1,001	234	1,235
2027-2031	5,323	852	6,175
2032-2036	4,907	305	5,212
2037-2041	28	9	37
2042-2046	31	5	36
2047-2051	26	1	27
	<u>\$ 16,365</u>	<u>\$ 2,554</u>	<u>\$ 18,919</u>

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

University bond indentures include provisions for Events of Default and Remedies. In general, if the university fails to pay any interest or principal when it is due and payable, the Trustee may, upon the request of the holders of at least 25% of the outstanding principal on the bonds, declare the principal and any accrued interest as immediately due and payable. For the Series 2013A Special Purpose General Receipts bonds, Events of Default also include failure 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 1.1 times the aggregate debt service for the then-current Fiscal Year on all Special Purpose General Receipts Obligations”.

The university’s private and direct placement debt consists primarily of long-term payables to Ohio State Energy Partners (OSEP) for capital improvements. The university’s Utility System Lease and Concession Agreement with OSEP includes Events of Default, including the failure to pay the Utility Fee. If the university fails to remedy the default as specified in the agreement, OSEP may terminate the agreement and require the university to pay OSEP the Utility System Concession Value as of the date of such termination. The Utility System Concession Value is defined as the fair market value of the Concessionaire Interest in the lease and concession agreement and would include principal and interest on any outstanding long-term payables to OSEP.

Notes to Financial Statements – Years Ended June 30, 2021 and 2020

(dollars in thousands)

The outstanding bond indentures do not require mandatory reserves for future payment of principal and interest. However, the university has set aside \$395,245 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:

	<u>Amount</u> <u>Defeased</u>	<u>Amount</u> <u>Outstanding at</u> <u>June 30, 2021</u>
General Receipts Bonds:		
Series 2010D	4,376	3,982
	\$ <u>4,376</u>	\$ <u>3,982</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, 2021, the university is in compliance with this covenant. Condensed financial information for the Special Purpose Revenue Facilities is provided in Note 23.

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

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, 2021 are as follows:

Series:	Interest Rate Not to Exceed	Effective Average Interest Rate
1997	12%	0.066%
1999B1	12%	0.070%
2001	12%	0.072%
2003C	12%	0.194%
2005B	12%	0.068%
2008B	12%	0.072%
2010E	8%	0.067%
2014B1	not specified	0.063%
2014B2	not specified	0.071%

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 \$289,970 and \$317,715 at June 30, 2021 and 2020, respectively.

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

Capital Lease Obligations

Some university equipment items and vehicles are financed as capital leases. The original cost and lease obligations related to these capital leases as of June 30, 2021 are \$44,355 and \$26,032, respectively. The original cost and lease obligations related to these capital leases as of June 30, 2020 are \$33,088 and \$24,698, respectively.

Capitalization of Interest

In 2021, the university implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of the 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. For the year ended June 30, 2021, total interest costs incurred for the primary institution were \$125,687 and are reported as interest expense in the statement of revenues, expenses and changes in net position. For the year ended June 30, 2020, total interest costs incurred for the primary institution were \$121,125. Of this amount, interest of \$4,746 was capitalized. The remaining amount of \$116,379 is reported as interest expense in the statement of revenues, expenses and changes in net position.

NOTE 10 – DERIVATIVE INSTRUMENTS

In connection with the anticipated refunding of the university's Series 2013A Special Purpose General Receipts Bonds in June 2023, the university has entered into two forward-starting pay fixed/receive floating interest rate swap agreements to convert all or a portion of the associated variable rate debt (anticipated June 2023) to synthetic fixed rates to protect against the potential of rising interest rates.

The terms of the two agreements are summarized below (\$ in 1,000s):

	Notional Amount	University Pays	University Receives	Effective Date	Termination Date	Par Cancellation Option	Counterparty Credit Rating
Swap Agreement 1	\$ 164,400	1.188% Fixed Rate	Variable rate based on Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index	June 1, 2023	June 1, 2043	6/1/2035 at University's option	A1/A
Swap Agreement 2	\$ 164,400	1.264% Fixed Rate	Variable rate based on SIFMA Municipal Swap Index	June 1, 2023	June 1, 2043	6/1/2035 at University's option	Aa2/A+

The forward-starting pay fixed/receive floating interest rate swap agreements are considered effective hedging derivatives as of June 30, 2021. The fair value of these swaps generally represents the estimated amount that the university would pay to terminate the swap agreements at the statement of net position date taking into account market interest rates as of June 30, 2021. The valuation inputs used to determine the fair value of these instruments are considered Level 2, as they rely on observable inputs other than quoted market prices. The notional amount represents the underlying reference of the instrument and does not represent the amount of the university's settlement obligations.

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

Fair values, changes in fair value and financial classification of the swap agreements are summarized below:

Effective hedging derivatives: floating-to-fixed interest rate swaps	Amount	Financial Statement Classification
Fair Value as of June 30, 2021	\$ 12,298	Other non-current asset
Change in Fair Value for Year Ended June 30, 2021	\$ 18,927	Deferred inflows - other

Effective Hedging derivatives: floating-to-fixed interest rate swaps	Amount	Financial Statement Classification
Fair Value as of June 30, 2020	\$ (6,629)	Other non-current liability
Change in Fair Value for Year Ended June 30, 2020	\$ (6,629)	Deferred outflows - other

Using rates in effect as of June 30, 2021, the projected cash flows for the pay fixed/receive floating interest rate swaps deemed effective cash flow hedges, along with the debt service requirements of the associated variable rate debt (anticipated June 2023), are summarized as follows:

	Primary Institution			
	Variable Rate Bonds*		Swap	Total
	Principal	Interest	Payments, Net	Payments
2024	-	99	4,261	4,360
2025	-	99	4,261	4,360
2026	-	99	4,261	4,360
2027-2031	53,655	480	20,729	74,864
2032-2036	109,355	348	15,032	124,735
2037-2041	116,855	180	7,755	124,790
2042-2043	48,955	22	954	49,931
	<u>328,820</u>	<u>1,327</u>	<u>57,253</u>	<u>387,400</u>

* Variable rate bond interest based on 6/30/2021 SIFMA rate of 0.03%.

Hedging Derivative Instrument Risk Factors

By using derivative financial instruments to hedge exposure to changes in interest rates, the university is exposed to certain risk factors. A discussion of the risk factors applicable to the university's swaps and the steps that have been taken to mitigate each risk factor is presented below.

Termination Risk

There is termination risk with pay fixed/receive floating interest rate swaps as the university or swap counterparty may terminate a swap if the other party fails to perform under the terms of the contract. The swaps also contain ratings-based termination provisions where a swap agreement

Notes to Financial Statements – Years Ended June 30, 2021 and 2020

(dollars in thousands)

may be terminated if the counterparty's or the university's General Receipts credit ratings fall below Baa2 or BBB. The university's swaps specify Market Quotation, Second Method as the method for determining the termination value. Additionally, the university holds a par cancellation option which enables the university to cancel the swap at no cost starting June 1, 2035. This option also acts to limit the calculation of negative fair value to just the years remaining between the termination date and the date of the par termination option, which in turn mitigates any potential termination payment which may be owed by the university.

Credit Risk

Contracts with positive fair values to the university expose the university to credit risk to the extent the counterparty is unable to pay the termination value upon a Termination Event or an Event of Default. As a mitigant to this risk, the university's swaps include non-parallel collateral posting thresholds under which the counterparties must post collateral if the counterparties' ratings fall to the A+/A1 ratings category for fair values in excess of \$75 million, with that threshold declining at each lower ratings category until reaching a threshold of \$5 million at BBB/Baa2. No collateral had been posted at June 30, 2021.

NOTE 11 — 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 \$22,752 and \$26,458 for the years ended June 30, 2021 and 2020, respectively.

Future minimum payments for all significant operating leases with initial or remaining terms in excess of one year as of June 30, 2021 are as follows:

Year Ending June 30,	Primary	Discretely Presented
	Institution	Component Units
2022	\$ 21,687	\$ 7,649
2023	19,655	7,256
2024	17,769	6,374
2025	13,596	6,585
2026	12,948	8,068
2027-2031	53,369	30,103
2032-2036	20,266	1,873
2037-2041	19,804	-
2042-2046	22,090	-
2047-2051	24,277	-
2052-2056	1,323	-
2057-2061	1,382	-
2062-2066	1,370	-
Total minimum lease payments	<u>\$ 229,536</u>	<u>\$ 67,908</u>

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

NOTE 12 — COMPENSATED ABSENCES

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

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

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

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

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

NOTE 13 — OTHER LIABILITIES

Other liability activity for the primary institution for the year ended June 30, 2021 is as follows:

	Primary Institution				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	\$ 225,561	\$ 37,451	\$ 24,292	\$ 238,720	\$ 24,292
Self-insurance accruals	126,851	423,441	412,541	137,751	52,668
Amounts due to third party payors	110,819	12,337	3,366	119,790	29,387
Irrevocable split-interest agreements	35,117	8,130	3,655	39,592	3,264
Refundable advances for Federal Perkins loans	29,695	-	3,690	26,005	-
Other noncurrent liabilities	104,255	190,039	10,651	283,643	-
Other current liabilities	316	1,236	316	1,236	1,236
	\$ 632,614	\$ 672,634	\$ 458,511	\$ 846,737	\$ 110,847

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

Other liability activity for the primary institution for the year ended June 30, 2020 is as follows:

	Primary Institution				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	\$ 192,940	\$ 48,024	\$ 15,403	\$ 225,561	\$ 15,403
Self-insurance accruals	126,631	382,121	381,901	126,851	38,923
Amounts due to third party payors	76,470	43,395	9,046	110,819	50,303
Irrevocable split-interest agreements	31,727	7,045	3,655	35,117	3,264
Refundable advances for Federal Perkins loans	33,478	-	3,783	29,695	-
Other noncurrent liabilities	122,292	-	18,037	104,255	-
Other current liabilities	-	316	-	316	316
	<u>\$ 583,538</u>	<u>\$ 480,901</u>	<u>\$ 431,825</u>	<u>\$ 632,614</u>	<u>\$ 108,209</u>

NOTE 14 — 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, 2021 is as follows:

Year Ending June 30,	
2022	\$ 7,496
2023	6,121
2024	5,288
2025	4,232
2026	3,067
2027-2031	11,838
2032-2036	1,484
2037-2041	610
2042-2046	610
2047-2051	606
2052 and beyond	1,000
Total minimum future rentals	<u>\$ 42,352</u>

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

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, 2021 is as follows:

Year Ending June 30,	
2022	\$ 9,405
2023	8,638
2024	8,280
2025	7,913
2026	6,771
2027-2031	31,561
2032-2036	24,487
2037-2041	20,806
2042-2046	21,083
2047-2051	20,368
Total minimum future rentals	<u>\$ 159,312</u>

NOTE 15 — 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 Changes in Net Position. Operating expenses by object for the primary institution for the years ended June 30, 2021 and 2020 are summarized as follows:

	Year Ended June 30, 2021				
	Primary Institution				
	Compensation and Benefits	Supplies and Services	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 859,138	\$ 98,366	\$ -	\$ -	\$ 957,504
Separately budgeted research	258,895	177,991	-	-	436,886
Public service	60,829	78,759	-	-	139,588
Academic support	119,728	70,369	-	-	190,097
Student services	40,796	11,290	-	-	52,086
Institutional support	165,206	64,787	-	-	229,993
Operation and maintenance of plant	6,714	88,958	-	-	95,672
Scholarships and fellowships	8,227	4,054	133,906	-	146,187
Auxiliary enterprises	88,875	117,248	-	-	206,123
OSU Health System	936,366	1,796,775	-	-	2,733,141
Depreciation	-	-	-	457,950	457,950
Total operating expenses	<u>\$ 2,544,774</u>	<u>\$ 2,508,597</u>	<u>\$ 133,906</u>	<u>\$ 457,950</u>	<u>\$ 5,645,227</u>

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

Year Ended June 30, 2020

	Primary Institution				Total
	Compensation and Benefits	Supplies and Services	Scholarships and Fellowships	Depreciation	
Instruction	\$ 981,056	\$ 115,198	\$ -	\$ -	\$ 1,096,254
Separately budgeted research	360,402	177,510	-	-	537,912
Public service	108,396	79,458	-	-	187,854
Academic support	212,169	38,505	-	-	250,674
Student services	76,683	18,387	-	-	95,070
Institutional support	239,028	139,524	-	-	378,552
Operation and maintenance of plant	34,247	88,202	-	-	122,449
Scholarships and fellowships	7,802	1,957	130,611	-	140,370
Auxiliary enterprises	185,666	134,726	-	-	320,392
OSU Health System	1,733,288	1,611,879	-	-	3,345,167
Depreciation	-	-	-	425,012	425,012
Total operating expenses	\$ 3,938,737	\$ 2,405,346	\$ 130,611	\$ 425,012	\$ 6,899,706

NOTE 16 — 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 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).

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

The collective net pension liabilities of the retirement systems and the university's proportionate share of these liabilities as of June 30, 2021 are as follows:

	<u>STRS-Ohio</u>		<u>OPERS</u>		<u>Total</u>
Net pension liability - all employers	\$ 24,196,442	\$	14,500,930		
Proportion of the net pension liability - university	4.9%		10.4%		
Proportionate share of net pension liability	\$ 1,175,836	\$	1,503,497	\$	2,679,333

The collective net OPEB assets of the retirement systems and the university's proportionate share of these assets as of June 30, 2021 are as follows:

	<u>STRS-Ohio</u>		<u>OPERS</u>		<u>Total</u>
Net OPEB (asset) liability - all employers	\$ (1,757,498)	\$	(1,781,580)		
Proportion of the net OPEB (asset) liability - university	4.9%		10.7%		
Proportionate share of net OPEB (asset) liability	\$ (85,406)	\$	(189,776)	\$	(275,182)

The collective net pension liabilities of the retirement systems and the university's proportionate share of these liabilities as of June 30, 2020 are as follows:

	<u>STRS-Ohio</u>		<u>OPERS</u>		<u>Total</u>
Net pension liability - all employers	\$ 22,114,399	\$	19,553,374		
Proportion of the net pension liability - university	4.7%		10.2%		
Proportionate share of net pension liability	\$ 1,040,149	\$	1,984,880	\$	3,025,029

The collective net OPEB assets and liabilities of the retirement systems and the university's proportionate share of these assets and liabilities as of June 30, 2020 are as follows:

	<u>STRS-Ohio</u>		<u>OPERS</u>		<u>Total</u>
Net OPEB (asset) liability - all employers	\$ (1,656,240)	\$	13,812,598		
Proportion of the net OPEB (asset) liability - university	4.7%		10.4%		
Proportionate share of net OPEB (asset) liability	\$ (77,901)	\$	1,436,889	\$	1,358,988

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

Deferred outflows of resources and deferred inflows of resources for pensions were related to the following sources as of June 30, 2021:

	STRS-Ohio	OPERS	Total
Deferred Outflows of Resources:			
Differences between expected and actual experience	2,638	1,578	4,216
Changes in assumptions	63,120	2,577	65,697
Net difference between projected and actual earnings on pension plan investments	57,181	-	57,181
Changes in proportion of university contributions	1,947	4,836	6,783
University contributions subsequent to the measurement date	87,064	118,738	205,802
Total	211,950	127,729	339,679
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ 7,519	\$ 72,258	\$ 79,777
Net difference between projected and actual earnings on pension plan investments	-	602,692	602,692
Changes in proportion of university contributions	-	21	21
Total	\$ 7,519	\$ 674,971	\$ 682,490

Deferred outflows of resources and deferred inflows of resources for OPEB were related to the following sources as of June 30, 2021:

	STRS-Ohio	OPERS	Total
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$ 5,472	\$ -	\$ 5,472
Changes in assumptions	1,410	91,112	92,522
Net difference between projected and actual earnings on OPEB plan investments	2,993	-	2,993
Changes in proportion of university contributions	119	3,076	3,195
Total	\$ 9,994	\$ 94,188	\$ 104,182
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ 17,012	\$ 170,003	\$ 187,015
Changes in assumptions	81,122	307,493	388,615
Net difference between projected and actual earnings on pension plan investments	-	100,068	100,068
Total	\$ 98,134	\$ 577,564	\$ 675,698

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

Deferred outflows of resources and deferred inflows of resources for pensions were related to the following sources as of June 30, 2020:

	<u>STRS-Ohio</u>	<u>OPERS</u>	<u>Total</u>
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$ 8,469	\$ 1,582	\$ 10,051
Changes in assumptions	122,186	107,584	229,770
Net difference between projected and actual earnings on pension plan investments	-	-	-
Changes in proportion of university contributions	1,187	5,966	7,153
University contributions subsequent to the measurement date	82,657	116,139	198,796
Total	\$ 214,499	\$ 231,271	\$ 445,770
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ 4,503	\$ 32,072	\$ 36,575
Net difference between projected and actual earnings on pension plan investments	50,837	399,896	450,733
Changes in proportion of university contributions	-	40	40
Total	\$ 55,340	\$ 432,008	\$ 487,348

Deferred outflows of resources and deferred inflows of resources for OPEB were related to the following sources as of June 30, 2020:

	<u>STRS-Ohio</u>	<u>OPERS</u>	<u>Total</u>
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$ 7,062	\$ 36	\$ 7,098
Changes in assumptions	1,637	227,196	228,833
Net difference between projected and actual earnings on OPEB plan investments	-	-	-
Changes in proportion of university contributions	135	3,562	3,697
University contributions subsequent to the measurement date	-	-	-
Total	\$ 8,834	\$ 230,794	\$ 239,628
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ 3,963	\$ 131,362	\$ 135,325
Changes in assumptions	85,409	-	85,409
Net difference between projected and actual earnings on pension plan investments	4,893	72,837	77,730
Changes in proportion of university contributions	-	-	-
Total	\$ 94,265	\$ 204,199	\$ 298,464

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

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
2022	126,428	(126,694)	(266)
2023	19,960	(91,050)	(71,090)
2024	32,020	(244,892)	(212,872)
2025	26,023	(83,567)	(57,544)
2026	-	(457)	(457)
2027 and Thereafter	-	(581)	(581)
Total	\$ 204,431	\$ (547,241)	\$ (342,810)

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
2022	(21,688)	(251,639)	(273,327)
2023	(19,791)	(176,653)	(196,444)
2024	(19,085)	(43,175)	(62,260)
2025	(18,664)	(11,912)	(30,576)
2026	(4,439)	-	(4,439)
2027 and Thereafter	(4,471)	-	(4,471)
Total	\$ (88,138)	\$ (483,379)	\$ (571,517)

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
Statutory Authority	Ohio Revised Code Chapter 3307	Ohio Revised Code Chapter 145

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

Benefit Formula	<p>Pensions -- 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. Eligibility changes will be phased in until Aug. 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. Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until Aug. 1, 2023 when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.</p> <p>OPEB – 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, 2021. 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 \$295.8 million or 60% of the total health care costs in fiscal 2020 (excluding deductibles, coinsurance and copayments).</p> <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.</p>	<p>Pensions -- 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 five years 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 five years of service. For Groups A and B, the annual benefit is based on 2.2% of FAS 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.</p> <p>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>OPEB – 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. 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</p>
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Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

	STRS-Ohio	OPERS
	For the year ended June 30, 2020, STRS Ohio received \$81.9 million in Medicare Part D reimbursements.	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 2020 CAFR. OPERS no longer participates in the Medicare Part D program as of December 31, 2016.
Cost-of-Living Adjustments (COLAs)	Effective July 1, 2017, the COLA was reduced to 0%.	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%.
Contribution Rates	Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory employer rate is 14% and the statutory member rate is 14% of covered payroll. Under Ohio law, funds to pay health care costs may be deducted from employer contributions. For the year ended June 30, 2020, no employer allocation was made to the health care fund.	Employee and member contribution rates are established by the OPERS Board and limited by Chapter 145 of the Ohio Revised Code. For 2019, employer rates for the State and Local Divisions were 14% of covered payroll (and 18.1% for the Law Enforcement and Public Safety Divisions). Member rates for the State and Local Divisions were 10% of covered payroll (13% for Law Enforcement and 12% for Public Safety).
Measurement Date	June 30, 2020	December 31, 2020 (OPEB is rolled forward from December 31, 2019 actuarial valuation date)

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

	STRS-Ohio	OPERS
Actuarial Assumptions	<p>Valuation Date: June 30, 2020 for pensions and OPEB Actuarial Cost Method: Individual entry age Investment Rate of Return: 7.45% Inflation: 2.50% Projected Salary Increases: 12.50% at age 20 to 2.50% at age 65 Cost-of-Living Adjustments: 0% effective July 1, 2017 Payroll Increases: 3.00% Health Care Cost Trends: 5.00% to 11.87% initial; 4% ultimate</p>	<p>Valuation Date: December 31, 2020 for pensions; December 31, 2019 for OPEB Actuarial Cost Method: Individual entry age Investment Rate of Return: 7.2% for pensions; 6.0% for OPEB Inflation: 3.25% Projected Salary Increases: 3.25% - 10.75% Cost-of-Living Adjustments: Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 0.50% Simple through 2021, then 2.15% Simple Health Care Cost Trends: 8.50% initial; 3.50% ultimate in 2035</p>
Mortality Rates	<p>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. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Tables, 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.</p>	<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, 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.</p>
Date of Last Experience Study	June 30, 2016	December 31, 2015

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

	STRS-Ohio	OPERS																																																																					
Investment Return Assumptions	<p>The 10 year expected real rate of return on defined benefit pension and health care plan investments was determined by STRS Ohio's investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and long-term expected real rate of return for each major asset class are summarized as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Asset Class</th> <th style="text-align: center;">Target Allocation</th> <th style="text-align: center;">Long Term Expected Return*</th> </tr> </thead> <tbody> <tr> <td>Domestic Equity</td> <td style="text-align: center;">28.0%</td> <td style="text-align: center;">7.35%</td> </tr> <tr> <td>International Equity</td> <td style="text-align: center;">23.0%</td> <td style="text-align: center;">7.55%</td> </tr> <tr> <td>Alternatives</td> <td style="text-align: center;">17.0%</td> <td style="text-align: center;">7.09%</td> </tr> <tr> <td>Fixed Income</td> <td style="text-align: center;">21.0%</td> <td style="text-align: center;">3.00%</td> </tr> <tr> <td>Real Estate</td> <td style="text-align: center;">10.0%</td> <td style="text-align: center;">6.00%</td> </tr> <tr> <td>Liquidity Reserves</td> <td style="text-align: center;">1.0%</td> <td style="text-align: center;">2.25%</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">100%</td> <td></td> </tr> </tbody> </table> <p>* Returns presented as geometric means</p>	Asset Class	Target Allocation	Long Term Expected Return*	Domestic Equity	28.0%	7.35%	International Equity	23.0%	7.55%	Alternatives	17.0%	7.09%	Fixed Income	21.0%	3.00%	Real Estate	10.0%	6.00%	Liquidity Reserves	1.0%	2.25%	Total	100%		<p>The long term expected rates of return on defined benefit pension and health care investment assets were determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.</p> <p>The following table displays the Board-approved asset allocation policy for defined benefit pension assets for 2020 and the long-term expected real rates of return:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Asset Class</th> <th style="text-align: center;">Target Allocation</th> <th style="text-align: center;">Long Term Expected Return*</th> </tr> </thead> <tbody> <tr> <td>Fixed Income</td> <td style="text-align: center;">25.0%</td> <td style="text-align: center;">1.32%</td> </tr> <tr> <td>Domestic Equity</td> <td style="text-align: center;">21.0%</td> <td style="text-align: center;">5.64%</td> </tr> <tr> <td>Real Estate</td> <td style="text-align: center;">10.0%</td> <td style="text-align: center;">5.39%</td> </tr> <tr> <td>Private Equity</td> <td style="text-align: center;">12.0%</td> <td style="text-align: center;">10.42%</td> </tr> <tr> <td>International Equity</td> <td style="text-align: center;">23.0%</td> <td style="text-align: center;">7.36%</td> </tr> <tr> <td>Other Investments</td> <td style="text-align: center;">9.0%</td> <td style="text-align: center;">4.75%</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">100.0%</td> <td></td> </tr> </tbody> </table> <p>* Returns presented as arithmetic means</p> <p>The following table displays the Board-approved asset allocation policy for health care assets for 2020 and the long-term expected real rates of return:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Asset Class</th> <th style="text-align: center;">Target Allocation</th> <th style="text-align: center;">Long Term Expected Return*</th> </tr> </thead> <tbody> <tr> <td>Fixed Income</td> <td style="text-align: center;">34.0%</td> <td style="text-align: center;">1.07%</td> </tr> <tr> <td>Domestic Equities</td> <td style="text-align: center;">25.0%</td> <td style="text-align: center;">5.64%</td> </tr> <tr> <td>REITs</td> <td style="text-align: center;">7.0%</td> <td style="text-align: center;">6.48%</td> </tr> <tr> <td>International Equities</td> <td style="text-align: center;">25.0%</td> <td style="text-align: center;">7.36%</td> </tr> <tr> <td>Other Investments</td> <td style="text-align: center;">9.0%</td> <td style="text-align: center;">4.02%</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">100.0%</td> <td></td> </tr> </tbody> </table> <p>* Returns presented as arithmetic means</p>	Asset Class	Target Allocation	Long Term Expected Return*	Fixed Income	25.0%	1.32%	Domestic Equity	21.0%	5.64%	Real Estate	10.0%	5.39%	Private Equity	12.0%	10.42%	International Equity	23.0%	7.36%	Other Investments	9.0%	4.75%	Total	100.0%		Asset Class	Target Allocation	Long Term Expected Return*	Fixed Income	34.0%	1.07%	Domestic Equities	25.0%	5.64%	REITs	7.0%	6.48%	International Equities	25.0%	7.36%	Other Investments	9.0%	4.02%	Total	100.0%	
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Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

<p>Discount Rate</p>	<p>Pensions -- The discount rate used to measure the total pension liability was 7.45% as of June 30, 2020. 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, 2020. 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, 2020.</p> <p>OPEB -- The discount rate used to measure the total OPEB liability was 7.45% as of June 30, 2020. 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 projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2020.</p>	<p>Pensions -- The discount rate used to measure the total pension liability was 7.2% 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 contractually required rates, as actuarially determined. 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>OPEB – A single discount rate of 6.00% was used to measure the OPEB liability on the measurement date of December 31, 2020. 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 6.00% and a municipal bond rate of 2.00%. 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 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period</p>
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Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

	STRS-Ohio	OPERS												
		through which projected health care payments are fully funded.												
Changes in Assumptions Since the Prior Measurement Date	<p>Pensions – There were no changes in assumptions since the prior measurement date of June 30, 2019.</p> <p>OPEB -- There were no changes in assumptions since the prior measurement date of June 30, 2019.</p>	<p>Pensions – There were no changes in assumptions since the prior measurement date of December 31, 2019.</p> <p>OPEB -- The discount rate was increased from 3.16% to 6.00% based on the methodology defined under GASB Statement No. 74, <i>Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)</i>.</p>												
Benefit Term Changes Since the Prior Measurement Date	<p>Pensions – There were no changes in benefit terms since the prior measurement date of June 30, 2019.</p> <p>OPEB -- The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.</p>	<p>Pensions – There were no changes in benefit terms since the prior measurement date of December 31, 2019.</p> <p>OPEB – On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees.</p>												
Sensitivity of Net Pension Liability to Changes in Discount Rate	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">1% Decrease (6.45%)</th> <th style="text-align: center;">Current Rate (7.45%)</th> <th style="text-align: center;">1% Increase (8.45%)</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">\$ 1,674,185</td> <td style="text-align: right;">\$ 1,175,835</td> <td style="text-align: right;">\$ 753,526</td> </tr> </tbody> </table>	1% Decrease (6.45%)	Current Rate (7.45%)	1% Increase (8.45%)	\$ 1,674,185	\$ 1,175,835	\$ 753,526	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">1% Decrease (6.2%)</th> <th style="text-align: center;">Current Rate (7.2%)</th> <th style="text-align: center;">1% Increase (8.2%)</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">\$ 2,906,112</td> <td style="text-align: right;">\$ 1,503,497</td> <td style="text-align: right;">\$ 338,004</td> </tr> </tbody> </table>	1% Decrease (6.2%)	Current Rate (7.2%)	1% Increase (8.2%)	\$ 2,906,112	\$ 1,503,497	\$ 338,004
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\$ 2,906,112	\$ 1,503,497	\$ 338,004												
Sensitivity of Net OPEB Liability (Asset) to Changes in Discount Rate	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">1% Decrease (6.45%)</th> <th style="text-align: center;">Current Rate (7.45%)</th> <th style="text-align: center;">1% Increase (8.45%)</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">\$ (74,309)</td> <td style="text-align: right;">\$ (85,406)</td> <td style="text-align: right;">\$ (94,822)</td> </tr> </tbody> </table>	1% Decrease (6.45%)	Current Rate (7.45%)	1% Increase (8.45%)	\$ (74,309)	\$ (85,406)	\$ (94,822)	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">1% Decrease (5.00%)</th> <th style="text-align: center;">Current Rate (6.00%)</th> <th style="text-align: center;">1% Increase (7.00%)</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">\$ (47,204)</td> <td style="text-align: right;">\$ (189,776)</td> <td style="text-align: right;">\$ (307,093)</td> </tr> </tbody> </table>	1% Decrease (5.00%)	Current Rate (6.00%)	1% Increase (7.00%)	\$ (47,204)	\$ (189,776)	\$ (307,093)
1% Decrease (6.45%)	Current Rate (7.45%)	1% Increase (8.45%)												
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Sensitivity of Net OPEB Liability (Asset) to Changes in Medical Trend Rate	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">1% Decrease in Trend Rate</th> <th style="text-align: center;">Current Trend Rate</th> <th style="text-align: center;">1% Increase in Trend Rate</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">\$ (94,237)</td> <td style="text-align: right;">\$ (85,406)</td> <td style="text-align: right;">\$ (74,649)</td> </tr> </tbody> </table>	1% Decrease in Trend Rate	Current Trend Rate	1% Increase in Trend Rate	\$ (94,237)	\$ (85,406)	\$ (74,649)	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">1% Decrease in Trend Rate</th> <th style="text-align: center;">Current Trend Rate</th> <th style="text-align: center;">1% Increase in Trend Rate</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">\$ (194,464)</td> <td style="text-align: right;">\$ (189,776)</td> <td style="text-align: right;">\$ (184,661)</td> </tr> </tbody> </table>	1% Decrease in Trend Rate	Current Trend Rate	1% Increase in Trend Rate	\$ (194,464)	\$ (189,776)	\$ (184,661)
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\$ (194,464)	\$ (189,776)	\$ (184,661)												

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

Defined Contribution Plans

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

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

STRS Ohio also offers a defined contribution plan in addition to its long established defined benefit plan. All employee contributions and employer contributions at a rate of 9.53% 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, 2021, including employer contributions and accruals associated with recognition of net pension liabilities, net OPEB assets and liabilities, and related deferrals, is presented below.

	STRS-Ohio	OPERS	ARP	Total
Employer Contributions	\$ 86,909	\$ 240,142	\$ 68,579	\$ 395,630
GASB 68 Pension Accruals	\$ 90,414	\$ (134,879)		\$ (44,465)
GASB 75 OPEB Accruals	\$ (4,796)	\$ (1,116,692)		\$ (1,121,488)
Total Pension and OPEB Expense	\$ 172,527	\$ (1,011,429)	\$ 68,579	\$ (770,323)

Notes to Financial Statements – Years Ended June 30, 2021 and 2020

(dollars in thousands)

Total pension and OPEB expense for the year ended June 30, 2020, including employer contributions and accruals associated with recognition of net pension liabilities, net OPEB assets and liabilities, and related deferrals, is presented below.

	STRS-Ohio	OPERS	ARP	Total
Employer Contributions	\$ 82,576	\$ 231,977	\$ 65,362	\$ 379,915
GASB 68 Pension Accruals	76,001	182,925		258,926
GASB 75 OPEB Accruals	(23,500)	193,012		169,512
Total Pension and OPEB Expense	<u>\$ 135,077</u>	<u>\$ 607,914</u>	<u>\$ 65,362</u>	<u>\$ 808,353</u>

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

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

STRS Ohio

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

OPERS

277 East Town Street
Columbus, OH 43215-4642
(614) 222-5601
(800) 222-7377
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) defined contribution plan 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 \$6,600 and \$6,400 for the years ended June 30, 2021 and 2020, respectively. Employee contributions were \$2,700 and \$2,500 for the years ended June 30, 2021 and 2020, respectively.

415(m) Plans

The university maintains two supplemental 415(m) retirement plans. These plans are unfunded and constitute an unsecured promise by the university to make benefit payments in the future from its general assets. The university sets aside assets for the 415(m) plans, which are invested primarily in mutual funds. At June 30, 2021, these assets totaled \$190,613 and are reported as Other Noncurrent Assets and Other Noncurrent Liabilities in the Statement of Net Position.

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

NOTE 17 — CAPITAL PROJECT COMMITMENTS

At June 30, 2021, the university is committed to future contractual obligations for capital expenditures of approximately \$1,743,370 for the primary institution and \$24,000 for discretely presented component units. These projects are funded by the following sources:

	<u>Primary Institution</u>	<u>Discretely Presented Component Units</u>
State appropriations	\$ 27,771	\$ -
Internal and other sources	<u>1,715,600</u>	<u>24,000</u>
Total	<u>\$ 1,743,371</u>	<u>\$ 24,000</u>

NOTE 18 — CONTINGENCIES AND RISK MANAGEMENT

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

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

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

The global outbreak of COVID-19, a new strain of coronavirus that can result in severe respiratory disease, was first detected in December of 2019 and subsequently spread across six continents impacting many countries, including the United States. The COVID-19 outbreak has altered the behavior of businesses and people in a manner that has had and is expected to continue to have effects on global and local economies, including the State of Ohio.

On March 13, 2020, the university announced that it would suspend face-to face instruction and transition to remote instruction for the remainder of the spring semester. On April 1, 2020, the university announced that the suspension of face-to-face instruction would extend through the summer semester. With limited exceptions, all university events scheduled to occur during the summer months of 2020, including summer camps and sports camps, were cancelled. Nearly all university housing and dining facilities were closed on March 22, 2020 and remained closed through the summer 2020 semester.

Notes to Financial Statements – Years Ended June 30, 2021 and 2020

(dollars in thousands)

On June 3, 2020, the university announced that it would resume in-person classes for the Autumn 2020 semester, with a mix of on-line, in-person and blended courses to reduce the number of students, faculty and staff that were on campus at any one time. The university conducted extensive testing of students, faculty and staff throughout the 2020-2021 academic year. All other on-campus protocols (masking, social distancing and limits on group gatherings) remained in place, and throughout the Spring 2021 semester, the university observed a low positivity rate among its students. As vaccination rates continued to increase and other health and safety protocols remained effective, the university announced that it expected to return to more of a traditional university experience for the Autumn 2021 semester. The University State of Emergency, which was declared by the university president on March 22, 2020, was lifted effective July 1, 2021.

While vaccination rates have continued to increase and other health and safety protocols have remained effective, the university has made certain recent policy changes in response to the increased spread of the Delta variant of the COVID-19 virus, which is more contagious than previous versions of the virus. As of August 2, 2021, all students, faculty, staff and visitors to all university campuses will be required to wear masks indoors, regardless of vaccination status. In addition, all students, faculty and staff are required to report their vaccination status to the university to allow the university to make public health decisions.

The impact of COVID-19 on university finances and operations may continue to be felt for at least the coming (FY2022) fiscal year, depending on vaccination rates and whether the COVID-19 virus or variations of the virus continue to spread in the United States and around the world. Future adverse consequences of the COVID-19 pandemic may include, but are not limited to: a decline in enrollment (including a disproportional decline in enrollment by international students); a decline in demand for university housing; a decline in demand for university programs that involve travel or that have international connections; cancellation, postponement and/or reduced attendance for athletic events; and an increase in costs associated with purchasing of personal protective equipment and implementing community-wide testing programs. University management continues to monitor the course of the pandemic and is prepared to take additional measures to protect the health of the university community and promote the continuity of its academic mission.

NOTE 19 — 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 \$397,283 and \$406,914 at June 30, 2021

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

and 2020, respectively. The university reports the parking lots and garages as capital assets with a carrying amount of \$122,968 and \$128,250 at June 30, 2021 and 2020, respectively.

NOTE 20 — 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.

The university recognized fixed and O&M utility fees totaling \$59,372 and \$56,075, respectively for the years ended June 30, 2021 and 2020. The carrying amounts of OSEP capital investments and related payable to the concessionaire at June 30, 2021 and 2020 were \$235,869 and \$141,932, respectively.

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

NOTE 21 — 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, 2021 and 2020 is presented below.

Condensed Combining Information – Year Ended June 30, 2021

	OSU Foundation	OSU Health Plan	Oval Limited	Pelotonia	Eliminations
Condensed statements of net position:					
Current assets	\$ 59,498	\$ 5,584	\$ 57,136	\$ 19,706	\$ (12,617)
Capital assets, net	-	41	-	2,043	-
Other assets	1,576,137	731	-	3,000	(76,715)
Amounts receivable from the university	-	(6)	-	-	-
Total assets	<u>\$ 1,635,635</u>	<u>\$ 6,350</u>	<u>\$ 57,136</u>	<u>\$ 24,749</u>	<u>\$ (89,332)</u>
Current liabilities	\$ 3,652	\$ 850	\$ 42	\$ 311	\$ -
Noncurrent liabilities	42,735	680	20,179	89,333	(89,332)
Amounts payable to the university	-	782	-	-	-
Deferred inflows	17,194	-	-	-	-
Total liabilities and deferred inflows	<u>63,581</u>	<u>2,312</u>	<u>20,221</u>	<u>89,644</u>	<u>(89,332)</u>
Net investment in capital assets	-	-	-	-	-
Restricted:					
Nonexpendable	1,073,269	-	-	-	-
Expendable	481,161	-	-	-	(89,333)
Unrestricted	<u>17,624</u>	<u>4,038</u>	<u>36,915</u>	<u>(64,895)</u>	<u>89,333</u>
Total net position	<u>1,572,054</u>	<u>4,038</u>	<u>36,915</u>	<u>(64,895)</u>	<u>-</u>
Total liabilities, deferred inflows and net position	<u>\$ 1,635,635</u>	<u>\$ 6,350</u>	<u>\$ 57,136</u>	<u>\$ 24,749</u>	<u>\$ (89,332)</u>

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

	OSU Foundation	OSU Health Plan	Oval Limited	Pelotonia	Eliminations
Condensed statements of revenues, expenses and changes in net position:					
Operating revenues:					
Other sales, services and rental income	\$ 15	\$ 12,702	\$ (1,781)	\$ 281	\$ -
Total operating revenues	15	12,702	(1,781)	281	-
Operating expenses, excluding depreciation	5,270	12,656	(202)	4,428	-
Depreciation expense	-	33	-	162	-
Total operating expenses	5,270	12,689	(202)	4,590	-
Net operating income (loss)	(5,255)	13	(1,579)	(4,309)	-
Non-operating revenues and expenses:					
Gifts for current use	136,414	-	-	23,249	-
Net investment income (loss)	335,238	18	6,542	-	-
Federal COVID-19 assistance programs	-	-	-	625	-
Other non-operating revenue (expense)	3,186	-	-	-	-
Net non-operating revenue (expense)	474,838	18	6,542	23,874	-
Capital contributions and additions to permanent endowments	142,943	-	-	-	-
Transfers from (to) the university	(258,132)	120	-	12,795	-
Change in net position	354,394	151	4,963	32,360	-
Beginning net position, as reported	1,217,660	3,887	31,952	(97,255)	-
Cumulative effect of Pelotonia merger	-	-	-	-	-
Ending net position	\$ 1,572,054	\$ 4,038	\$ 36,915	\$ (64,895)	\$ -
Condensed statements of cash flows:					
Net cash provided (used) by:					
Operating activities	\$ (4,850)	\$ (875)	\$ (2,028)	\$ (4,677)	\$ -
Noncapital financing activities	(60,754)	908	-	8,103	-
Capital and related financing activities	79,612	-	-	(2,205)	-
Investing activities	(14,026)	(708)	2,223	-	-
Net increase (decrease) in cash	(18)	(675)	195	1,221	-
Beginning cash and cash equivalents	235	4,779	1,095	4,903	-
Ending cash and cash equivalents	\$ 217	\$ 4,104	\$ 1,290	\$ 6,124	\$ -

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

Condensed Combining Information – Year Ended June 30, 2020

	OSU Foundation	OSU Health Plan	Oval Limited	Pelotonia	Eliminations
Condensed statements of net position:					
Current assets	\$ 57,833	\$ 5,357	\$ 51,409	\$ 5,421	\$ (12,638)
Capital assets, net	2,770	74	-	-	-
Other assets	1,224,212	734	-	543	(89,490)
Total assets	<u>\$ 1,284,815</u>	<u>\$ 6,165</u>	<u>\$ 51,409</u>	<u>\$ 5,964</u>	<u>\$ (102,128)</u>
Current liabilities	\$ 3,473	\$ 2,279	\$ 39	\$ 13,728	\$ (12,638)
Noncurrent liabilities	53,541	-	19,417	89,490	(89,490)
Amounts payable to the university	1	-	-	-	-
Deferred inflows	10,141	-	-	-	-
Total liabilities and deferred inflows	<u>67,156</u>	<u>2,279</u>	<u>19,456</u>	<u>103,218</u>	<u>(102,128)</u>
Net investment in capital assets	2,770	-	-	-	-
Restricted:					
Nonexpendable	954,856	-	-	-	-
Expendable	246,392	-	-	-	(102,128)
Unrestricted	13,641	3,886	31,953	(97,254)	102,128
Total net position	<u>1,217,659</u>	<u>3,886</u>	<u>31,953</u>	<u>(97,254)</u>	<u>-</u>
Total liabilities, deferred inflows and net position	<u>\$ 1,284,815</u>	<u>\$ 6,165</u>	<u>\$ 51,409</u>	<u>\$ 5,964</u>	<u>\$ (102,128)</u>

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

	OSU Foundation	OSU Health Plan	Oval Limited	Pelotonia	Eliminations
Condensed statements of revenues, expenses and changes in net position:					
Operating revenues:					
Other sales, services and rental income	\$ 77	\$ 12,747	\$ (1,217)	\$ 580	\$ -
Total operating revenues	77	12,747	(1,217)	580	-
Operating expenses, excluding depreciation					
Depreciation expense	5,627	12,784	(214)	8,128	-
Total operating expenses	183	60	-	-	-
	5,810	12,844	(214)	8,128	-
Net operating income (loss)	(5,733)	(97)	(1,003)	(7,548)	-
Non-operating revenues and expenses:					
Gifts for current use	202,985	-	-	(3,111)	-
Net investment income (loss)	10,302	-	776	482	-
Other non-operating revenue (expense)	1,418	-	-	-	-
Net non-operating revenue (expense)	214,705	-	776	(2,629)	-
Capital contributions and additions to permanent endowments	141,121	-	-	-	-
Transfers from (to) the university	(270,292)	-	-	137	-
Change in net position	79,801	(97)	(227)	(10,040)	-
Beginning net position, as reported	1,152,909	3,983	32,180	(102,265)	-
Cumulative effect of Pelotonia merger	(15,051)	-	-	15,051	-
Ending net position	\$ 1,217,659	\$ 3,886	\$ 31,953	\$ (97,254)	\$ -
Condensed statements of cash flows:					
Net cash provided (used) by:					
Operating activities	\$ (4,765)	\$ 392	\$ (1,596)	\$ (6,940)	\$ -
Noncapital financing activities	(98,868)	-	-	11,362	-
Capital and related financing activities	77,425	(22)	-	-	-
Investing activities	(17,193)	(54)	1,482	482	-
Net increase (decrease) in cash	(43,401)	316	(114)	4,904	-
Beginning cash and cash equivalents	43,635	4,463	1,210	-	-
Ending cash and cash equivalents	\$ 234	\$ 4,779	\$ 1,096	\$ 4,904	\$ -

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

NOTE 22 — 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, 2021 and 2020 is presented below.

Condensed Combining Information – Year Ended June 30, 2021

	OSU Physicians	Campus Partners	Transportation Research Center	Dental Faculty Practice Plan	Science and Technology Campus Corporation
Condensed statements of net position:					
Current assets	\$ 298,779	\$ 9,069	\$ 10,966	\$ 4,625	\$ 12,824
Capital assets, net	24,753	194,459	48,579	271	28,147
Other assets	27	1,465	-	-	530
Amounts receivable from the university	70,514	-	4,908	-	-
Deferred outflows	-	-	-	-	-
Total assets and deferred outflows	<u>\$ 394,073</u>	<u>\$ 204,993</u>	<u>\$ 64,453</u>	<u>\$ 4,896</u>	<u>\$ 41,501</u>
Current liabilities	\$ 35,974	\$ 13,656	\$ 10,811	\$ 2	\$ 1,332
Noncurrent liabilities	10,491	51,811	3,899	-	8,670
Amounts payable to the university	132,276	146,887	15,113	614	10,010
Deferred inflows	-	-	-	-	-
Total liabilities and deferred inflows	<u>178,741</u>	<u>212,354</u>	<u>29,823</u>	<u>616</u>	<u>20,012</u>
Net investment in capital assets	13,327	185,856	44,362	(73)	27,895
Unrestricted	<u>202,005</u>	<u>(193,217)</u>	<u>(9,732)</u>	<u>4,353</u>	<u>(6,406)</u>
Total net position	<u>215,332</u>	<u>(7,361)</u>	<u>34,630</u>	<u>4,280</u>	<u>21,489</u>
Total liabilities, deferred inflows and net position	<u>\$ 394,073</u>	<u>\$ 204,993</u>	<u>\$ 64,453</u>	<u>\$ 4,896</u>	<u>\$ 41,501</u>

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

	OSU Physicians	Campus Partners	Transportation Research Center	Dental Faculty Practice Plan	Dental Faculty Practice Plan
Condensed statements of revenues, expenses and changes in net position:					
Operating revenues:					
Grants and contracts	\$ -	\$ 8,280	\$ 41,303	\$ -	\$ 6,847
Sales and services of OSU Physicians	647,601	-	-	-	-
Other sales, services and rental income	-	-	-	10,053	-
Total operating revenues	647,601	8,280	41,303	10,053	6,847
Operating expenses, excluding depreciation					
Depreciation expense	3,122	3,881	4,354	65	1,332
Total operating expenses	606,446	10,090	44,979	7,847	4,879
Net operating income (loss)	41,155	(1,810)	(3,676)	2,206	1,968
Non-operating revenues and expenses:					
Net investment income	53	109	1,241	332	18
Interest expense	(300)	-	(726)	-	(523)
Other non-operating revenue (expense)	(31,237)	1,119	(327)	-	-
Net non-operating revenue (expense)	(31,484)	1,228	188	332	(505)
Changes in net position					
Capital contributions and changes in net position	-	278	663	-	-
Change in net position	9,671	(304)	(2,825)	2,538	1,463
Beginning net position, as previously reported	205,661	(7,057)	37,455	1,742	20,026
Ending net position	\$ 215,332	\$ (7,361)	\$ 34,630	\$ 4,280	\$ 21,489
Condensed statements of cash flows:					
Net cash provided (used) by:					
Operating activities	\$ 88,921	\$ 16,377	\$ 1,266	\$ 1,720	\$ 10,209
Noncapital financing activities	(30,532)	37,855	2,442	-	(984)
Capital and related financing activities	(4,057)	(56,923)	(5,549)	217	(1,354)
Investing activities	13,908	-	519	-	18
Net increase (decrease) in cash	68,240	(2,691)	(1,322)	1,937	7,889
Beginning cash and cash equivalents	169,007	8,465	4,415	625	4,193
Ending cash and cash equivalents	\$ 237,247	\$ 5,774	\$ 3,093	\$ 2,562	\$ 12,082

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

Condensed Combining Information – Year Ended June 30, 2020

	OSU Physicians	Campus Partners	Transportation Research Center	Dental Faculty Practice Plan	Science and Technology Campus Corporation
Condensed statements of net position:					
Current assets	\$ 232,020	\$ 11,741	\$ 12,030	\$ 1,892	\$ 5,415
Capital assets, net	25,602	139,605	48,760	156	29,154
Other assets	-	800	-	-	50
Amounts receivable from the university	22,532	-	3,844	-	-
Deferred outflows	-	-	-	-	-
Total assets and deferred outflows	<u>\$ 280,154</u>	<u>\$ 152,146</u>	<u>\$ 64,634</u>	<u>\$ 2,048</u>	<u>\$ 34,619</u>
Current liabilities	\$ 33,830	\$ 12,221	\$ 9,647	\$ 90	\$ 1,575
Noncurrent liabilities	11,315	37,947	4,218	-	2,025
Amounts payable to the university	29,349	109,031	13,315	216	10,995
Deferred inflows	-	-	-	-	-
Total liabilities and deferred inflows	<u>74,494</u>	<u>159,199</u>	<u>27,180</u>	<u>306</u>	<u>14,595</u>
Net investment in capital assets	13,399	132,124	42,254	(60)	28,394
Unrestricted	192,261	(139,177)	(4,800)	1,802	(8,370)
Total net position	<u>205,660</u>	<u>(7,053)</u>	<u>37,454</u>	<u>1,742</u>	<u>20,024</u>
Total liabilities, deferred inflows and net position	<u>\$ 280,154</u>	<u>\$ 152,146</u>	<u>\$ 64,634</u>	<u>\$ 2,048</u>	<u>\$ 34,619</u>

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

	OSU Physicians	Campus Partners	Transportation Research Center	Dental Faculty Practice Plan	Science and Technology Campus Corporation
Condensed statements of revenues, expenses and changes in net position:					
Operating revenues:					
Grants and contracts	\$ -	\$ 9,513	\$ 36,682	\$ -	\$ 6,603
Sales and services of OSU Physicians	584,222	-	-	-	-
Other sales, services and rental income	-	-	-	9,354	-
Total operating revenues	584,222	9,513	36,682	9,354	6,603
Operating expenses, excluding depreciation	563,200	8,614	37,028	8,822	3,631
Depreciation expense	3,394	2,871	2,605	72	1,330
Total operating expenses	566,594	11,485	39,633	8,894	4,961
Net operating income (loss)	17,628	(1,972)	(2,951)	460	1,642
Non-operating revenues and expenses:					
CARES Assistance	11,805	-	-	-	-
Net investment income	1,668	175	25	-	57
Interest expense	(278)	(78)	(587)	-	(588)
Other non-operating revenue (expense)	(22,527)	601	8,914	(98)	-
Net non-operating revenue (expense)	(9,332)	698	8,352	(98)	(531)
Changes in net position					
Capital contributions and changes in net position	-	-	5,079	-	-
Change in net position	8,296	(1,274)	10,480	362	1,111
Beginning net position, as previously reported	197,364	(5,779)	26,974	1,380	18,913
Cumulative effect of accounting change	-	-	-	-	-
Ending net position	\$ 205,660	\$ (7,053)	\$ 37,454	\$ 1,742	\$ 20,024
Condensed statements of cash flows:					
Net cash provided (used) by:					
Operating activities	\$ 46,739	\$ 15,105	\$ 3,470	\$ 412	\$ 3,414
Noncapital financing activities	(9,987)	19,759	8,908	(98)	(939)
Capital and related financing activities	(2,800)	(30,117)	(11,112)	(68)	(3,556)
Investing activities	3,106	322	-	(63)	57
Net increase (decrease) in cash	37,058	5,069	1,266	183	(1,024)
Beginning cash and cash equivalents	131,951	3,395	3,149	441	5,217
Ending cash and cash equivalents	\$ 169,009	\$ 8,464	\$ 4,415	\$ 624	\$ 4,193

NOTE 23 — 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 \$125,371 and \$185,362 for the years ended June 30, 2021 and 2020, 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, 2021 and 2020 is as follows:

Notes to Financial Statements – Years Ended June 30, 2021 and 2020
(dollars in thousands)

Segment Disclosure Information – Year Ended June 30, 2021 and June 30, 2020

	<u>2021</u>	<u>2020</u>
Condensed Statement of Net Position		
Assets and deferred outflows:		
Current assets	\$ 51,391	\$ 26,329
Capital assets	673,588	693,545
Total assets	<u>\$ 724,979</u>	<u>\$ 719,874</u>
Liabilities and deferred inflows:		
Current liabilities	\$ 6,571	\$ 7,485
Amounts payable to the university	706,190	723,980
Total liabilities	<u>712,761</u>	<u>731,465</u>
Net position:		
Net investment in capital assets	(31,886)	(30,434)
Unrestricted	44,104	18,843
Total net position	<u>12,218</u>	<u>(11,591)</u>
Total liabilities and net position	<u>\$ 724,979</u>	<u>\$ 719,874</u>

	<u>2021</u>	<u>2020</u>
Condensed Statement of Revenues, Expenses and Changes in Net Position		
Special-purpose pledged revenues - operating	\$ 125,370	\$ 185,362
Operating expenses, excluding depreciation	(90,296)	(145,821)
Depreciation expense	(33,726)	(35,554)
Operating income	1,348	3,987
Nonoperating revenues, net	(29,746)	(29,647)
Net income (loss) before transfers	(28,398)	(25,660)
Transfers from (to) other university units, net	52,207	(402)
Increase (decrease) in net position	23,809	(26,062)
Beginning net position	(11,591)	14,471
Ending net position	<u>\$ 12,218</u>	<u>\$ (11,591)</u>

Condensed Statement of Cash Flows		
Net cash provided (used) by:		
Operating activities	\$ 34,804	\$ 105,163
Capital and related financing activities	(10,007)	(106,513)
Investing activities	242	693
Net increase (decrease) in cash	25,039	(657)
Beginning cash and cash equivalents	25,779	26,436
Ending cash and cash equivalents	<u>\$ 50,818</u>	<u>\$ 25,779</u>

NOTE 24 – SUBSEQUENT EVENTS

Debt Issuance

On September 30, 2021, the University closed on \$600,000 in tax-exempt fixed rate General Receipts Bonds - Series 2021A. The Series 2021A bonds are structured on a level debt service basis with annual principal payments beginning December 1, 2022 through final maturity on December 1, 2051. The interest rate coupons on the Series 2021A bonds range from 2.50% to 5.00%. The proceeds of the bonds will be used to fund construction of the Wexner Medical Center's new Inpatient Hospital, scheduled to open in 2026.

The Ohio State University
Required Supplementary Information on GASB 68 Pension Liabilities (Unaudited)
Year Ended June 30, 2021

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

<i>(dollars in thousands)</i>	2015	2016	2017	2018	2019	2020	2021
STRS-Ohio:							
University's proportion of the net pension liability	4.4%	4.5%	4.5%	4.6%	4.6%	4.7%	4.9%
University's proportionate share of the net pension liability	\$ 1,070,914	\$ 1,238,470	\$ 1,510,814	\$ 1,081,053	\$ 1,019,690	\$ 1,040,149	\$ 1,175,835
University's covered payroll	\$ 381,669	\$ 388,309	\$ 392,797	\$ 412,149	\$ 434,106	\$ 452,084	\$ 476,374
University's proportionate share of the net pension liability as a percentage of its covered payroll	281%	319%	385%	262%	235%	230%	247%
Plan fiduciary net position as a percentage of the total pension liability	74.7%	72.1%	66.8%	75.3%	77.3%	77.4%	75.5%
OPERS:							
University's proportion of the net pension liability	8.8%	9.0%	9.1%	9.4%	9.9%	10.2%	10.4%
University's proportionate share of the net pension liability	\$ 1,059,519	\$ 1,556,156	\$ 2,054,548	\$ 1,466,955	\$ 2,695,368	\$ 1,984,881	\$ 1,503,497
University's covered payroll	\$ 1,188,828	\$ 1,236,914	\$ 1,289,346	\$ 1,381,054	\$ 1,521,447	\$ 1,574,490	\$ 1,704,763
University's proportionate share of the net pension liability as a percentage of its covered payroll	89%	126%	159%	106%	177%	126%	88%
Plan fiduciary net position as a percentage of the total pension liability	86.5%	81.2%	77.4%	84.9%	74.9%	82.4%	87.2%

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

<i>(dollars in thousands)</i>	2015	2016	2017	2018	2019	2020	2021
STRS-Ohio:							
Contractually required contribution	\$ 65,738	\$ 66,975	\$ 70,373	\$ 74,356	\$ 77,781	\$ 82,576	\$ 86,909
Contributions in relation to the contractually required	\$ 65,738	\$ 66,975	\$ 70,373	\$ 74,356	\$ 77,781	\$ 82,576	\$ 86,909
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 388,309	\$ 392,797	\$ 412,149	\$ 434,106	\$ 452,084	\$ 476,374	\$ 498,344
Contributions as a percentage of covered payroll	16.9%	17.1%	17.1%	17.1%	17.2%	17.3%	17.4%
OPERS:							
Contractually required contribution	\$ 170,979	\$ 178,293	\$ 188,762	\$ 201,072	\$ 220,062	\$ 231,977	\$ 240,142
Contributions in relation to the contractually required	\$ 170,979	\$ 178,293	\$ 188,762	\$ 201,072	\$ 220,062	\$ 231,977	\$ 240,142
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 1,208,710	\$ 1,260,366	\$ 1,334,350	\$ 1,421,367	\$ 1,525,502	\$ 1,607,469	\$ 1,664,980
Contributions as a percentage of covered payroll	14.1%	14.1%	14.1%	14.1%	14.4%	14.4%	14.4%

The Ohio State University
Required Supplementary Information on GASB 75 Net OPEB Liabilities (Unaudited)
Year Ended June 30, 2021

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

<i>(dollars in thousands)</i>	2018	2019	2020	2021
STRS-Ohio:				
University's proportion of the net OPEB liability	4.6%	4.6%	4.7%	4.9%
University's proportionate share of the net OPEB liability	\$ 177,556	\$ (74,520)	\$ (77,901)	\$ (85,406)
University's covered payroll	\$ 412,149	\$ 434,106	\$ 452,084	\$ 452,084
University's proportionate share of the net OPEB liability as a percentage of its covered payroll	43%	-17%	-17%	-19%
Plan fiduciary net position as a percentage of the total OPEB liability	47.1%	176.0%	174.7%	182.1%
OPERS:				
University's proportion of the net OPEB liability	9.7%	10.1%	10.4%	10.7%
University's proportionate share of the net OPEB liability	\$ 1,055,239	\$ 1,321,019	\$ 1,436,889	\$ (189,776)
University's covered payroll	\$ 1,381,054	\$ 1,521,447	\$ 1,574,490	\$ 1,574,490
University's proportionate share of the net OPEB liability as a percentage of its covered payroll	76%	87%	91%	-12%
Plan fiduciary net position as a percentage of the total OPEB liability	54.1%	46.3%	47.8%	115.6%

The Ohio State University
Notes to Required Supplementary Information (Unaudited)
Year Ended June 30, 2021

STRS-Ohio - Pensions:

Changes of benefit terms. Amounts reported in 2019 reflect a reduction in the COLA rate to 0%, effective July 1, 2017.

Changes of assumptions. Amounts reported in 2018 also reflect an adjustment of mortality assumptions based on the use of the RF-2014 Annuitant Mortality Table rather than the RP-2000 Combined Mortality Table. Amounts reported in 2017 reflect an adjustment of the discount rate from 7.75% to 7.45%.

OPERS – Pensions:

Changes of assumptions. Amounts reported in 2019 reflect an adjustment of the discount rate from 7.50% to 7.20%. Amounts reported in 2017 reflect an adjustment of the discount rate from 8.00% to 7.50%. Amounts reported in 2017 also reflect an updated healthy and disabled mortality assumptions, based on 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.

STRS-Ohio – OPEB:

Changes of benefit terms. Amounts reported in 2020 reflect postponement of the Medicare Part B monthly reimbursement elimination date to January 1, 2021. Amounts reported in 2019 reflect adoption of a new premium subsidy plan for 2019 and future years that is intended to extend the fund's solvency to 2047. Amounts reported in 2019 also reflect postponement of the Medicare Part B monthly reimbursement elimination date to January 1, 2020. Amounts reported in 2018 reflect discontinuation of Medicare Part B premium reimbursements for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements, beginning January 2019.

Changes of assumptions. Amounts reported in 2019 reflect an adjustment of the discount rate from 4.13% to 7.45%. Amounts reported in 2018 reflect an adjustment of the discount rate from 3.26% to 4.13%. Amounts reported in 2018 also reflect an adjustment of mortality assumptions based on the use of the RF-2014 Annuitant Mortality Table rather than the RP-2000 Combined Mortality Table.

OPERS – OPEB:

Changes of benefit terms. Amounts reported in 2021 reflect several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes, which were approved by the OPERS Board on January 15, 2020, are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances.

Changes of assumptions. Amounts reported in 2021 reflect an adjustment of the discount rate from 3.16% to 6.00%. Amounts reported in 2020 reflect an adjustment of the discount rate from 3.96% to 3.16%. Amounts reported in 2019 reflect an adjustment of the discount rate from 3.85% to 3.96%.

The Ohio State University
Supplementary Information on the Long-Term Investment Pool
Year Ended June 30, 2021

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 2021, 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 \$1.75 billion, to \$7.04 billion at June 30, 2021. The Long-Term Investment Pool activity for 2021 is summarized below:

Long-Term Investment Pool Activity (in thousands)

	<u>Gifted Endowments</u>		<u>Quasi-Endowments</u>		<u>Total</u>
	<u>University</u>	<u>Foundation</u>	<u>Operating</u>	<u>Designated</u>	
Balance at June 30, 2020	\$ 1,038,113	\$ 996,177	\$ 1,363,204	\$ 1,889,637	\$ 5,287,131
Net Principal Additions (Withdrawals)	7,417	64,712	-	178,695	250,824
Change in Fair Value	325,617	320,566	426,399	621,066	1,693,648
Income Earned	26,384	25,914	34,562	50,073	136,933
Distributions	(47,680)	(46,581)	(62,499)	(90,073)	(246,833)
Expenses	(16,015)	(15,729)	(20,979)	(27,007)	(79,730)
Balance at June 30, 2021	<u>\$ 1,333,836</u>	<u>\$ 1,345,059</u>	<u>\$ 1,740,687</u>	<u>\$ 2,622,391</u>	<u>\$ 7,041,973</u>

Net principal additions (withdrawals) for gifted endowments include new endowment gifts and reinvestment of unused endowment distributions. **Change in fair value** includes realized gains and losses for assets sold during the year and unrealized gains and losses for assets held in the pool at June 30, 2021. **Income earned** includes interest and dividends and is used primarily to fund **distributions**. **Expenses** include investment management expenses (\$59 million), University Development related expenses (\$20 million) and other investment related expenses (\$1 million).

Investment Returns and Expenses:

The investment return for the Long-Term Investment Pool was 29.2% for fiscal year 2021. The annualized investment returns for the three-year and five-year periods were 9.7% and 10.3%, 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 \$59 million of investment management expenses, which reduced the pool by 1.0% in fiscal year 2021, the \$20 million of University Development expenses and \$1 million of other investment related expenses further reduced the pool by 0.3%.

Additional Information:

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

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



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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the primary institution and of the aggregate discretely presented component units of The Ohio State University (the “University”), a component unit of the State of Ohio, which comprise the statements of net position as of June 30, 2021, and the related statements of revenues, expenses, and 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 XX, 2021.

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”) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University’s internal control. Accordingly, we do not express an opinion on the effectiveness of the University’s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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.

November XX, 2021

Acknowledgements

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**APPROVAL OF FY21 PROGRESS REPORT ON OHIO TASK FORCE
ON AFFORDABILITY AND EFFICIENCY IN HIGHER EDUCATION RECOMMENDATIONS**

Synopsis: Approval of The Ohio State University's FY21 progress report on the Ohio Task Force on Affordability and Efficiency recommendations, which will be submitted to the Chancellor of Higher Education, is proposed.

WHEREAS Governor John R. Kasich established the Ohio Task Force on Affordability and Efficiency in Higher Education in 2015 to recommend solutions for state colleges and universities to enhance affordability and efficiency; and

WHEREAS Ohio State supported the goals and work of this task force; and

WHEREAS the task force delivered its recommendations in the report "Action Steps to Reduce College Costs" on October 1, 2015; and

WHEREAS House Bill 49 (Section 381.550) requires the Board of Trustees of each state college and university to approve an efficiency report based on the task force recommendations each fiscal year and submit it to the Chancellor of Higher Education; and

WHEREAS consultations have taken place within the university to review and apply the recommendations to Ohio State's circumstances; and

WHEREAS Ohio State's strategic plan, which includes a pillar focused on operational excellence and resource stewardship, is in strong alignment with task force recommendations:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves the university's FY21 progress report in response to the task force recommendations, as detailed in the attached document; and

BE IT FURTHER RESOLVED, That the attached document be delivered to the Chancellor of the Ohio Department of Higher Education.



FY21 Efficiency Report Section I: Operational Efficiency

Each institution should regularly identify and evaluate its major cost drivers, along with priority areas that offer the best opportunities for efficiencies. Institutions should also track their progress in controlling costs and improving effectiveness.

What ratios, metrics, or benchmarks does your institution utilize to evaluate operational efficiencies and the appropriate balance of instructional vs. administrative expenses? Please summarize and provide an overview of your performance based on each measure.

We are currently focusing our operational efficiency work on our administrative spend compared to benchmarked peers. See our response to the national models used to benchmark efficiencies below.

For definitional purposes, what IPEDS (or other uniformly accepted) expense categories, or subset(s) therein, would you include in instructional expenses and administrative expenses? Please explain.

We would use NACUBO and IPEDS definitions for instructional expenses and administrative expenses depending on the underlying purpose of the application of those definitions.

Are you aware of national models used to benchmark institutional efficiencies? If so, please provide.

In FY20, Ohio State University partnered with HelioCampus, a consortium comprised of 46 higher education institutions, to benchmark administrative labor costs across 9 areas; Communications, Development, Facilities, Finance, General Administration, Human Resources, Information Technology, Research Administration and Student Services. HelioCampus provides a standard activity model (SAM) to allocate labor and normalization factors to ensure an accurate comparison against peers. Normalization factors vary but can include student count, square footage, number of employees, research expenditures, etc.

HelioCampus identified savings opportunities across 7 SAM areas. In FY21, the university reduced support unit budgets. Ohio State administration spend, in the aggregate, was \$350,000 more efficient than peers based on HelioCampus peer data. The additional benchmarking analysis will be completed in Spring 2022.

In the last 2-3 years, has your institution received positive media coverage about operational efficiencies? If so, please provide.

[Even during pandemic, Ohio State's finances a symbol of stability](#)

[The Decade in Review: Ohio State's 'creative' solution to higher education's financial challenges](#)

CARES Act and other Federal Support Impact

How much has your institution received in federal funds from the various programs initiated in response to the COVID-19 pandemic (e.g., HEERF, CRF, ARP)? Please list amount per award type.

The University received the following federal funds as of June 30, 2021:

Grant	Amount Awarded	Amount Drawn Down
HEERF I – Student Support	\$21,442,608	\$21,442,608
HEERF I – Institutional Support	\$21,442,607	\$21,442,607
HEERF I – Strengthening Institutions Programs	\$284,956	\$250,147.53
HEERF II – Student Support	\$21,442,608	\$18,382,392
HEERF II – Institutional Support	\$43,715,885	\$43,715,885
HEERF II – Strengthening Institutions Programs	\$419,165	\$13,695.95
HEERF III – Student Support	\$57,841,769	\$0
HEERF III – Institutional Support	\$57,529,618	\$0
HEERF III – Strengthening Institutions Programs	\$766,494	\$0

How has your institution utilized these various federal funds? How much was provided by your institution directly to students as emergency aid?

Category	Amount Incurred As Of June 30, 2021
Emergency Aid to Students	\$40,392,824
Lost Revenue Recovery	\$78,072,273
Housing and Dining Refunds	\$27,975,115
Campus Safety	\$64,391.43
Purchase/leasing Equipment for Distance Learning	\$33,788.19
Other Uses	\$56.20

FY 22 Budget Development

Please provide a summary of projected enrollment for FY 22 relative to FY 21.

Category	Fall 2020	Fall 2021	Percent Change
First year students	8,602	8,350	-2.9%
Total undergraduate students	53,557	53,189	-0.7%
Total graduate students	11,110	11,278	1.5%

What other planning assumptions were used related to the fiscal impact of COVID-19 in developing the institution's FY 22 budget?

Major Assumptions	Description	Projected Fiscal Impact	Actual Fiscal Impact – as of fall 21
Fall Enrollment/ Fee Revenue Relative to Fall 20	<p>Undergraduate Price Changes:</p> <ul style="list-style-type: none"> Tuition Guarantee – 3.8% (2.0% CAP + 1.8% CPI) Non-Resident Surcharge – 5.0% + change in fee structure when an in-person student takes all of their courses online <p>Undergraduate Volume assumed for AU21</p> <ul style="list-style-type: none"> NFYS – 7,750 Transfers – 2,000 	<p>\$192.7M budgeted increase over FY21</p> <p>\$175M from the non-resident surcharge change in structure when an in-person student takes all of their courses online</p>	<p>Autumn 2021 Undergraduate Volume:</p> <ul style="list-style-type: none"> NFYS – 8,350 Transfers – 2,070 <p>Undergraduate Variance to Budget</p> <ul style="list-style-type: none"> Instructional Fee Revenue - \$3.9M decrease Non-Resident Surcharge Revenue - \$0.8M increase <ul style="list-style-type: none"> Summer semester was still under the prior fee structure and 87% of the non-resident in-person students took all of their courses online versus a budget of 58% Autumn semester is offsetting the Summer Semester variance
Auxiliary Services	<ul style="list-style-type: none"> 2.5% increase for Housing and Dining for new Tuition Guarantee cohort Budget assumes Athletics returns at 100%; Student Life (Housing & Dining) returns to 97% normal density; Business Advancement returns to normal activity 	\$183.2M increase over FY21	TBD
State Support	<ul style="list-style-type: none"> Budget assumes a 0.5% increase in State Share of Instruction (SSI) over FY21 	\$2.1M Increase over FY21	\$536K

Unique Cost Drivers – in response to COVID-19	<ul style="list-style-type: none"> • Student Aid increased \$32M associated with HEERF III funding • COVID expenses increased \$57M in proportion to HEERF III institutional funds. 	<p>\$32M Increase in Student Financial Aid</p> <p>\$57M increase in COVID related expenses</p>	TBD

Regional Compacts

ORC Section 3345.59 requires regional compacts of Ohio’s public institutions, with an executed agreement in place by June 30, 2018, for institutions to collaborate more fully on shared operations and programs. Per O.R.C. §3345.59 {E} colleges and universities shall report within their annual efficiency reports the efficiencies gained as a result of the compact. Please discuss efficiencies gained or opportunities for future partnerships as a result of each of the categories within the compact.

Category	Description	Monetary Impact
Reducing duplication of academic programming	There continues to be no program duplication evident for the university within the Central Ohio region, or at the regional campus locations. The university, internally, monitors program size and duplication through its regular academic program development, implementation, and review processes.	N/A
Implementing strategies to address workforce education needs of the region	For two years, the university has had a workgroup studying how it can better address contemporary workforce education. It is proposing a two-pillar approach. One will focus on the development of certificates, stackable certificates, and micro-credentials within the colleges and across colleges in areas associated with select JobsOhio designated areas, along with entrepreneurship, and financial technology among others. Business leaders are helping us understand need. The process may extend to include new full degree program areas in the years ahead. The other pillar focuses on educational partnerships, working with the 2-year sector, starting with Columbus State Community College and Columbus City Schools (see below). The regional campuses must be and are included in this work. It will all be overseen by the Office of Academic Affairs, in collaboration with the academic leadership in the colleges/campuses, the Office of Distance Education and eLearning, and the Enterprise for Research, Innovation, and Knowledge.	N/A
Sharing resources to align educational pathways and to increase access within the region	Following the 2019 Board of Trustees re-affirmation to support Preferred Pathways with Columbus State Community College, discussions have continued completing an assessment of how the current pathways are performing and focusing on content areas for the next areas of development—IT and health services. This is an effort to best show how we can complement (not replicate) ongoing work at the College. This past year both institutions have been working with Columbus City Schools on stronger curricular alignment among the three.	

	And the University has just announced an initiative with Columbus City Schools – STEAMM Rising (science, technology, engineering, arts, mathematics and medicine) – where a more systematic approach to in-service STEM activities will begin – Summer Institutes and a more coordinated approach to activity throughout the academic year.	
Reducing operational and administrative costs to provide more learning opportunities and collaboration in the region	In identified counties where there are staff from Cleveland State University and Ohio State co-located, agreements are (or will be) in place to facilitate the use of facilities and administrative support.	Once fully implemented, it is estimated that Ohio State would realize \$30,000 annually in efficiencies.
Enhancing career counseling and experiential learning opportunities for students	N/A	N/A
Collaboration and pathways with information technology centers, adult basic and literacy education programs, and school districts	N/A	N/A
Enhancing the sharing of resources between institutions to expand capacity and capability for research and development	N/A	N/A
Identifying and implementing the best use of university regional campuses	The new Bachelor of Science in Engineering Technology degree program at the regional campuses is in its sophomore year and doing well. Our four regional campuses are already thinking about other areas where they might be involved with regional/state workforce development, in some cases included in more formal discussions within the regions. They continue to work with the Columbus campus on improving processes for campus change to benefit students who want to come to Columbus to complete degree programs. Within the university there are ongoing discussions of the next phase of development overall for the regional campuses.	
Other initiatives not included above	N/A	

Section II: Academic Practices

This section covers areas more directly related to instruction, such as actions taken to embrace remote learning post-pandemic, including noting any permanent strategic posture toward online learning, as well as core savings strategies such as reducing the cost of textbooks, time-to-degree, and program reviews.

Textbook Affordability

Textbook Cost Study

ORC Section 3333.951(D) requires Ohio's public colleges and universities to annually conduct a study to determine the current cost of textbooks for students enrolled in the institution and submit the study to the Chancellor. Please attach the analysis of textbook costs developed by your institution labeled "[Institution Name – Academic Year – Textbook Cost Study]"

Please summarize the results of your institution's study below.

Category	Amount	Data Source
Average cost for textbooks that are new	\$92.99	Excel file from Barnes and Noble: Adoptions with Pricing and Sales FY20
Average cost for textbooks that are used	\$50.63	Excel file from Barnes and Noble: Adoptions with Pricing and Sales FY20
Average cost for rental textbooks	\$54.94 for new rentals; \$39.18 for used rentals. (Note: Averages are for textbooks that are available for rent through the university's bookstore.)	Excel file from Barnes and Noble: Adoptions with Pricing and Sales FY20
Average cost for eBook	\$57.59 to buy; \$39.07 to rent. (Averages are for eBooks that are available through the university's bookstore.)	Excel file from Barnes and Noble: Adoptions with Pricing and Sales FY20

Note: Ohio State utilized a methodology developed in 2018 by the Inter-University Council's textbook working group. Our analysis focused on the top undergraduate major based on the total number of unduplicated students majoring in each area in the following eight areas:

- Arts (Art)
- Business (Finance)
- Education (Early Childhood Education)
- Engineering (Computer Science and Engineering)
- Health Professions (Nursing)
- Humanity (English)
- Natural Sciences (Biology)
- Social Sciences (Psychology)

Ohio State refined its methodology for 2018 to better capture a typical range of course materials in these majors, including potential electives. As a result, these data are not comparable to the 2017 report. The average prices listed are based on university bookstore pricing and do not include open educational materials, other course materials that are offered at no charge to students or through the CarmenBooks inclusive access program.

Reducing Textbook Costs for Students

ORC Section 3333.951(C) requires Ohio's public colleges and universities to report their efforts toward reducing textbook costs for students. Please discuss all initiatives implemented, including those referenced below that ensure students have access to affordable textbooks.

Additionally, Ohio Revised Code Section 3345.025 requires the board of trustees of each state IHE to adopt a textbook selection policy for faculty to use when choosing and assigning textbooks and other instructional materials. The policy shall include faculty responsibilities and actions faculty may take in selecting and assigning textbooks and other instructional materials. Examples of topics addressed within such a policy include textbook adoption deadlines, faculty ethics rules on personal use/resale of publisher-provided free textbooks, disclosure of personal interest/royalties, and textbook ownership of faculty-use books.

1. Has your institution's board of trustees adopted a textbook selection policy consistent with Ohio Revised Code 3345.025? If so, please attach the policy in full length and label the file as "[Institution Name – Academic Year – Textbook Selection Policy]."

The Office of Academic Affairs is working to develop the new policy for Ohio State Board of Trustees approval by August 15, 2022.

Textbook Auto-Adoption Policy

2. Does your institution have a textbook auto-adoption policy in place in order to ensure compliance with federal law that requires faculty to select textbooks for courses no later than the first day of class registration? If so, please attach the policy and label the file as "[Institution Name – Academic Year – Text Auto-adoption Policy]." Please also describe the mechanisms for tracking compliance.

The Office of Academic Affairs is working to develop the new policy for Ohio State Board of Trustees approval by August 15, 2022.

Open Educational Resources

3. Has your institution adopted practices/policies to formally encourage the use of OER materials in lieu of purchased materials? Please explain.

The Affordable Learning Exchange (ALX) is a partnership between units at OSU to support faculty in adopting open educational resources and other alternative course materials to reduce the overall cost of education for our students. This program has been in place since 2016 and has saved students \$14,404,748 on the cost of course materials using OER and freely available course materials. In FY 2021, \$332,445 in annual savings was added by 16 new faculty projects supported by the ALX initiative.

3a. Has your institution provided support to faculty for the development of OER materials. Please explain.

Typical ALX projects employ multiple strategies, including adopting an open textbook, adapting or remixing openly-licensed materials, or even creating brand new resources. Each project results in a customized learning experience for students. Because of the varied nature of the projects, various levels and types of support are provided. The ALX team includes staff who offer support for project management technology, tools and design. This team coordinates with experts across teams and units who provide guidance on navigating copyright and licensing questions, instructional design, video production, and other needs associated with course design and course materials development.

3b. What courses (name, number of students) participate in OER? Please provide summary data if possible

Although the total numbers may fluctuate due to enrollments from semester to semester, our grant-winning faculty reports there are 103,036 unique students who have used these free course materials since 2016. We have 120 total grant winners. A handful won more than one grant – sometimes for the same course, sometimes different grants for different courses. Grant winners and descriptions of projects (including names/numbers of courses) are found here: <https://affordablelearning.osu.edu/faculty-grants>

Inclusive Access

Inclusive access is defined as an arrangement between an institution, through faculty, and students to offer college textbooks and materials as “included” within tuition and/or a fee assessment, rather than purchased individually by the student. The benefit to faculty and students of inclusive access typically includes a significantly reduced cost per textbook for students, as compared to students buying a new copy of the textbook, and confidence that all students will possess the necessary textbook and/or materials on “day one.” Federal law provides the statutory right for students to “opt-out” of inclusive access if they prefer, which preserves the right of the student to source materials.

4. Does your institution formally encourage faculty to offer inclusive access acquisition of college textbooks as a cost-savings for students?

a. If yes, what mechanisms are in place to help promote this strategy with faculty?

Yes. As part of the Affordable Learning Exchange, we encourage faculty to investigate the suitability of participating in CarmenBooks, our inclusive access program. We offer an eBook reader and discounts of up to 85% on course materials in the CarmenBooks inclusive access program as part of our membership in the Unizin consortium. A member of the ALX team is in charge of this program and manages all faculty, publisher and student communication and coordination, and provides training, outreach, and documentation to faculty and students who participate in the program.

4a. What courses (name, number of students) participate in inclusive access? Please provide summary data if possible.

Cumulative data on CarmenBooks participation through the Summer of 2021 is as follows:
 636 courses • 134,273 titles (students) • \$8,732,610.60 savings

4b. How are students at your institution made aware of their right to opt-out of utilizing inclusive access?

Students are first made aware in the course description that the course participates in the CarmenBooks program. Upon registration an email is automatically sent to the enrolling student that describes the opt-out policy, process and dates. There is also a line item included on the student's statement of account that alerts them to participation in the program. Finally, information is included on student-facing pages of both the Affordable Learning Exchange and Teaching and Learning Resource Center websites.

Other Textbook Affordability Practices

5. What other practices, if any, does your institution utilize to improve college textbook affordability?

We offer faculty professional development opportunities around OERs and textbook affordability through both the Office of Distance Education and eLearning and the University Institute for Teaching and Learning.

Please provide any relevant information in the table below.

Initiative	Explanation of Initiative	Cost Savings to Students
Affordable Learning Exchange - Grants	OER/textbook affordability faculty grants. All grant winners are required to reduce the cost of course materials between 25%-100%.	Cumulative since 2016: \$14,404,748 FY 2021: \$3,110,316
Affordable Learning Exchange – CarmenBooks Inclusive Access	Inclusive Access program offering contracted discounts on publisher course materials (textbooks and courseware) up to 85% off MSRP	Cumulative totals for CarmenBooks through Summer 2021 (actuals) are: 636 courses • 134,273 titles (students) • \$8,732,610.60 savings Estimates for Autumn 2021 semester (not confirmed actuals at time of this report) are: 256 Courses • 889 Sections • 50,639 Students • \$3,298,498.79 Savings

Online Education and Alternative Delivery Methods

Online and competency-based education are growing in popularity with students nationally as flexible pathways to complete education. While COVID-19 greatly accelerated adoption of online learning, including many online-only courses, demand among students for online education as an option is expected to continue. As we look to the future, we are gathering information on which institutions plan to continue to offer or expand online education. Please quantify the impact of moving to remote learning in spring term, 2020.

Percent of Courses offered online prior to March 2020 Autumn 2019: 6% online, 3% blended	Percent of students enrolled in online courses prior to March 2020 Autumn 2019: 4% of students were fully online, 39% of students had a blend of online and hybrid courses
Percent of Courses offered online as of fall term 2021 Autumn 2021: 18% online, 21% blended	Percent of students enrolled in online courses fall term 2021 Autumn 2021: 4% of students were fully online, 77% had a blend of online and hybrid

What is your institution's current approach to online education moving forward?

1. Does your institution provide centralized support to faculty teaching online, including video conferencing resources and course management software?

Yes. Ohio State provides a suite of centrally supported enterprise toolsets for all who teach. The tools afford instructors the ability to provide instruction and content in real-time and asynchronously. Additionally, central support services for workshops, consultations, and web content are provided related to the how-to, when-to and why-to use the tools. Information is provided at: <https://teaching.resources.osu.edu/>.

2. Does your institution have courses that were offered online in response to COVID-19 restrictions that will only be offered in-person going forward? If so, please describe examples and rationale.

Ohio State implemented a process to review nearly 10,000 courses that converted to emergency remote instruction by implementing an online course assurance procedure in every college and on every campus. This provided an opportunity for faculty and colleges to temporarily navigate pandemic needs without permanently altering the long-term expectation and experience of their courses and programs. More information is at: <https://teaching.resources.osu.edu/course-assurance>.

Since the initial transition to emergency remote instruction, colleges have been at varying paces to move away from temporary online status. With the emphasis on in-person instruction starting Autumn Term 2021, colleges are formally winding down temporary distance education instruction and are expected to move back closer to Autumn 2019 delivery modes and are allowed to convert temporary distance education to a permanent status through formal approval processes as they align with the course and program goals. Clinical experiences, field placements, laboratory courses, and other classes that benefit from in-person experiences were many of the first courses to move back to in-person.

3. Please describe the required technology upgrades and associated expenses incurred by the institution to respond to the increased utilization of online instruction and remote learning

Pre-pandemic, Ohio State invested in key learning technology tools provided through scalable cloud technologies; tools included Microsoft365, Canvas, and Zoom which were readily available to scale. Temporary additional costs were incurred for cloud-based storage for Zoom recordings due to the increased use of the tool and the recording feature combined with retention policies. Adjustments were made to reduce storage needs long-term. Students without connectivity or devices to continue their studies online were loaned appropriate devices as needed.

Course and Program Evaluation

Recommendation 8 of the 2015 Task Force was for institutions to evaluate courses and programs for enrollment and consideration of continuation. Per ORC Section 3345.35, colleges and universities need to address this recommendation every five years. By September 1, 2022, each IHE must evaluate all courses and programs the institution offers based on enrollment and duplication of its courses and programs with those of other state institutions of higher education within their geographic region, as determined by the chancellor. For courses and programs with low enrollment, as defined by the chancellor, the board of trustees shall provide a summary of recommended actions, including consideration of collaboration with other state institutions of higher education. For duplicative programs, as defined by the chancellor, the board of trustees shall evaluate the benefits of collaboration with other institutions of higher education to deliver the program. DHE plans to issue supplemental guidance to institutions to assist with the completion of this statutorily-required five-year review.

1. Does your institution have programs and/or courses that have been discontinued since the last review was conducted in 2017? If so, please list them here, along with a summary of estimated cost savings produced.

Since 2017, the following programs have been deactivated:

- Proposal from the Department of Educational Studies to deactivate the Career-Based Intervention Endorsement (2/21/18)
- Proposal from the School of Health and Rehabilitation Sciences to discontinue the Master of Occupational Therapy degree program (4/4/18)
- Proposal from the Department of Microbiology to terminate the undergraduate program in microbiology leading to the Bachelor of Arts degree (10/10/18)
- Proposal to deactivate the Graduate Interdisciplinary Specialization in Geo-Spatial Data Analysis (2/20/19)
- Proposal from the Department of Biomedical Engineering to deactivate the Graduate Interdisciplinary Specialization in Comprehensive Energy and Service of Biomedical Images (3/20/19)
- Proposal to deactivate the Sexuality Studies major program leading to the Bachelor of Arts degree (11/20/19)
- Proposal to suspend admissions to the Master of Business Logistics Engineering (11/20/19)
- Proposal from the Department of Horticulture and Crop Sciences to withdraw the undergraduate minor in Landscape Design and Management (4/1/20)
- Proposal from the Department of Animal Sciences to deactivate the Meat Science major leading to the Bachelor of Science in Agriculture degree (3/3/21)

In addition to the above programs, a total of 858 courses have been withdrawn due to causes ranging from low student enrollment to curriculum revisions. Identification of savings remains unclear to date, as program deactivation or course withdrawal does not result in direct savings as faculty remain with the university and refocus on other courses and/or university research.

Co-located Campuses

ORC Section 3333.951 requires Ohio's co-located colleges and universities to annually review best practices and shared services in order to improve academic and other services and reduce costs for students. Co-located campuses are then required to report their findings to the Efficiency Advisory Committee.

Ohio State Campus: Lima Co-Located Campus: Rhodes State College (Lima) Estimated Total Cost Savings from Shared Services: Approximately \$943,500		
Type of Shared Service or Best Practice (IE: Administrative, Academic, etc.)	Please include an explanation of this shared service.	Monetary Impact from Shared Service
Physical Facilities Operations (includes physical facilities leadership; grounds keeping; building maintenance and environmental services; campus custodial; and scheduling of campus facilities)	Cost sharing for physical facilities leadership, building maintenance environmental services, and campus custodial services is done on per square foot basis. Cost sharing for grounds keeping is done on an aggregate square foot basis. Cost sharing for scheduling of campus facilities is done on a cost-share reconciliation each quarter.	Estimated savings to university: \$707,200
Academic Support Services (includes libraries)	Cost sharing for library services for personnel, materials and equipment are done on a campus full time equivalent (FTE) method of calculation. Cost sharing for library collection costs is done by direct cost collections unique to each institution.	Estimated savings to university: \$150,800
Campus Security and Public Safety (includes public safety administration; traffic management; and police and emergency responses)	Cost sharing for Campus Security and Public Safety services for personnel, materials and equipment are done on a campus full-time equivalent (FTE) method of calculation.	Estimated savings to university: \$49,400
Student Life and Campus Events (includes student engagement; recreation and intramural sports and athletics)	Cost sharing for the personnel and operation expenses are done on a campus full-time equivalent (FTE) method of calculation.	Estimated savings to university: \$34,000
Administrative Services (includes Office of Advancement and shared marketing agency)	N/A	
Auxiliary Services (includes childcare center, cafeteria and vending services; shared copying and printing services; and campus bookstore/gift shop)	The cafeteria and vending service is outsourced through a contract with external service providers. Cost sharing for the contract is done on a full-time equivalent (FTE) method of calculation. Cost sharing for shared copying and printing services is done on a cost-share reconciliation method each quarter. The bookstore and gift shop service is outsourced through a contract with external service providers. Cost sharing for the contract is done on a full-time equivalent (FTE) method of calculation.	Estimated savings to university: \$2,100
Approach and Process to Sharing Services with Co-located Campus	In accordance with state policy and by mutual accord, the University and the co-located institution share resources and connect programs to benefit the students of both institutions.	

	This collaboration allows for multiple pathways for student education, reducing unnecessary duplication of services, and promotes the effective use of state fiscal, physical, and personnel resources. The University and co-located institution have formal collaboration agreements and partner wherever possible with the goal of heightening academic quality, operational transparency, and economic efficiency.	
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Ohio State Campus: Mansfield
Co-Located Campus: North Central State College
Estimated Total Cost Savings from Shared Services: Approximately \$1,276,230

Type of Shared Service or Best Practice (IE: Administrative, Academic, etc.)	Please include an explanation of this shared service.	Monetary Impact from Shared Service
Physical Facilities Operations (includes physical facilities leadership; grounds keeping; building maintenance and environmental services; campus custodial; and scheduling of campus facilities)	Cost sharing is managed generally by a formula based on assigned square feet for each co-located institution.	Estimated savings to university: \$809,000
Academic Support Services (includes libraries)	Cost sharing for library services is 55% for the University and 45% for the co-located campus; cost- sharing for internship programming is 50/50 basis.	Estimated savings to university: \$89,850
Campus Security and Public Safety (includes public safety administration; traffic management; and police and emergency responses)	Cost sharing for public safety admin, traffic management personnel, and police and emergency response services is generally on a 50/50 basis for the University and for the co-located institution.	Estimated savings to university: \$142,900
Student Life and Campus Events (includes student engagement; recreation and intramural sports and athletics)	Cost sharing for student engagement and recreation and intramural sports is 75% for the University and 25% for the co-located institution. Athletic program suspended during year.	Estimated savings to university: \$43,480
Administrative Services (includes Office of Advancement and shared marketing agency)	No longer applicable/shared	
Auxiliary Services (includes childcare center, cafeteria and vending services; shared copying and printing services; and campus bookstore/gift shop)	Cost for childcare center is supported by revenue generated from user fees and grants. Cafeteria and vending services have proceeds from contracts directed to a Campus Improvement Fund to benefit shared improvements. Cost for shared copying and printing services are managed and paid by the co-located institution and provided on a cost basis to the University.	Estimated savings to university: \$191,000
Approach and Process to Sharing Services with Co-located Campus	In accordance with state policy and by mutual accord, the University and the co-located institution share resources and connect programs to benefit the students of both institutions. This collaboration allows for multiple pathways for student education, reducing unnecessary duplication of services, and promotes the effective use of state fiscal, physical, and personnel resources.	

Ohio State Campus: Marion
Co-Located Campus: Marion Technical College
Estimated Total Cost Savings from Shared Services: Approximately \$1,188,000

Type of Shared Service or Best Practice (IE: Administrative, Academic, etc.)	Please include an explanation of this shared service.	Monetary Impact from Shared Service
Physical Facilities Operations Includes operations FTE, management, utilities, maintenance, custodial, grounds, roads, real estate lease(s), space rental, and energy management	This shared service operation supports the efficient use of the limited resources of both institutions for the preservation of the facilities, operational improvements, and savings. Total revenue and expense are equally split across two cost pools which are differentially allocated based on the institution's percentage ownership of on-campus assignable square footage (ASF) and faculty/staff/student full-time equivalent (FTE).	Estimated saving to the university: \$947,000
Academic Support Services Library collections and operations	Expense is split 50/50 to cost pools and differentially allocated based on each institution's percent ownership of on-campus assignable square footage (ASF) and faculty/staff/student full-time equivalent (FTE). Some testing, mental health, and disabilities services are shared between the institutions on a no-cost exchange basis.	Estimated savings to the university: \$68,000
Campus Security and Public Safety Includes public safety administration; traffic management; and police and emergency responses	Expense is split 50/50 to cost pools and differentially allocated based on each institution's percentage ownership of on-campus assignable square footage (ASF) and faculty/staff/student full-time equivalent (FTE).	Estimated savings to the university: \$72,000
Student Life and Campus Events Includes student engagement; recreation and intramural sports and athletics; student center	Cost sharing for these services allocates 75% of the cost to Ohio State Marion and 25% of the cost to Marion Technical College in recognition of comparative use by each institution's student population.	Estimated savings to the university: \$18,000
Administrative Services Administrative management and overhead	Not shared	Estimated savings to the university: \$65,000
Auxiliary Services Includes vending services	Bricks & Mortar bookstore closed, no sharing of copying or printing services at this time. Vending services are outsourced and revenue generated through this outsourced agreement is shared between institutions following revenue base allocation of 50/50 to ASF/FTE cost pools and allocated based on percent ownership of pools.	\$1,000 revenue distribution to OSU
Technology Services Includes core IT services	Provides IT services to FTE in cost shared areas including computer, support, file storage, network, and software OSU employee needs to perform their job. Methodology of cost allocation is the same as for physical facilities.	Estimated savings to the university: \$17,000

<p>Approach and Process to Sharing Services with Co-located Campus</p>	<p>In accordance with state policy and by mutual accord, the University and Marion Technical College share resources and connect programs to benefit the students of both institutions. This collaboration allows for multiple pathways for student education, reducing unnecessary duplication of services, and promotes the effective use of state fiscal, physical, and personnel resources. The University and Marion Technical College continue to cultivate shared services opportunities wherever possible with the goal of heightening academic quality, operational transparency, and economic efficiency. By administering the model through OSU Marion, Marion Technical College benefits from sourced and contracted cost agreements with vendors at rates lower than available to them otherwise.</p> <p>Resources from both institutions are combined for some infrastructure and building renovation projects through the capital budget allocation.</p>	
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<p>Ohio State Campus: Newark Co-Located Campus: Central Ohio Technical College Estimated Total Cost Savings From Shared Services: approximately \$849,652</p>		
<p>Type of Shared Service or Best Practice (IE: Administrative, Academic, etc.)</p>	<p>Please include an explanation of this shared service.</p>	<p>Monetary Impact from Shared Service</p>
<p>Public Service (includes conference services)</p>	<p>Cost sharing for conference services is shared on a 50/50 basis.</p>	<p>Estimated savings to university: \$1,821</p>
<p>Physical Facilities Operations (includes physical facilities leadership; grounds keeping; building maintenance and environmental services; campus custodial; and scheduling of campus facilities) Campus Security and Public Safety (includes public safety administration; traffic management; and police and emergency responses)</p>	<p>Cost sharing for all these services is done on a full-time equivalent (FTE) basis.</p>	<p>Estimated savings to university: \$489,266</p>
<p>Academic Support Services (includes libraries)</p>	<p>Cost sharing for both these services is done on a full-time equivalent (FTE) basis.</p>	<p>Estimated savings to university: \$125,605</p>
<p>Student Life and Campus Events (includes student engagement; recreation and intramural sports and athletics)</p>	<p>Cost sharing for these services is done on a headcount basis.</p>	<p>Estimated savings to university: \$81,755</p>
<p>Administrative Services (includes Office of Advancement and shared marketing agency)</p>	<p>Cost sharing for executive office, office of development, business and finance office, accounting, performing arts, and welcome center is done on a 50/50 basis. Cost sharing for human resources, purchasing, bursar, technology services, marketing</p>	<p>Estimated savings to university: \$151,205</p>

	and public relations, staff development committee, services center, telecommunications, and telephone services are done on a full-time equivalent (FTE) basis.	
Auxiliary Services (includes childcare center, cafeteria and vending services; shared copying and printing services; and campus bookstore/gift shop)	No changes	
Approach and Process to Sharing Services with Co-located Campus	In accordance with state policy and by mutual accord, the University and the co-located institution share resources and connect programs to benefit the students of both institutions. This collaboration allows for multiple pathways for student education, reducing unnecessary duplication of services, and promotes the effective use of state fiscal, physical, and personnel resources. The University and co-located institution have formal collaboration agreements and partner wherever possible with the goal of heightening academic quality, operational transparency, and economic efficiency.	

Section III: Policy Reforms

Transcript Access

It is common for IHEs nationally to withhold transcripts from students who owe any amount of debt to the institution. Transcript withholding blocks students from re-enrolling both at the debt-holding institution and at other institutions. Transcripts are sometimes withheld in their entirety even when students have fully paid all or most tuition charges, earned their credits through successful completion of coursework and only incurred a nominal debt such as a parking ticket, library fine or other relatively minor assessment.

Ithaca S+R wrote a report on transcript withholding in October 2020 that is available here: <https://sr.ithaka.org/publications/solving-stranded-credits/> The Hechinger Report wrote an in-depth piece on transcript withholding in March 22, 2021 that is available here: <https://hechingerreport.org/colleges-are-withholding-transcripts-and-degrees-from-millions-over-unpaid-bills/>

1. What is your institution’s policy on transcript withholding? Under what circumstances and debt amount does your institution withhold the release of transcripts to students, employers and other colleges and universities?

For accounts with past due tuition, fees, and other charges, withholding of transcripts occurs for any account with a balance due of \$1 or more. Transcripts are held for past-due loans when the loan is 1-month past due regardless of the amount. We will release transcripts for employment purposes.

Over the last several years, Student Conduct increasingly avoids restricting students’ access to their transcripts while administering the Code of Student Conduct. Student Conduct looks to other less restrictive and targeted measures to effectuate the process and outcomes provided by the Code of Student Conduct. Outside of financial and conduct issues, the university infrequently holds transcripts on seldom ad hoc requests from departments attempting to retrieve university property (equipment, iPads or uniforms). The use of restricting access to transcripts is not routinely enacted unless there is an outstanding financial obligation to the university.

Certification Practices

ORC 131.02 requires state IHE's to certify their outstanding debt to the Ohio Attorney General's office (AGO) for collection either 45 days after the amount is due or within 10 days after the start of the next academic session, whichever is later. However, Ohio's institutions certify their outstanding debt pursuant to varying policies and practices. To ensure that all Ohio students are treated fairly and uniformly, Recommendation #7 of the Student Loan Debt Advisory Group report is that state institutions adopt uniform certification practices that emphasize transparency for both debtors and the AGO. The advisory group recommended that the Ohio Bursars Association, in partnership with the Ohio Association of Community Colleges and the Inter-University Council, facilitate this effort. Specifically, institutions were asked to develop uniform practices for collecting debt with attention to the type, content, and frequency of notices issued to students; and the fees and other collection costs applied to student debts.

1. Does your institution set minimum balances for sending an account to collections? If so, how much?

For past due tuition, fees and other charges we assign accounts \$10 and over to the AGO. Loans do not have a minimum.

2. How many accounts did your institution send to the AG for collections in FY 21?

1,724 accounts were sent with a total balance of \$3,924,742

3. Please provide the average and median outstanding balances sent to the AG in FY 21?

Average = \$2,248, Median = \$792

What was the average and median number of earned credits of the students sent to collections over that time period?

Average = 41, Median = 27

4. Per Recommendation 7 in the Attorney General's report, best practices may include the National Association of College and University Business Officers Best Practices of Financial Responsibility Agreements with Students (Appendix D in the report). What, if any, efforts have your institution made to adopt uniform certification practices with peer institutions in the State of Ohio?

We are an active member of the Ohio Bursar's Association and engage in conversations on this topic in this forum when presented. Each school has different resources and financial constraints that make this a very challenging topic to come to a consensus.

College Comeback

DHE issued formal guidance to IHEs in May 2021 titled “College Comeback” that clarifies that Ohio law allows IHEs to offer debt relief for re-enrollment programs. Already, several IHEs have adopted such programs.

1. Has your institution considered a “College Comeback” type program? If so, what is the status of your effort?

The university proposed a five-year pilot, Complete Ohio State, with the strategy aimed at re-enrolling students eligible to graduate in four to six years and the priority being to reach and assist as many students as possible who have a desire to return and complete their degree. The end goal is to move Complete Ohio State forward with the anticipation of raising our cohort-specified retention rates.

A strategy has been outlined to survey a group of identified students to understand why the *stopout* (students who withdraw from college temporarily and re-enroll at a later date) occurred and gauge their interest in completing their degree at Ohio State. This information will serve as the baseline information for a database that will be managed by the Transition and Academic Growth (TAG) staff; TAG will provide administrative oversight for this initiative as it flows well with the Academic Advising Continuity Strategy.

2. Specifically, what criteria are being used to identify eligible students? How large is the target population that can benefit from the program?

To be eligible, a student: Must not be currently enrolled; Must have started as a first-time degree-seeking student on Columbus Campus; Must be at a Rank 4 classification; Must be no more than 30 semester hours away from degree completion; Must have a 2.0 GPA; Must be in good SAP standing with Financial Aid; Must be a domestic student; Must not have graduated with a degree from another university.

A tiered approach to reaching out to targeted populations of students based on academic record will be developed, the Office of Analysis and Reporting (A&R) will generate a list of students they will forward to the Office of the University Registrar (OUR) for the purpose of developing an initial email communication along with a survey.

- A wrap-around/case manager model framework will provide intensive outreach to students, and TAG staff will:
 - Assist students who have an outstanding financial hold preventing them from re-enrolling; Develop a pool of resources to assist with certain types of debt that are preventing a student from re-enrolling when their enrollment would assist student success and graduation rates.
 - Create an outreach and advising strategy to bring back students who have stopped-out; For students who have stopped out for more than two years but are within 30 hours of graduation, provide intensive advising support including personalized degree plans and enrollment assistance.

Section IV: Students Benefit

When institutions save money, they ideally invest a portion of those savings into student benefits, such as reduced fees, increased institutional aid, quality improvements, etc.

For fiscal year 2021 only, please explain what, if anything, your institution is doing that is a new benefit for your students that is not already addressed above. Answers may be financial benefits or intangibles such as efforts to improve career counseling, undergraduate teaching, research, etc. If you have targeted financial aid for tuition, fees, room and board, books, technology, or other expenses, please explain the focus of cost reduction.

If you have seen a significant savings from an initiative in the past fiscal year, please describe that here.

Category	Initiative	FY21 (<i>Actual</i>)
Cost savings/avoidance to the institution in FY21 ONLY	University Operational Efficiency Savings	\$194.8 million
	Wexner Medical Center Efficiency Savings	\$103.7 million
	Capital Efficiencies	\$44.7 million
	Strategic Procurement	\$46.3 million
New resource generation for the institution in FY21 ONLY	Affinity Partnerships	\$15.8 million
	Non-Core Asset Review	\$36.5 million
Cost savings/avoidance to students in FY21 ONLY	President's Affordability Grants	\$22.5 million
	Digital Flagship iPad Program	\$9.0million

Additional Practices

Some IHE's may implement practices that make college more affordable and efficient, but which have not been the topic of a specific question in this reporting template. This section invites your institution to share any positive practices you have implemented that benefit student affordability and/or institutional efficiency.

Please share any additional best practices your institution is implementing or has implemented.

OE@OSU is an innovative operational excellence initiative designed to transform how we operate at The Ohio State University. OE@OSU team identified the need to lead change from within and developed a program to maximize the potential of our human capital at the University. OE@OSU provides a special infrastructure to train staff in the lean six sigma methodology and has certified over 1,000 yellow, green, and black belts. The belts learn to facilitate cross functional teams through a project management framework and utilize data to make decisions. Since FY14, projects led by these internal change agents have resulted in over \$160M in cost savings or avoidance.

Section V: Future Goals

Prior efficiency reports have identified five-year goals for each institution. An updated copy of the five-year goal template is attached. Please provide the data to complete the template, including information already provided in Section IV. In addition, if you have any updates or changes that need to be made to your five-year goals, as originally submitted in 2016, please include that information.

See attached *MasterRecommendation2*

The DeWine-Husted administration recognizes that each IHE faces unique challenges and opportunities with respect to the institution's highest priority goals over the next several years. With that in mind, please provide any suggestions about possible roles the state could play in supporting your institutional goals.

1. Please provide your thoughts and suggestions regarding ways the State of Ohio can further support strength, resiliency and reputational excellence in Ohio's post-secondary education system.
 - Assist institutions of higher education by clarifying authority under a recently enacted statute (ORC 9.27) regarding the procurement of goods and services. The language enacted for the Department of Administrative Services will inadvertently have the potential to impede certain types of contractual arrangements for software licenses and technology transfer & commercialization, for example. An unintentional effect of the statute change could impair public higher education institutions' ability to attract and retain talented students, faculty, researchers, and innovators.
 - Create permissive authority for public, four-year institutions to sell real property beyond the threshold amount authorized in the HB 110 state budget bill of 2021 via an act of the Board of Trustees (similar to current authority for public, two-year community colleges) or via the state Controlling Board rather than requiring a statutory change for every transaction. The \$100,000 limitation as well as the perpetual utility easement language recently enacted are excellent first steps towards allowing for the disposal of real property no longer needed by the institution to advance its educational and research mission. The proceeds from these sales can be utilized in lieu of additional public or tuition dollars for the benefit of the students. The lag time between deciding to offer real property for sale and legislation being enacted can impede progress on conveyances and may even prevent projects from moving forward that benefit the state, the university, and economic development/job creation.
 - Broaden the statute granting university Boards of Trustees authority to meet remotely to mirror HB 197 enacted in 2020. The authority granted in HB 110 in 2021 (based upon the bipartisan proposal of HB 77 of the 134th General Assembly) would grant additional flexibility. In addition to efficiency, remote meeting participation authorization may encourage those who are reluctant to accept an appointment to a university's Board of Trustees due to time commitments to respond affirmatively thereby increasing the pool of qualified and desirable potential appointees.
 - Permit institutions to assist with or complete the application for entities applying for the TechCred program. Some private sector entities have expressed interest in pursuing TechCred upskilling opportunities for current or potential employees with higher education institutions but have then chosen to not pursue the partnership as the application process was perceived as too burdensome. We know the value of the program and want to be allowed to assist, which could expand the population of Ohio companies participating in this credential program.

MASTER RECOMMENDATION 2: FIVE-YEAR GOAL FOR INSTITUTIONAL EFFICIENCY SAVINGS AND NEW RESOURCE GENERATION

Category	Recommendation	Component	Description	FY2016	FY 2017	FY 2018	FY 2019 (Revised)	FY 2020 (Actual)	FY 2021 (Actual)	Subtotal	Budget Narrative/Explanation of Efficiency Savings \$\$ (attach additional sheets if necessary)
Efficiency Savings	3A	Campus contracts	Require employees to use existing contracts for purchasing goods and services.	\$ 55,700,000	\$ 58,100,000	\$ 61,900,000	\$ 64,000,000	\$ 63,600,000	\$ 46,300,000	\$ 349,600,000	Since FY12, Ohio State's strategic procurement program has produced cumulative savings of \$497.9 million by utilizing the university's buying power to drive both savings and quality enhancements. In FY21, the university saved \$46.3 million through strategic procurement.
	3B	Collaborative contracts	Pursue new and/or strengthened joint purchasing agreements.								
	4B	Operations review	Conduct an assessment of non-academic operations that might be run more efficiently by a regional cooperative, private operator or other entity.	\$ 38,530,458	\$ 53,167,332	\$ 54,009,597	\$ 61,850,404	\$ 48,818,629	\$ 343,200,000	\$ 599,576,420	
	5A	Cost diagnostic	Identify key drivers of costs and revenue across the university.								
	5C	Organizational structure	Review organizational structure in line with best practices to identify opportunities to streamline and reduce costs.								
	5D	Health-care costs	Seek to control health-care costs								
	Subtotal Efficiency Savings										
Category	Recommendation	Component	Description	FY 2016	FY 2017	FY 2018	FY 2019 (Actual)	FY 2020 (Actual)	FY 2021 (Actual)	Subtotal	
New Resource Generation	4A	Asset review	Conduct an assessment of non-core assets to determine their market value if sold, leased or otherwise repurposed.	\$ -	\$ -	\$ 1,095,756,858	\$ 34,845,076	\$ 35,652,677	\$ 36,478,391	\$ 1,166,254,611	Annual endowment distributions, philanthropy and other payments from energy partnership, Nike extension, and Coke pouring-rights contact, along with sale of non-essential real estate.
	4C	Affinity partnerships and sponsorships	Upon determining assets and operations that are to be retained, evaluate opportunities for affinity relationships and sponsorships.	\$ 31,560,000	\$ 1,007,444	\$ 1,030,984	\$ 7,328,570	\$ 1,349,162	\$ 11,286,840	\$ 42,276,160	
	Subtotal New Resource Generation			\$ 31,560,000	\$ 1,007,444	\$ 1,096,787,842	\$ 42,173,646	\$ 37,001,839	\$ 47,765,231	\$ 1,208,530,771	
TOTAL OF COMBINED INSTITUTIONAL OPPORTUNITIES FOR ENHANCED STUDENT AFFORDABILITY				\$ 125,790,458	\$ 112,274,776	\$ 1,212,697,439	\$ 168,024,050	\$ 149,420,468	\$ 437,265,231	\$ 2,157,707,191	

SPECIFIC RE-DEPLOYMENT OF SAVINGS TO STUDENTS: Please use the area below to describe, in detail, how you plan to re-deploy the institutional resources that are saved and/or generated through the task force components outlined above to reduce costs for students.

Since FY15, Ohio State has committed more than \$200 million in additional need-based aid for Ohio students, with funding provided through efficiencies and new resource generation. Programs include the Buckeye Opportunity Program, President's Affordability Grants and the Land Grant Opportunity Scholarships. Beyond these savings, the university has introduced the Digital Flagship, a collaboration with Apple that is the largest deployment of learning technology in the university's history. Efficiencies support this program, which provides each incoming student with an iPad and related technology. The university uses other savings and new resources to invest in teaching excellence, and to control costs through initiatives such as the Ohio State Tuition Guarantee. Each dollar saved supports Ohio State's strategic plan.

SIGNIFICANT CHANGE(S) IN 5-YEAR GOALS FROM FY16 SUBMISSION TO FY17 SUBMISSION: Please use the area below to describe, in detail, significant deviation in your institution's 5-year goals from the FY16 submission to the FY17 submission, if applicable.

Efficiency savings in FY18 include contributions from colleges and support units that were deposited in efficiency accounts during that fiscal year, however the underlying efficiencies may have occurred in previous years. The FY16 efficiency total was revised to reflect the total to date toward the 2020 Vision goal of \$200 million in savings.

AUTHORIZATION TO APPROVE GOLF COURSE MEMBERSHIP DUES AND FEES

Synopsis: Approval of golf course membership dues and fees for calendar year 2022 at the recommended levels is proposed.

WHEREAS The Ohio State University Department of Athletics has a long history of self-sustainability in supporting 36 world-class athletics programs and providing needed revenues back to the university for scholarships and academic programs; and

WHEREAS each year the Athletic Council reviews projections for the coming year's budget and recommends golf course membership dues and fees; and

WHEREAS the Athletic Council has approved golf course membership dues and fees as shown on the attached tables; and

WHEREAS the Athletic Council's recommendations have been reviewed and are recommended by the appropriate University administration:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves the recommended golf course membership dues and fees for calendar year 2022.

**THE OHIO STATE UNIVERSITY BOARD OF TRUSTEES
AUDIT, FINANCE AND INVESTMENT COMMITTEE**

November 18, 2021

TOPICS: Golf Course Membership Dues and Daily Green Fees

CONTEXT:

The Ohio State University Department of Athletics continues to be one of a very limited number of self-sustaining athletics programs in the nation. Currently, the Department of Athletics funds more than 1,000 student-athletes in successful endeavors of academic achievement and athletics competitions, as well as personal and professional development, with a Graduation Success Rate of 87% and a career placement rate of 91%. The Department of Athletics transfers approximately \$52 million annually to the University for contributions, and payments for goods and services provided to the Department, which includes \$29 million for grant-in-aid.

While golf course daily green fees will remain at current levels, a membership dues increase is necessary to meet increased costs and remain financially stable for the 2022 calendar year. Athletic Council and University administrators have reviewed the proposed rates and recommend approval.

RECOMMENDATION:

- For the 2022 calendar year, increase the Alumni, Faculty/Staff and Affiliate membership dues by 5%, increase the OSU Student membership dues by 2.7%, and maintain daily green fees as indicated in the attached table.

CONSIDERATIONS:

- The membership dues increase would be allocated to the capital reserve account for deferred maintenance and future projects, and the daily green fees are allocated as operating revenue.
- In a market comparison of daily green fees, membership dues and initiation fees, the current rates are comparable to local courses for the quality and amenities provided.

Golf Course Membership Dues/Green Fees – 2022 Calendar Year					
Category / Affiliation	Annual Membership	Green Fees		Green Fees	
		Scarlet	Twilight	Gray	Twilight
Student	\$ 770	\$ 35	\$ 30	\$ 25	\$ 20
Faculty / Staff	\$ 2,931	\$ 65	\$ 35	\$ 40	\$ 25
With Spouse	\$ 4,397				
Full Family	\$ 5,129				
Alumni / Buckeye Club	\$ 3,661	\$ 80	\$ 40	\$ 50	\$ 30
With Spouse	\$ 5,492				

Full Family	\$ 6,407				
Young Professional (21-26yo)	\$ 2,380	\$ 80	\$ 40	\$ 50	\$ 30
With Spouse	\$ 4,210				
Young Professional (27-32yo)	\$ 2,746	\$ 80	\$ 40	\$ 50	\$ 30
With Spouse	\$ 4,576				

REQUESTED OF AUDIT, FINANCE AND INVESTMENT COMMITTEE:

Approval

UNIVERSITY FOUNDATION REPORT

Synopsis: Approval of the University Foundation Report as of September 30, 2021, is proposed.

WHEREAS monies are solicited and received on behalf of the university from alumni, industry and various individuals in support of research, instructional activities and service; and

WHEREAS such gifts are received through The Ohio State University Foundation; and

WHEREAS this report includes: (i) the establishment of one (1) endowed chair: The Robert F. Wolfe and Edgar T. Wolfe Foundation Chief Clinical Officer Chair in the Wexner Medical Center; two (2) endowed professorships: the Seth Andre Myers Professorship in Global Military History, and the College of Arts and Sciences Alumni Professorship; one (1) endowed fellowship: the Richard R. Duncan Fellowship; and twenty-six (26) additional named endowed funds; and (ii) the revision of eleven (11) named endowed funds:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves The Ohio State University Foundation Report as of September 30, 2021.

	<u>Amount Establishing Endowment*</u>	<u>Total Commitment</u>
<u>Establishment of Named Endowed Professorship (University)</u>		
College of Arts and Sciences Alumni Professorship Established November 18, 2021, with a fund transfer by the College of Arts and Sciences of an unrestricted gift from the estate of Eugene Bernard (BA 1949); used for a professorship position in the College of Arts and Sciences. The highest ranking official in the college or his/her designee shall determine the focus of the position and may revise the focus every five years or if the position becomes vacant.	\$1,000,000.00	\$1,000,000.00
<u>Change in Name and Description of Named Endowed Fund (University)</u>		
From: Richard J. and Martha D. Denman Professorship for Clinical Epilepsy To: Richard J. and Martha D. Denman Endowed Professorship in Principled Leadership Studies		
From: The Medco Health Solutions, Inc. Scholarship Fund To: The Express Scripts Scholarship Fund		
<u>Change in Description of Named Endowed Fund (University)</u>		
Gordon E. Gatherum Memorial Fund		
The Floyd B. Mellor Scholarship Fund		
<u>Establishment of Named Endowed Chair (Foundation)</u>		
The Robert F. Wolfe and Edgar T. Wolfe Foundation Chief Clinical Officer Chair in the Wexner Medical Center Established November 18, 2021, with gifts from Robert F. Wolfe and Edgar T. Wolfe Foundation; used to supports a chair position for the chief clinical officer in the Wexner Medical Center. Subsequent to the retirement of the current Chief Clinical Officer, Dr. Andrew M. Thomas, the fund and chair shall be renamed Robert F. Wolfe and Edgar T. Wolfe Foundation – Dr. Andrew M. Thomas Chief Clinical Officer Chair in the Wexner Medical Center in perpetuity. Should the title of the chief clinical officer change, the naming shall extend to any successor position and the new name of the chair would change accordingly.	\$5,000,000.00**	\$5,000,000.00
<u>Establishment of Named Endowed Professorship (Foundation)</u>		

Seth Andre Myers Professorship in Global Military History Established August 19, 2021, with gifts from Stephen Myers; used to support a professorship position in the Department of History focused on global military history. Revised November 18, 2021.	\$2,035,250.00	\$3,500,000.00
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Establishment of Named Endowed Fellowship
(Foundation)

Richard R. Duncan Fellowship Established November 18, 2021, with an estate gift from Dr. Richard R. Duncan (PhD 1963); used to support a fellowship position for students in the PhD program of the Department of History who are considered "all but dissertation" (ABD) and are working on dissertations in the period between the 1860's and 1950's in any field.	\$1,000,000.00	\$1,200,000.00
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Establishment of Named Endowed Fund
(Foundation)

Margaret A. Iden Endowed Fund Established November 18, 2021, with an estate gift from Dr. Margaret A. "Peggy" Iden (BS 1950, MA 1951) to honor Peggy's life as an educator, athlete and adventure enthusiast who believed everyone should have the opportunity to pursue an education, as well as engage in physical activities and athletic competitions; used to support the College of Education and Human Ecology.	\$578,669.35	\$850,000.00
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Margaret Carbon Richardson Endowed Scholarship Fund Established November 18, 2021, with an estate gift from Margaret Richardson; used to provide renewable, tuition-only scholarships to undergraduate students. Preference shall be given to candidates from Sharon, Pennsylvania who demonstrate financial need.	\$178,837.58	\$178,837.58
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Bhavesh V. Patel and Family Endowed Scholarship Fund in Engineering Established November 18, 2021, with gifts from Bhavesh V. Patel (BS 1988); used to provide scholarships to students who are enrolled in the College of Engineering and demonstrate financial need. First preference shall be given to candidates majoring in chemical engineering. The donor desires that when awarding this scholarship special consideration be given to first-generation college students as well as students who have experience living or working in diverse environments and/or are members of an organization recognized by the University that is open to all but whose mission seeks to advance the need of populations historically underrepresented in higher education. The donor desires to provide as significant financial support as possible to one eligible recipient. Any remaining distribution shall be used to provide as significant financial support as possible to additional eligible recipients. If no students meet the selection criteria, the scholarship(s) will be open to all students who are enrolled in the college and demonstrate financial need.	\$162,500.00	\$250,000.00
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George and Lena Bailey Speakers Fund in the College of Education and Human Ecology Established November 18, 2021, with an estate gift from George Bailey given in memory of his wife, Dr. Lena Charles Bailey (PhD 1969); used to support speakers in the College of Education and Human Ecology.	\$159,338.40	\$159,338.40
The Julius and Mary Ann Vargo Athletics Scholarship Fund Established November 18, 2021, with gifts from Joseph Michael "Mike" Vargo in honor of his parents, Julius and Mary Ann Vargo; used to supplement the grant-in-aid costs of undergraduate student-athletes.	\$150,000.00	\$150,000.00
Michael and Sandy Vargo Family Scholarship Fund Established November 18, 2021, with a gift from Joseph Michael Vargo; used to supplement the grant-in-aid costs of undergraduate student-athletes with preference towards those participating in Olympic varsity sports.	\$150,000.00	\$750,000.00
The Don and Abby Robinson Fund, In Memoriam of Dr. Martin Lubow Established November 18, 2021, with a grant from The Martin Lubow, MD and Diane Infield Lubow Fund of the Columbus Foundation as recommended by Don Robinson; used to support lectureships focused on Neuro-Ophthalmology in the College of Medicine.	\$140,000.00	\$140,000.00
Women of Scarlet and Gray Fund Established November 18, 2021, with gifts from Rite Rug Holdings Inc.; used to support and enhance the experience and development of student-athletes participating in a women's varsity sport.	\$132,500.00	\$2,500,000.00
Combined Veterinary Pathology Residency PhD Endowment Fund Established November 18, 2021, with gifts from Dr. Sanford Parsons Bishop (MS 1965, PhD 1968); used to support trainees of the combined veterinary pathology residency/PhD program (or successor program) in the College of Veterinary Medicine.	\$125,000.00	\$300,000.00
The A.T. "Greg" and Charlotte Gregoire Fund in Addiction and Recovery Established November 18, 2021, with gifts from friends and colleagues of Dean Thomas "Tom" Gregoire; used to support students in recovery from substance use disorders or students who are enrolled in the College of Social Work who wish to pursue a career in the addictions field. The fund is named after his parents and is in honor of Dean Thomas Gregoire for his unwavering service to the College of Social Work and commitment to those challenged by substance use disorders.	\$105,102.94	\$105,102.94

<p>Robert L. DeSilets Scholarship Fund Established November 18, 2021, with gifts from Michelle DeSilets Gallagher; used to provide scholarships to students who are studying in the Austin E. Knowlton School of Architecture and demonstrate an interest in historic preservation or the history of architecture. First preference shall be given to undergraduate students in their second, third or fourth year. If no students meet the selection criteria, the scholarship(s) will be open to all students who are studying in the school.</p>	\$100,641.35	\$100,641.35
<p>Sharon G. Fullerton Maliska Hilandar Research Library Support Fund Established November 18, 2021, with gifts from Sharon G. Maliska in grateful memory of The Very Reverend Dr. Mateja Matejic, professor emeritus of the University Slavic Department, and to honor Dr. Predrag Matejic, professor emeritus of the University Libraries, who were key in establishing this library collection; used to support the Hilandar Research Library.</p>	\$100,300.00	\$100,300.00
<p>Aaron Klamut Glioblastoma Multiforme Brain Tumor Research Endowed Fund Established November 18, 2021, with gifts from David D. Klamut and Theresa M. Fredericka in memory of Aaron Klamut, David's son and Theresa's step-son, who died of glioblastoma in July 2018; used to support glioblastoma research.</p>	\$100,100.00	\$105,000.00
<p>Barbara E. Anderson and Dr. Larry Berliner Undergraduate English and Chemistry Scholarship Fund Established November 18, 2021, with gifts from Dr. Lawrence J. Berliner and Ms. Barbara E. Anderson (MA 1971); used to provide one or more scholarships to undergraduate students who are enrolled in the College of Arts and Sciences, majoring in English, chemistry or biochemistry, and demonstrate financial need. Preference will be given to candidates who are participating in the Honors program. It is the donors' desire to alternate between students majoring in English and students majoring in chemistry or biochemistry every other year. If no students meet the selection criteria, the scholarship(s) will be open to all undergraduate students majoring in actuarial sciences, astronomy and astrophysics, data analysis, earth sciences, mathematics, physics, or statistics.</p>	\$100,000.00	\$100,000.00
<p>Gerald J. Greenspan Endowed Scholarship Fund for Biomedical Engineering Established November 18, 2021, with an estate gift from Gerald J. Greenspan (MS 1993, MS 1994); used to provide scholarships to students who are studying biomedical engineering, with a preference for students interested in human mechanics.</p>	\$100,000.00	\$100,000.00
<p>Gerald J. Greenspan Endowed Scholarship Fund for Exercise Physiology Established November 18, 2021, with an estate gift from Gerald J. Greenspan (MS 1993, MS 1994); used to provide scholarships to students studying exercise physiology.</p>	\$100,000.00	\$100,000.00

<p>Gerald J. Greenspan Endowed Scholarship Fund for Human Nutrition Established November 18, 2021, with an estate gift from Gerald J. Greenspan (MS 1993, MS 1994); used to provide scholarships to students studying human nutrition.</p>	\$100,000.00	\$100,000.00
<p>Dan and Ellen Coombs Endowed Chemical Engineering Support Fund Established November 18, 2021, with a gift from Daniel Mark Coombs (BS 1978) and Mary Ellen Coombs (BS 1979); 10% of the annual distribution from this fund supports graduate students in the William G. Lowrie Department of Chemical and Biomolecular Engineering 90% shall be reinvested in the endowment principal for ten years or until the donors' estate gift is realized. Thereafter, 100% of the annual distribution from this fund shall support graduate students in the William G. Lowrie Department of Chemical and Biomolecular Engineering. If at any time the gifted principal balance reaches the then current minimum required for an endowed fellowship, the fund name shall be revised to the Dan and Ellen Coombs Endowed Chemical Engineering Fellowship Fund and the fund will support fellowships in the William G. Lowrie Department of Chemical and Biomolecular Engineering.</p>	\$100,000.00	\$1,200,000.00
<p>Sam and Carol Huffman Engineering Endowed Scholarship Fund Established November 18, 2021, with gifts from Samuel V. Huffman Jr. and Carol Ann Martin Huffman; used to provide renewable scholarships to students who are from the state of Ohio, are majoring in engineering and demonstrate financial need. It is the donors' clear intent that preference shall be given first to candidates from Harrison County, Ohio and second to students from Tuscarawas County, Ohio. It is the donors' desire to provide as significant financial support as possible to one eligible recipient. Any remaining funds shall be used to provide as significant financial support as possible to additional eligible recipients.</p>	\$100,000.00	\$100,000.00
<p>Borton Family Endowed Scholarship Fund Established November 18, 2021, with gifts from Ronald J. Borton, James L. Borton, Dennis L. Borton, family and friends; used to provide scholarship support for students attending the Agricultural Technical Institute in Wooster, Ohio. If no students meet the selection criteria, the scholarship(s) will be open to all students enrolled in the College of Food, Agricultural, and Environmental Sciences.</p>	\$61,104.00	\$61,104.00
<p>The Aaron S. Whitmer Scholarship Fund Established August 28, 2015, with gifts from his parents, Daniel and Donna Whitmer, and friends and family; used to provide scholarship support to students enrolled in the College of Medicine who are focused on a career in cancer research. Revised November 18, 2021.</p>	\$54,622.31	\$51,622.31

<p>The Dr. Walter F. Ersing Endowed Fund for PhD Dissertation/Master's Thesis Research in Adapted Physical Education</p> <p>Established November 18, 2021, with gifts from Dr. Stephen A. Butterfield (PhD 1984) and Jeanne Z. Butterfield; used to support PhD level research in the College of Education and Human Ecology in the following order of priority listed below.</p> <p>First priority is to support up to two years PhD dissertation research or one year of Master's thesis research in adapted physical education for youth, teenage or young adult populations in the Department of Human Sciences.</p> <p>Second priority given to PhD level research to support up to two years of study in exercise science for youth, teenage or young adult populations.</p> <p>Third priority given to PhD level research to support up to two years of study in physical education teacher education.</p> <p>Fourth priority given to PhD level research for one year of study in sports management related to special needs in youth, teenage or young adult populations or to any appropriate future program areas focused on adapted physical education research for youth, teenage or young adult populations.</p>	\$53,185.00	\$53,185.00
<p>The Sally Haltom Endowed Scholarship Fund in Optometry</p> <p>Established November 18, 2021 with gifts from Dr. Jeffrey S. Williams (BS 2003, OD 2007); used to provide required equipment (hand-helds, BIOs, Funduscopy lenses, etc.) to incoming optometry students who were members of The Ohio State University Pre-Optometry Club.</p>	\$51,135.40	\$51,135.40
<p>The Dr. Richard E. Weisbarth Endowed Fund for Faculty Leadership</p> <p>Established November 18, 2021, with gifts from Dr. Richard E. Weisbarth (BS 1978, OD 1980) and matching gifts from Alcon; used to encourage faculty members from the College of Optometry to go above and beyond their normal responsibilities to take on leadership roles inside and outside the college and the University, promoting the growth and development of the optometry profession.</p>	\$50,000.00	\$50,000.00
<p>The Sheila Thomas-Jackson Endowed Scholarship Fund in Pharmacy</p> <p>Established November 18, 2021, with gifts from Dr. Sheila Marie Thomas-Jackson (BS 1992, PHP 2000); used to provide a renewable scholarship to a student who is enrolled in the College of Pharmacy's Bachelor of Science in the Pharmaceutical Sciences program and intends to continue on to the Doctor of Pharmacy program. It is the donor's desire that the scholarships be awarded with particular attention to, but not limited to, African American students.</p>	\$50,000.00	\$50,000.00

Dennis and Christina Smith Family Endowment Fund Established November 18, 2021, with gifts from Dennis Smith and Christina Smith; used to provide unrestricted support for the Arthur G. James Cancer Hospital and Richard J. Solove Research Institute and the Comprehensive Cancer Center (OSUCCC – James). If the fund’s principal balance reaches the amount required to establish a restricted endowed fund at that time, the fund name shall be changed to the Dennis and Christina Smith Family Cancer Research Endowment Fund and the annual distribution shall be used to support cancer research at the OSUCCC – James, to include but not be limited to: supplies, equipment, salaries, research personnel, conferences/travel, publication costs, etc.	\$45,164.10	\$50,000.00
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Change in Name and Description of Named Endowed Fund
(Foundation)

From: The Jason B. and Stephanie C. Jones Dean’s Innovation Fund
To: The Jason B. Jones Dean’s Innovation Fund

Change in Description of Named Endowed Fund
(Foundation)

The Jo Ann S. Donohue Speech-Language Pathology Innovation
Fund

Raymond and Lillian Fuller Medical Scholarship Fund

Jeff and Terri Heaphy Scholarship Fund

The Heffner Scholarship Fund in Medicine

The Majidzadeh Family Scholarship Fund

Bertha and Eleanor Searle Nursing Endowed Scholarship Fund

Total \$12,183,450.43

*Amounts establishing endowments as of September 30, 2021, unless notated otherwise.

**As of October 27, 2021.

**NAMING OF THE JEFFREY SCHOTTENSTEIN PROGRAM
FOR RESILIENCE IN STUDENTS**

AT THE OHIO STATE UNIVERSITY COLLEGE OF MEDICINE

Synopsis: Approval for the naming of the Program for Resilience at The Ohio State University College of Medicine, is proposed.

WHEREAS the College of Medicine, one of the largest and most diverse academic medical centers in the country, combines innovative medical education with cutting-edge research and science-based patient care to train physicians and health care professionals; and

WHEREAS the Program for Resilience, facilitated through the Department of Psychiatry and Behavioral Health, will fight against stigma and provide education to our students to reduce the shame that comes with mental illness, and normalize these challenges that affect students with a focus on promotion of positive health and on prevention so that disease is averted or does not worsen; and

WHEREAS this program will offer services that cultivate resilience, conduct advanced research on building resilience skills, and train a new generation of mental health advocates and providers on this new model of care; and

WHEREAS Jean and Jay Schottenstein have provided significant contributions to The Ohio State University College of Medicine; and

WHEREAS the naming has been reviewed according to the approval process outlined in the Naming of University Spaces and Entities policy:

NOW THEREFORE

BE IT RESOLVED, That in acknowledgement of Jean and Jay Schottenstein's philanthropic support, the Board of Trustees hereby approves, in accordance with paragraph (D) of rule 3335-1-08 of the Ohio Administrative Code, that the Program for Resilience be named The Jeffrey Schottenstein Program for Resilience in Students.

NAMING OF JANE E. HEMINGER HALL

IN THE COLLEGE OF NURSING

Synopsis: Approval for the naming of the Jane E. Heminger Hall located at 1577 Neil Avenue is proposed.

WHEREAS the College of Nursing's vision is to be the world's leader in thinking and achieving the impossible in order to transform health and improve lives; and

WHEREAS the new facility is a gateway to the university's health science campus and supports the academic, research, innovation, wellness and evidence-based practice pillars of the college; and

WHEREAS Gary and Jane Heminger have provided significant contributions to the College of Nursing; and

WHEREAS the naming has been reviewed according to the approval process outlined in the Naming of University Spaces and Entities policy:

NOW THEREFORE

BE IT RESOLVED, That in acknowledgement of Gary and Jane Heminger's philanthropic support, the Board of Trustees hereby approves, in accordance with paragraph (D) of rule 3335-1-08 of the Ohio Administrative Code, that for the life of the physical facility the aforementioned space be named Jane E. Heminger Hall.

NAMING OF THE ENCOVA INSURANCE TUNNEL

AT OHIO STADIUM

Synopsis: Approval for the naming of the home team tunnel at Ohio Stadium, located at 411 Woody Hayes Drive, is proposed.

WHEREAS the Ohio Stadium is one of the most recognizable landmarks in all of college athletics, built in 1922 and renovated in 2001; and

WHEREAS the Ohio Stadium continues to advance Ohio State's athletic reputation and to help attract and retain the best prospective student-athletes; and

WHEREAS the home team tunnel is the path the football student-athletes and staff take to enter the field at Ohio Stadium on game days; and

WHEREAS Encova Mutual Insurance Group has provided significant contributions to the Department of Athletics; and

WHEREAS the naming has been reviewed according to the approval process outlined in the Naming of University Spaces and Entities policy:

NOW THEREFORE

BE IT RESOLVED, That in acknowledgement of Encova Mutual Insurance Group's philanthropic support, the Board of Trustees hereby approves, in accordance with paragraph (D) of rule 3335-1-08 of the Ohio Administrative Code, that for the life of the physical facility the aforementioned space be named the Encova Insurance Tunnel.

NAMING OF ALEX'S SUNNYSIDE PLAYROOM

IN THE OHIO STATE UNIVERSITY COMPREHENSIVE CANCER CENTER –
ARTHUR G. JAMES CANCER HOSPITAL AND RICHARD J. SOLOVE RESEARCH INSTITUTE

Synopsis: Approval for the naming of the patient and family visitation room (Room A1402) in The Ohio State University Comprehensive Cancer Center – Arthur G. James Cancer Hospital and Richard J. Solove Research Institute (OSUCCC – James), located at 460 West 10th Avenue, is proposed.

WHEREAS the OSUCCC – James strives to create a cancer-free world by integrating scientific research with excellence in education and patient-centered care – a strategy that leads to better methods of cancer prevention, detection and treatment; and

WHEREAS the 21-level hospital is one of 51 National Cancer Institute (NCI)-designated Comprehensive Cancer Centers and one of the top cancer hospitals in the nation as ranked by *U.S. News & World Report*; and

WHEREAS Alex's Sunnyside Playroom and Gwendolyn Porter have provided significant contributions to the OSUCCC – James; and

WHEREAS the naming has been reviewed according to the approval process outlined in the Naming of University Spaces and Entities policy:

NOW THEREFORE

BE IT RESOLVED, That in acknowledgement of Alex's Sunnyside Playroom and Gwendolyn Porter's philanthropic support, the Board of Trustees hereby approves, in accordance with paragraph (D) of rule 3335-1-08 of the Ohio Administrative Code, that for the life of the physical facility the aforementioned space be named Alex's Sunnyside Playroom.

NAMING OF INTERNAL SPACES

IN THE FRANK STANTON VETERINARY SPECTRUM OF CARE CLINIC

Synopsis: Approval for the naming of internal spaces in the Frank Stanton Veterinary Spectrum of Care Clinic, located at 655 Vernon L. Tharp Street, is proposed.

WHEREAS the College of Veterinary Medicine is consistently recognized as a leading veterinary education and research program and is among the largest of its kind, uniquely located in a heavily populated urban area surrounded by a strong rural and agricultural base; and

WHEREAS the veterinary primary care clinic will serve as a hands-on clinical training opportunity for veterinary students and support the continuum of clinical training and Spectrum of Care education that results in more confident and competent veterinary graduates; and

WHEREAS the donors listed below have provided significant contributions to the Frank Stanton Veterinary Spectrum of Care Clinic; and

- Dr. Colleen Currigan
- Dr. James & Susan Link
- College of Veterinary Medicine Class of 1985

WHEREAS the naming has been reviewed according to the approval process outlined in the Naming of University Spaces and Entities policy:

NOW THEREFORE

BE IT RESOLVED, That in acknowledgement of the aforementioned donors' philanthropic support, the Board of Trustees hereby approves, in accordance with paragraph (D) of rule 3335-1-08 of the Ohio Administrative Code, that for the life of the physical facility the aforementioned spaces be named the following:

- Colleen E. Currigan, DVM 1985, AAFP President 2016 (Room 178)
- Supported by: James F. Link, DVM Class of 1978 (Room 112)
- From the Class of 1985 "You can never really pay back. You can only pay forward." – Woody Hayes (Room 173)

NAMING OF INTERNAL SPACES

IN THE VETERINARY MEDICAL CENTER

Synopsis: Approval for the naming of internal spaces in the Veterinary Medical Center, located at 601 Vernon L. Sharp Street, is proposed.

WHEREAS the Veterinary Medical Center serves the citizens of the State of Ohio through the support of the clinical education of veterinary students, post-graduate veterinarians and others, and promotes animal well-being through the operation of a state-of-the-art center; and

WHEREAS since 1885, the College of Veterinary Medicine has had a comprehensive referral veterinary medical center that admits more than 35,000 animal patients each year, representing a wide range of species including companion, farm, equine and service animals; and

WHEREAS the donors listed below have provided significant contributions to the Veterinary Medical Center; and

- College of Veterinary Medicine Class of 1982
- College of Veterinary Medicine Class of 1989
- Wolff Family Charitable Foundation Trust

WHEREAS the naming has been reviewed according to the approval process outlined in the Naming of University Spaces and Entities policy:

NOW THEREFORE

BE IT RESOLVED, That in acknowledgement of the aforementioned donors' philanthropic support, the Board of Trustees hereby approves, in accordance with paragraph (D) of rule 3335-1-08 of the Ohio Administrative Code, that for the life of the physical facility the aforementioned spaces be named the following:

- Class of 1982 Exam Room (Room 1014)
- Class of 1989 Exam Room (Room 230)
- Wolff Family Trust Exam Room (Room 1012)

NAMING OF THE BILL AND KATIE SHELLEY HUDDLE ROOM

IN BOLZ HALL

Synopsis: Approval for the naming of the Huddle Room (430A) in Bolz Hall, located at 236 Neil Avenue, is proposed.

WHEREAS the Department of Civil, Environmental and Geodetic Engineering is committed to providing opportunities for students to work in a professional environment before beginning their careers post-graduation; and

WHEREAS the renovations include new student-centered spaces to create an environment where students can collaborate with each other, faculty and industry professionals; and

WHEREAS William and Katie Shelley have provided significant contributions to the College of Engineering; and

WHEREAS the naming has been reviewed according to the approval process outlined in the Naming of University Spaces and Entities policy:

NOW THEREFORE

BE IT RESOLVED, That in acknowledgement of William and Katie Shelley's philanthropic support, the Board of Trustees hereby approves, in accordance with paragraph (D) of rule 3335-1-08 of the Ohio Administrative Code, that for the life of the physical facility the aforementioned space be named the Bill and Katie Shelley Huddle Room.

**NAMING IN HONOR OF HELGA AND ROBERT MULADORE
(INGRID MULADORE ROBECHK AND NILS MULADORE)**

IN THE WOSU PUBLIC MEDIA HEADQUARTERS

Synopsis: Approval for the naming of the phone room (413) in the WOSU Public Media Headquarters, located at 1800 North Pearl Street, is proposed.

WHEREAS since its first broadcast in 1920, WOSU Public Media has delivered engaging local and global news and public affairs programming, provided front-row access to musical performances, and inspired Central Ohio citizens through lifelong learning experiences; and

WHEREAS with state-of-the-art facilities, the new headquarters will enable WOSU to expand and enhance its programming for the more than 2 million citizens it reaches through television, radio, digital and its WOSU Classroom services; and

WHEREAS the donors listed below have provided significant support to WOSU; and

- Stacey Wideman Muladore and Nils Muladore
- Ingrid Muladore Robechnik and John Robechnik

WHEREAS the naming has been reviewed according to the approval process outlined in the Naming of University Spaces and Entities policy:

NOW THEREFORE

BE IT RESOLVED, That in acknowledgement of the aforementioned donors' philanthropic support, the Board of Trustees hereby approves, in accordance with paragraph (D) of rule 3335-1-08 of the Ohio Administrative Code, that for the life of the physical facility the aforementioned space be named In Honor of Helga and Robert Muladore (Ingrid Muladore Robechnik and Nils Muladore) (413).

NAMING OF GENEROUS GIFT FROM KAREN AND STEVE SKILKEN

IN OUTPATIENT CARE NEW ALBANY

Synopsis: Approval for the naming of the surgery consult room (Room 2310) in the Outpatient Care New Albany facility, to be located at 6100 North Hamilton Road, is proposed.

WHEREAS the Outpatient Care New Albany facility is part of a new suburban outpatient care program at the Wexner Medical Center that supports growth in the region and excellence in academic health care; and

WHEREAS the New Albany facility will include program offerings such as ambulatory surgery, endoscopy, primary care, specialty medical and surgical clinics, and related support spaces; and

WHEREAS Karen and Steve Skilken have provided significant contributions to the Wexner Medical Center and the Outpatient Care New Albany facility; and

WHEREAS the naming has been reviewed according to the approval process outlined in the Naming of University Spaces and Entities policy, and if at any time following the approval of the naming, circumstances change so that the continued use of the name may compromise the integrity or reputation of the University, the University may remove the name with the approval of the President and the Board of Trustees and notification of the donor, if possible:

NOW THEREFORE

BE IT RESOLVED, That in acknowledgement of Karen and Steve Skilken's philanthropic support, the Board of Trustees hereby approves, in accordance with paragraph (D) of rule 3335-1-08 of the Ohio Administrative Code, that for the life of the physical facility the aforementioned space be named the following: Generous Gift from Karen and Steve Skilken.

NAMING OF THE CONTROLLED ENVIRONMENT AGRICULTURE RESEARCH COMPLEX

IN THE COLLEGE OF FOOD, AGRICULTURAL, AND ENVIRONMENTAL SCIENCES

Synopsis: Approval for the administrative renaming of the Controlled Environment Food Production Research Complex in the College of Food, Agricultural, and Environmental Sciences to the Controlled Environment Agriculture Research Complex, is proposed.

WHEREAS the College of Food, Agricultural, and Environmental Sciences works to sustain life every day through teaching, research and extension statewide on all of our campuses; and

WHEREAS the College focuses on agricultural products holistically through this facility; and

WHEREAS the College recommends the name change; and

WHEREAS the naming has been reviewed according to the approval process outlined in the Naming of University Spaces and Entities policy:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves, in accordance with paragraph (D) of rule 3335-1-08 of the Ohio Administrative Code, that for the life of the physical facility the aforementioned space be named the Controlled Environment Agriculture Research Complex.

**APPROVAL TO INCREASE PROFESSIONAL SERVICES AND
ENTER INTO/INCREASE CONSTRUCTION CONTRACTS**

APPROVAL TO INCREASE PROFESSIONAL SERVICES AND CONSTRUCTION CONTRACTS

Morrill Tower – Fire Alarm Replacement
North Residential – HVAC Modifications Phase 1

APPROVAL TO ENTER INTO CONSTRUCTION CONTRACTS

WMC Loading Dock Expansion and Renovation

Synopsis: Authorization to enter into/increase professional services and construction contracts, as detailed in the attached materials, is proposed.

WHEREAS in accordance with the attached materials, the University desires to increase professional services and construction contracts for the following projects; and

	Prof. Serv. Approval Requested	Construction Approval Requested	Total Requested	
Morrill Tower – Fire Alarm Replacement	\$1.0M	\$4.6M	\$5.6M	Auxiliary Funds
North Residential – HVAC Modifications Phase 1	\$0.5M	\$4.6M	\$5.1M	University Debt

WHEREAS in accordance with the attached materials, the University desires to enter into construction contracts for the following project; and

	Construction Approval Requested	Total Requested	
WMC Loading Dock Expansion and Renovation	\$15.1M	\$15.1M	Auxiliary Funds

WHEREAS the Master Planning and Facilities Committee has reviewed the projects listed above for alignment with all applicable campus plans and guidelines; and

WHEREAS the Audit, Finance and Investment Committee has reviewed the projects listed above for alignment with the Capital Investment Plan and other applicable financial plans:

NOW THEREFORE

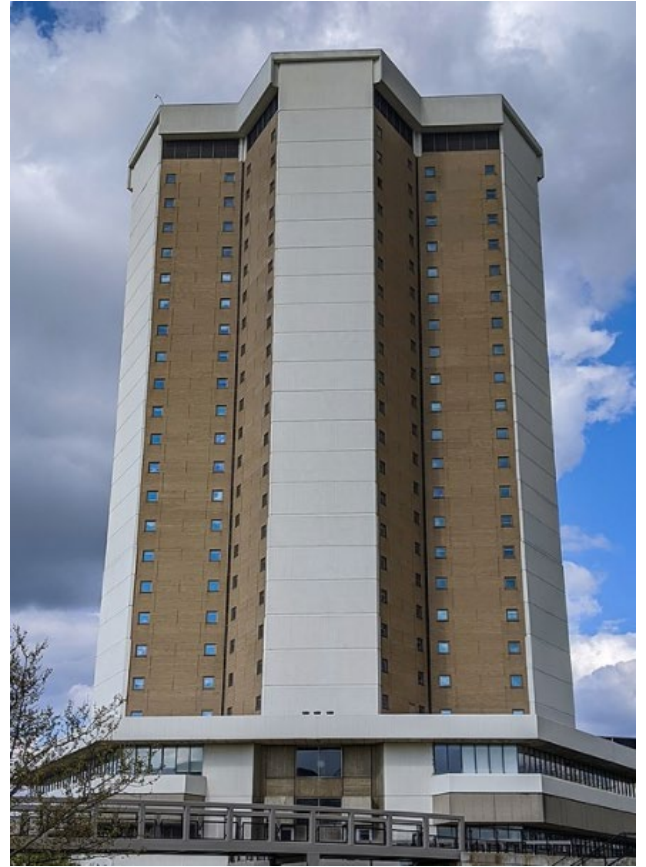
BE IT RESOLVED, That the Board of Trustees hereby approves that the President and/or Senior Vice President for Business and Finance be authorized to enter into/increase professional services and construction contracts for the projects listed above in accordance with established University and State of Ohio procedures, with all actions to be reported to the Board at the appropriate time.

Project Data Sheet for Board of Trustees Approval

Morrill Tower – Fire Alarm Replacement

OSU-190783 (CNI# 19000114)

Project Location: Morrill Tower



- **approval requested and amount**

professional services	\$1.0M
construction w/contingency	\$4.6M

- **project budget**

professional services	\$1.0M
construction w/contingency	\$4.6M
total project budget	\$5.6M

- **project funding**

- university debt
- fundraising
- university funds
- auxiliary funds
- state funds

- **project schedule**

design	11/19 – 03/21
BoT approval	11/21
construction	05/20 – 07/24
facility opening	07/24

- **project delivery method**

- general contracting
- design/build
- construction manager at risk

- **planning framework**

- the purpose of the project is to update Morrill Tower's fire alarm system to enhance safety and security of students and staff
- this project is included in the FY 2020 Capital Investment Plan

- **project scope**

- the project will replace the building fire alarm system
- related work includes the addition of a fire command center on the first floor, hazardous material abatement related directly to fire alarm installation within resident rooms and hallways
- additional scope includes replacement of the analog camera system, and hallway ceilings on floors 4 through 22

- **approval requested**

- approval is requested to increase professional services and construction contracts

- **project team**

University project manager:	Karin Murillo-Kirlangitis
AE/design architect:	Karpinski Engineering
General Contract:	Eagle Electrical Services LLC

Project Data Sheet for Board of Trustees Approval

North Residential – HVAC Modifications Phase 1

OSU-110672-06 (CNI# 12000766)

Project Location: Raney House - North Residential District

- **approval requested and amount**

professional services	\$0.5M
construction w/contingency	\$4.6M

- **project budget**

professional services	\$0.5M
construction w/contingency	\$4.6M
total project budget	\$5.1M

- **project funding**

- university debt
- fundraising
- university funds
- auxiliary funds
- state funds

- **project schedule**

design	11/19 – 04/20
BoT approval	11/21
construction	06/20 – 07/22

- **project delivery method**

- general contracting
- design/build
- construction manager at risk

- **planning framework**

- this project is included in the FY 2013 Capital Investment Plan

- **project scope**

- the original project replaced the valance units with fan coil units in Raney House
- the additional scope is to repair the boiler flue issues
- the boiler flue repairs are included under this project to minimize impact to students

- **approval requested**

- approval is requested to increase professional services and construction contracts



- **project team**

University project manager:	Ross Quellhorst
AE/design architect:	Monks Engineering
CM at Risk:	Teemok Construction

Project Data Sheet for Board of Trustees Approval

WMC Loading Dock Expansion and Renovation

OSU-200238 (CNI#19000137)

Project Location: Doan Hall

- **approval requested and amount**
construction w/contingency \$15.1M
(includes installed equipment)

- **project budget**
professional services \$1.8M
construction w/contingency \$15.1M

total project budget \$16.9M

- **project funding**
 - university debt
 - fundraising
 - university funds
 - auxiliary funds
 - state funds

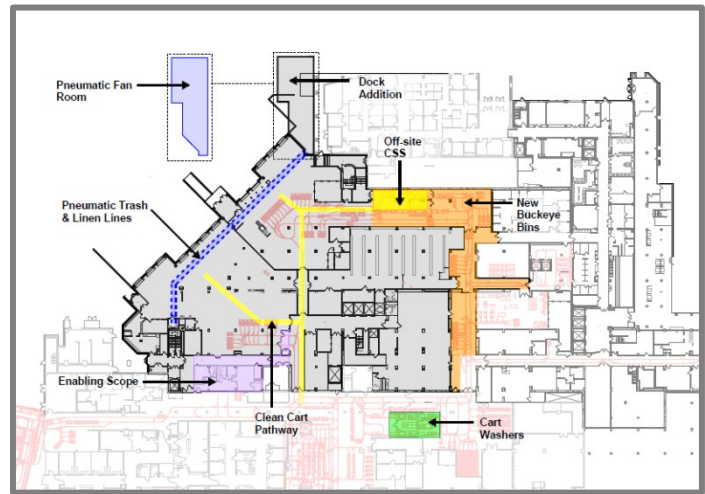
- **project schedule**
BoT professional services approval 11/19
design/bidding 6/20 – 2/22
BoT construction approval 11/21
construction 4/22 – 6/23
facility opening 7/23

- **project delivery method**
 - general contracting
 - design/build
 - construction manager at risk

- **planning framework**
 - this project is included in the FY 2020, FY 2021 and FY2022 Capital Investment Plans and is based on a study of dock operations completed in March 2018. Project scope was updated and validated during design.
 - additional project funding will be included in the FY 2023 Capital Investment Plan

- **project scope**
 - the project will renovate 28,000 sf of existing dock area and add 6,000 sf; the expanded dock will support the continued growth of the Wexner Medical Center
 - renovation work will include the clean and soiled staging areas with the expansion adding new soiled dock doors and space for pneumatic trash and a linen fan room
 - the project will replace cart washers, dock levelers, and dock door equipment
 - structural, mechanical and electrical upgrades are included

- **approval requested**
 - approval is requested to enter into construction contracts



- **project team**
University project manager: Robin Faires
AE/design architect: Davis Wince
CM at Risk: Elford

APPOINTMENT TO THE SELF INSURANCE BOARD

Synopsis: Appointment of a member to the Self Insurance Board is proposed.

WHEREAS the Board of Trustees directed that a Self Insurance Board be established to oversee the University Self Insurance Program; and

WHEREAS all members of the Self Insurance Board are appointed by The Ohio State University Board of Trustees upon recommendation of the President; and

WHEREAS the term of member Charlotte Agnone, MD expired on June 30, 2021:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves that the following individual be appointed as a member of the Self Insurance Board effective December 1, 2021, for the term specified below:

- Demetries J. Neely, Esq. term ending June 30, 2024

BE IT FURTHER RESOLVED, That this appointment entitles the member to any immunity, insurance or indemnity protection to which officers and employees of the University are, or hereafter may become, entitled.

THE OHIO STATE UNIVERSITY

TOPIC: Fiscal Year 2022 Interim Financial Report – September 30, 2021

CONTEXT: The purpose of this report is to provide an update of financial results for the three months ending September 30, 2021

FINANCIAL SUMMARY

Our overall financial position remains strong. Our size, diversity of operations, and discipline enabled us to retain fiscal strength during these unprecedented disruptions. The university is recovering, progressing toward normal operations, and returning to a full college experience. The first quarter of fiscal year 2022 shows increases in operating revenues compared to the first quarter of fiscal year 2021, driven primarily by strong growth at the Health System from increased patient volumes and auxiliary operations due to the return of fall sports. Specific impacts include:

- Healthcare revenues increased \$119 million reflecting increases in hospital patient acuity and growth in outpatient volumes.
- An increase in auxiliary revenues of \$40 million, reflecting higher occupancy for student housing and dining and the return of fans for the football season.
- An increase in federal COVID-19 assistance of \$73 million from the Higher Education Emergency Relief Funds (HEERF) for students and lost revenues for the institution.

Year-to-date increase in net position was \$53 million, down \$325 million compared to prior year. The decrease is primarily due to a \$386 million decrease in net investment income, which was partially offset by a \$70 million increase in revenues from federal COVID-19 assistance programs. Additional details on university revenues, expenses, cash and investments, and cash flows are provided below.

Revenues

Student tuition and fees, net - increased \$5 million or 3%, to \$179 million for the three months ending September 30, 2021, compared to the same period of fiscal year 2021, due primarily to an increase in gross tuition of \$21 million. Gross tuition increased \$14 million for Autumn semester, an increase of \$7 million for Summer semester, offset by an increase in scholarship allowance of \$15 million. Autumn and Summer tuition increased primarily due to a return to in-person instruction and full assessment of non-resident fees. Similarly, scholarships increased to cover increases in fees for non-residents.

Grants and contracts – were flat for the first quarter of fiscal year 2022 compared to fiscal year 2021. Federal and local grants increased \$7 million and \$8 million, respectively, offset by decreases in State and private grants of \$8 million and \$7 million, respectively. The fluctuation in grants in the first quarter of a fiscal year can be impacted by the various changes in grantor activity.

Gifts - Increased \$12 million over the prior year due primarily to increases in current use gifts of \$8 million, private capital gifts of \$3 million, and additions to permanent endowments of \$1 million.

Sales and services of auxiliary enterprises - increased \$40 million for the three months ending September 30, 2021, compared to prior year due primarily to the resumption of fall sports of \$31 million, increases in Student Life housing and dining revenues of \$6 million, and increases in Business Advancement (Schottenstein Center, Blackwell, and Fawcett Center) revenues of \$3 million.

Federal COVID-19 assistance programs – increased \$73 million over the prior year due to increases in HEERF grants to students of \$43 million, HEERF institutional grants of \$20 million, and Shuttered Venue Operators Grant for the Schottenstein Center of \$10 million.

Sales and services of the OSU Health System and OSU Physicians, Inc - increased \$119 million to \$1,189 million. The Health System had solid outpatient volumes and strong chemotherapy and radiation oncology volumes. The operating revenues per adjusted admission were 12.4% above prior year. OSU Physicians experienced a similar trend with a year-over-year increase of \$14 million.

Expenses

University – expenses increased \$58 million or 10%, to \$661 million in the first quarter of fiscal year 2022 due to a return to in-person instruction and resumption of on campus events and operations.

OSU Health System and OSU Physicians - expenses increased \$121 million to \$1,053 million. Health System expense per adjusted admission increased 11.2% from prior year. Expenses increased due to growth in outpatient volumes as well as higher transplant volumes, Covid-19 lab expenses, and higher surgical and procedural expenses.

Auxiliary – expenses increased \$18 million to \$77 million for the three months ending September 30, 2021, compared to prior year, primarily due to the resumption of fall sports and Schottenstein Center events.

Cash and Investments

Total university cash and investments increased \$1,858 million to \$12,106 million on September 30, 2021, compared to the same period of last year, primarily due to the increase in the Long-Term Investment Pool of \$1,384 million and net increase in cash and temporary investments of \$372 million. Additional details are provided below.

Long-Term Investment Pool and Temporary Investments

For the quarter ending September 30, 2021, the fair value of the university's Long-Term Investment Pool decreased by \$64 million to \$6,978 million. Changes in total valuation compared to prior year are summarized below:

	2021	2020
Fair Value at June 30	\$ 7,041,973	\$ 5,287,131
Net principal additions	39,524	40,949
Change in fair value	(51,179)	319,563
Income earned	33,877	25,638
Distributions	(64,756)	(61,509)
Expenses	(21,910)	(18,654)
Fair Value at end of September 30	<u>\$ 6,977,529</u>	<u>\$ 5,593,118</u>

Net principal additions include new endowment gifts (\$8.1 million), reinvestment of unused endowment distributions (\$2.6 million), and other net transfers of university monies (\$28.1 million with the majority to the Expense Repayment Endowment to defray lump sum expenses). Change in fair value includes realized gains (losses) on the sale of investment assets and unrealized gains (losses) associated with assets held in the pool on September 30, 2021. Income earned includes interest and dividends and is used primarily to help fund distributions. Expenses include investment management expenses (\$16.8 million), University Development related expenses (\$4.9 million), and other administrative-related expenses (\$0.2 million).

LTIP Investment Returns

For the quarter ending September 30, 2021, the LTIP earned a return, net of investment fees, of 2.84%, vs. a benchmark return of 1.84%. During that period, our Private Equity returned 12.06% followed by Real Assets at 8.35%, Legacy Investments at 3.52%, Hedge Funds and Opportunistic Credit at 2.34%, Cash and High-Grade Bonds at -0.03% and Public Equity at -1.86%

The comparable quarter ending September 30, 2020, saw a net investment return of 6.28%. During that period, our Public Equity returned 9.28%, followed by Private Equity at 7.53%, Real Assets at 5.33%, Hedge Funds and Opportunistic Credit at 3.65%, Legacy Investments at 2.47%, and Cash and High-Grade Bonds at 0.04%.

Temporary Investments

For the quarter ending September 30, 2021, the Tier 1 Investments (0-1 Year maturity) earned a return of 0.10%, outperforming the ICE Bofa 6m US Treasury Bill benchmark (+0.02%) by 0.08%. Tier 2 Investments (1-5 Year maturity) earned 0.21% outperforming the blended benchmark of ICE Bofa US Corp & Govt 1-3 Years and BBG US Govt/Credit 1-5 Years (+0.08%) by 0.13%.

The comparable quarter ending September 30, 2020, saw Tier 1 Investments earn a return of 0.57%. Tier 2 Investments returned 0.97% for this same time period.

Accounts Receivable

Accounts receivable increased \$165 million, to \$846 million at September 30, 2021. Receivables on grants and appropriations increased \$83 million, driven primarily by a \$105 million increase in receivables on grants managed by the Office of Sponsored Programs, \$22 million for state-line item appropriations, and \$17 million for departmental programs. Sales and services receivables increased \$60 million for patients, departmental earnings, and auxiliary operations.

Deposits and Advance Payments for Goods and Services

Advance payments for goods and services increased \$174 million to \$807 million at September 30, 2021, primarily due to increases in student tuition and fees of \$80 million, auxiliary operations for Athletics, Student Life, and Schottenstein Center of \$52 million, and Health System of \$30 million for software and construction agreements.

Long-term Bonds Payable, Subject to Remarketing and Bonds, Notes and Lease Payables

University debt, in the form of bonds, notes and capital lease obligations, increased \$649 million, to \$3.77 billion at September 30, 2021. On September 30, 2021, the university closed on \$600,000 in tax-exempt fixed rate General Receipts Bonds – Series 2021A. The Series 2021A bonds are structured on a level debt service basis with annual principal payments beginning December 1, 2022, through final maturity on December 1, 2051. The interest rate coupons on the Series 2021A bonds range from 2.50% to 5.00%. The proceeds of the bonds will be used to fund construction of the Wexner Medical Center's new Inpatient Hospital, scheduled to open in 2026

Cash Flows

University cash and cash equivalents increased \$370 million in the first quarter of fiscal year 2022. Net cash provided from operating activities was \$79 million, compared to \$65 million in the first three months of the fiscal year. The increase relates primarily to increases in sales and services from healthcare and auxiliary operations, offset by payments to vendors and employees. Net cash flows from noncapital financing activities increased \$291 million for the three months ending September 30, 2021, compared to \$209 million for the prior year due primarily to increases in COVID-19 assistance program revenue. Cash flows from capital financing activities increased \$433 million for the first quarter of fiscal year 2022 due to the issuance of the 2021A bonds of \$718 million, offset by payments for capital assets of \$292 million. Cash used by investing activities was \$433 million, reflecting net purchases of temporary investments.

THE OHIO STATE UNIVERSITY
CONSOLIDATED STATEMENTS OF NET POSITION - UNAUDITED
September 31, 2021 and September 31, 2020
(in thousands)

	<u>As of September</u> <u>2021</u>	<u>As of September</u> <u>2020</u>	<u>Increase/(Decrease)</u>	
			<u>Dollars</u>	<u>%</u>
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$ 1,260,529	\$ 2,010,929	\$ (750,400)	-37.3%
Temporary investments	3,154,223	1,981,679	1,172,544	59.2%
Accounts receivable, net	845,671	680,401	165,270	24.3%
Notes receivable - current portion, net	25,231	25,655	(424)	-1.7%
Pledges receivable - current portion, net	63,799	79,240	(15,441)	-19.5%
Accrued interest receivable	18,645	18,294	351	1.9%
Inventories, prepaid expenses, and other assets	312,644	335,840	(23,196)	-6.9%
Investments held under securities lending program	89,062	9,831	79,231	805.9%
Total Current Assets	<u>5,769,804</u>	<u>5,141,869</u>	<u>627,935</u>	<u>12.2%</u>
Noncurrent Assets:				
Restricted cash	324,095	352,274	(28,179)	-8.0%
Notes receivable, net	37,721	54,601	(16,880)	-30.9%
Pledges receivable, net	97,441	59,248	38,193	64.5%
Net other post-employment benefit asset	275,182	77,901	197,281	253.2%
Long-term investment pool	6,977,529	5,593,118	1,384,411	24.8%
Other long-term investments	350,341	300,347	49,994	16.6%
Other noncurrent assets	204,133	-	204,133	100.0%
Capital assets, net	6,629,965	6,048,184	581,781	9.6%
Total Noncurrent Assets	<u>14,896,407</u>	<u>12,485,673</u>	<u>2,410,734</u>	<u>19.3%</u>
Total Assets	<u>20,666,211</u>	<u>17,627,542</u>	<u>3,038,669</u>	<u>17.2%</u>
Deferred Outflows:				
Pension	339,679	445,769	(106,090)	-23.8%
Other post-employment benefits	104,182	239,629	(135,447)	-56.5%
Other deferred outflows	23,431	31,697	(8,266)	-26.1%
Total Assets and Deferred Outflows	<u>\$ 21,133,503</u>	<u>\$ 18,344,637</u>	<u>\$ 2,788,866</u>	<u>15.2%</u>
LIABILITIES AND NET POSITION:				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 824,691	\$ 749,084	\$ 75,607	10.1%
Medicare advance payment program	213,468	287,500	(74,032)	-25.8%
Deposits and advance payments for goods and services	806,853	632,789	174,064	27.5%
Current portion of bonds, notes and leases payable	64,345	58,609	5,736	9.8%
Long-term bonds payable, subject to remarketing	289,970	317,715	(27,745)	-8.7%
Liability under securities lending program	89,062	9,831	79,231	805.9%
Other current liabilities	93,265	112,032	(18,767)	-16.8%
Total Current Liabilities	<u>2,381,654</u>	<u>2,167,560</u>	<u>214,094</u>	<u>9.9%</u>
Noncurrent Liabilities:				
Bonds, notes and leases payable	3,412,616	2,741,255	671,361	24.5%
Concessionaire payable	220,684	134,362	86,322	64.2%
Net pension liability	2,679,333	3,025,029	(345,696)	-11.4%
Net other post-employment benefit liability	22,683	1,459,572	(1,436,889)	-98.4%
Compensated absences	218,702	211,319	7,383	3.5%
Self-insurance accruals	30,966	87,095	(56,129)	-64.4%
Amounts due to third-party payors - Health System	94,670	59,516	35,154	59.1%
Irrevocable split-interest agreements	36,328	31,272	5,056	16.2%
Refundable advances for Federal Perkins loans	26,005	29,695	(3,690)	-12.4%
Advance from concessionaire	975,506	997,322	(21,816)	-2.2%
Other noncurrent liabilities	290,164	121,610	168,554	138.6%
Total Noncurrent Liabilities	<u>8,007,657</u>	<u>8,898,047</u>	<u>(890,390)</u>	<u>-10.0%</u>
Total Liabilities	<u>10,389,311</u>	<u>11,065,607</u>	<u>(676,296)</u>	<u>-6.1%</u>
Deferred Inflows:				
Parking service concession arrangement	394,875	404,506	(9,631)	-2.4%
Pension	682,490	487,347	195,143	40.0%
Other post-employment benefits	675,698	298,463	377,235	126.4%
Other deferred inflows	40,713	28,620	12,093	42.3%
Total Deferred Inflows	<u>1,793,776</u>	<u>1,218,936</u>	<u>574,840</u>	<u>47.2%</u>
Net Position:				
Net investment in capital assets	3,316,600	3,350,409	(33,809)	-1.0%
Restricted:				
Nonexpendable	1,708,529	1,614,009	94,520	5.9%
Expendable	2,115,658	1,128,279	987,379	87.5%
Unrestricted	1,809,629	(32,603)	1,842,232	5450.5%
Total Net Position	<u>8,950,416</u>	<u>6,060,094</u>	<u>2,890,322</u>	<u>47.7%</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 21,133,503</u>	<u>\$ 18,344,637</u>	<u>\$ 2,788,866</u>	<u>15.2%</u>

THE OHIO STATE UNIVERSITY
CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION - UNAUDITED
September 31, 2021 and September 31, 2020
(in thousands)

	September	September	Increase/(Decrease)	
	2021	2020	Dollars	%
Operating Revenues:				
Student tuition and fees, net	\$ 178,634	\$ 173,318	\$ 5,316	3.1%
Federal grants and contracts	115,180	108,235	6,945	6.4%
State grants and contracts	13,169	20,987	(7,818)	-37.3%
Local grants and contracts	12,583	4,434	8,149	183.8%
Private grants and contracts	73,490	80,471	(6,981)	-8.7%
Sales and services of educational departments	53,939	42,291	11,648	27.5%
Sales and services of auxiliary enterprises	64,865	24,531	40,334	164.4%
Sales and services of the OSU Health System, net	1,022,320	917,119	105,201	11.5%
Sales and services of OSU Physicians, Inc., net	166,863	153,132	13,731	9.0%
Other operating revenues	12,255	3,475	8,780	252.7%
Total Operating Revenues	<u>1,713,298</u>	<u>1,527,993</u>	<u>185,305</u>	<u>12.1%</u>
Operating Expenses:				
Educational and General:				
Instruction and departmental research	242,118	220,655	21,463	9.7%
Separately budgeted research	123,807	127,823	(4,016)	-3.1%
Public service	43,690	46,664	(2,974)	-6.4%
Academic support	61,404	48,342	13,062	27.0%
Student services	23,251	18,023	5,228	29.0%
Institutional support	96,587	89,300	7,287	8.2%
Operation and maintenance of plant	39,323	30,682	8,641	28.2%
Scholarships and fellowships	31,003	21,241	9,762	46.0%
Auxiliary enterprises	77,484	59,518	17,966	30.2%
OSU Health System	894,035	786,954	107,081	13.6%
OSU Physicians, Inc.	158,649	144,908	13,741	9.5%
Depreciation	126,762	108,821	17,941	16.5%
Total Operating Expenses	<u>1,918,113</u>	<u>1,702,931</u>	<u>215,182</u>	<u>12.6%</u>
Operating Loss	(204,815)	(174,938)	(29,877)	17.1%
Non-operating Revenues (Expenses):				
State share of instruction and line-item appropriations	123,422	117,024	6,398	5.5%
Federal subsidies for Build America Bonds interest	2,830	2,830	-	0.0%
Federal non-exchange grants	37,275	36,828	447	1.2%
Federal COVID-19 assistance programs	102,981	30,210	72,771	240.9%
State non-exchange grants	4,572	859	3,713	432.2%
Gifts	31,299	23,256	8,043	34.6%
Net investment income (loss)	(37,792)	348,650	(386,442)	-110.8%
Interest expense on plant debt	(34,077)	(27,717)	(6,360)	-22.9%
Other non-operating revenues (expenses)	(3,493)	(8,829)	5,336	-60.4%
Net Non-operating Revenue (Expense)	<u>227,017</u>	<u>523,111</u>	<u>(296,094)</u>	<u>-56.6%</u>
Income (Loss) before Other Revenues, Expenses, Gains or Losses	22,202	348,173	(325,971)	-93.6%
Changes in Net Position				
State capital appropriations	13,662	15,392	(1,730)	-11.2%
Private capital gifts	6,288	2,842	3,446	121.3%
Additions to permanent endowments	10,706	9,862	844	8.6%
Total Changes in Net Position	<u>30,656</u>	<u>29,600</u>	<u>1,056</u>	<u>3.6%</u>
Increase in Net Position	<u>52,858</u>	<u>377,773</u>	<u>(324,915)</u>	<u>-86.0%</u>
Net Position - Beginning of Year	8,897,558	5,682,321		
Net Position - End of Period	\$ <u>8,950,416</u>	\$ <u>6,060,094</u>		

THE OHIO STATE UNIVERSITY
STATEMENTS OF CASH FLOWS - UNAUDITED
Years Ended September 30, 2021 and September 30, 2020
(in thousands)

	September 2021	September 2020	Increase (Decrease)	
			Dollars	%
Cash Flows from Operating Activities:				
Tuition and fee receipts	\$ 318,341	\$ 289,417	\$ 28,924	10.0%
Grant and contract receipts	163,156	186,006	(22,850)	-12.3%
Receipts for sales and services	1,423,339	1,150,599	272,740	23.7%
Payments to or on behalf of employees	(850,015)	(791,978)	(58,037)	7.3%
University employee benefit payments	(247,829)	(232,101)	(15,728)	6.8%
Payments to vendors for supplies and services	(720,676)	(529,438)	(191,238)	36.1%
Payments to students and fellows	(28,586)	(19,172)	(9,414)	49.1%
Student loans issued	(867)	(812)	(55)	6.8%
Student loans collected	1,165	1,410	(245)	-17.4%
Student loan interest and fees collected	390	480	(90)	-18.8%
Other receipts (payments)	15,184	10,462	4,722	45.1%
Net cash provided by operating activities	<u>79,049</u>	<u>64,873</u>	<u>14,176</u>	<u>21.9%</u>
Cash Flows from Noncapital Financing Activities:				
State share of instruction and line-item appropriations	101,022	117,024	(16,002)	-13.7%
Non-exchange grant receipts	41,847	37,687	4,160	11.0%
Federal COVID-19 assistance programs	102,981	30,210	72,771	240.9%
Gift receipts for current use	31,298	23,256	8,042	34.6%
Additions to permanent endowments	10,706	9,861	845	8.6%
Drawdowns of federal direct loan proceeds	146,113	128,700	17,413	13.5%
Disbursements of federal direct loans to students	(143,769)	(137,554)	(6,215)	4.5%
Amounts paid to annuitants and life beneficiaries	-	(696)	696	-100.0%
Agency funds receipts	687	812	(125)	-15.4%
Net cash provided by noncapital financing activities	<u>290,971</u>	<u>209,300</u>	<u>81,671</u>	<u>39.0%</u>
Cash Flows from Capital Financing Activities:				
Proceeds from capital debt and leases	718,307	-	718,307	100.0%
State capital appropriations	12,255	16,729	(4,474)	-26.7%
Gift receipts for capital projects	6,288	2,842	3,446	121.3%
Payments for purchase or construction of capital assets	(292,053)	(231,415)	(60,638)	26.2%
Principal payments on capital debt and leases	(11,731)	(5,905)	(5,826)	98.7%
Interest payments on capital debt and leases	(4,477)	(556)	(3,921)	705.2%
Federal subsidies for Build America Bonds interest	4,708	5,396	(688)	-12.8%
Net cash provided (used) by capital financing activities	<u>433,297</u>	<u>(212,909)</u>	<u>646,206</u>	<u>303.5%</u>
Cash Flows from Investing Activities:				
Net (purchases) sales of temporary investments	(458,820)	(177,963)	(280,857)	157.8%
Proceeds from sales and maturities of long-term investments	786,899	277,346	509,553	183.7%
Investment income	14,590	32,182	(17,592)	-54.7%
Purchases of long-term investments	(775,749)	(262,441)	(513,308)	195.6%
Net cash used by investing activities	<u>(433,080)</u>	<u>(130,876)</u>	<u>(302,204)</u>	<u>230.9%</u>
Net Increase (Decrease) in Cash	<u>370,237</u>	<u>(69,612)</u>	<u>\$ 439,849</u>	<u>-631.9%</u>
Cash and Cash Equivalents - Beginning of Year	<u>1,214,387</u>	<u>2,432,815</u>		
Cash and Cash Equivalents - End of Period	<u>\$ 1,584,624</u>	<u>\$ 2,363,203</u>		

College of Arts and Sciences Alumni Professorship

The Board of Trustees of The Ohio State University shall establish the College of Arts and Sciences Alumni Professorship, as a quasi-endowment, effective November 18, 2021, with a fund transfer by the College of Arts and Sciences of an unrestricted gift from the estate of Eugene Bernard (BA 1949).

The annual distribution from this fund shall be used for a professorship position in the College of Arts and Sciences. The highest ranking official in the college or his/her designee shall determine the focus of the position and may revise the focus every five years or if the position becomes vacant. The position holder may be recommended by the highest ranking official in the college or his/her designee and shall be appointed and reviewed in accordance with the then current guidelines and procedures for faculty appointment.

If the position is vacant, the annual distribution may be used to support the faculty in the College of Arts and Sciences. Expenditures shall be approved in accordance with the then current guidelines and procedures established by the College of Arts and Sciences.

The highest ranking official in the College of Arts and Sciences or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with the University's Gift Acceptance Policy, Fund Transfers – Unrestricted to Endowment Policy, Investment Policy, and all other applicable University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the College of Arts and Sciences that the quasi-endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. The University may modify the purpose of this fund, in consultation with the unit named above. If the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University may modify the purpose of this fund. The University shall consult the highest ranking official in the College of Arts and Sciences or his/her designee to identify a similar purpose consistent with the original intent of the unit. Modifications to endowed funds shall be approved by the University's Board of Trustees, in accordance with the policies of the University.

Richard J. and Martha D. Denman Endowed Professorship in Principled Leadership Studies

The Richard J. and Martha D. Denman Fund was established March 1, 1985, by the Board of Trustees of The Ohio State University with a gift to The Ohio State University Development Fund from Richard J. (BSBA 1957) and Martha D. Denman of Laguna Beach, California. The minimum funding required for a professorship was reached, the fund name and description were revised and the position was established November 1, 1991. Effective November 18, 2021, the fund name and description shall be further revised.

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual distribution from this fund shall be used to recruit and retain a full-time faculty member for a professorship position in the Max M. Fisher College of Business who, through research and creative teaching, will increase the effectiveness of principle driven leadership efforts. The position holder shall be appointed and reviewed in accordance with the then current guidelines and procedures for faculty appointment.

Expenditures shall be approved in accordance with the then current guidelines and procedures established by the college.

The endowment may be revised when the gifted endowment principal reaches the minimum funding level required at that date for a chair position.

The highest ranking official in the Max M. Fisher College of Business or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal. Distribution may only be used for the purpose described above.

Should the need for this fund cease to exist or so diminish as to provide unused distribution, then the distribution may be used for any purpose whatsoever as determined by the Board of Trustees, with preference being given to recommendations from the highest ranking official in the Max M. Fisher College of Business or his/her designee.

The Express Scripts Scholarship Fund

The Medco Containment Services, Inc. Scholarship Fund was established May 7, 1993, by the Board of Trustees of The Ohio State University with a gift from Medco Health Solutions, Inc. (formerly Medco Containment Services, Inc.) of Franklin Lakes, New Jersey. The name of the fund was changed to The Merck-Medco Managed Care LLC Scholarship Fund September 5, 1997. In 2003, Medco spun off from Merck and formed the public company Medco Health Solutions. The name and description were revised May 14, 2010. In April of 2012, Medco Health Solutions was acquired by Express Scripts. Effective November 18, 2021, the name and description shall be further revised.

The annual distribution from this fund shall provide one or more scholarships to Doctor of Pharmacy students in the College of Pharmacy who excel academically but need financial assistance. Scholarship recipients will be selected by the dean of the College of Pharmacy or his/her designee, in consultation with Student Financial Aid.

The University may modify any selection criteria should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion of the dean of the College of Pharmacy.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. Should unforeseen circumstances arise in the future so that the need for this endowment ceases to exist, then another use as nearly aligned with the original intent of the contribution as good conscience and need dictate, shall be designated by the University's Board of Trustees. In making this alternate designation, the Board shall seek advice from a representative of the donor, should one be available, and from the dean of the College of Pharmacy.

Gordon E. Gatherum Memorial Fund

The Gordon E. Gatherum Memorial Fund was established February 5, 2010, by the Board of Trustees of The Ohio State University with gifts from Dr. John Vimmerstedt of Wooster, Ohio, and other friends and relatives of the late Gordon E. Gatherum. Dr. Gatherum was an emeritus professor and director in the University's School of Environment and Natural Resources. The description was first revised on January 29, 2016. Because forest biology research no longer exists at the Wooster Campus, the need for this endowment has ceased to exist. Pursuant to the terms of the fund as first established, and in order to further the donors' intent, the vice president for agricultural administration and dean of the College of Food, Agricultural, and Environmental Sciences, recommends that the fund description be further revised as set forth herein, effective November 18, 2021.

The annual distribution from this fund shall provide support for forest biology research. Recipients shall be selected by a committee of appropriate faculty and researchers. Expenditures shall be approved by the associate dean for Research and Graduate Education and the director of the School of Environment and Natural Resources (SENR), in accordance with guidelines approved by the vice president for agricultural administration and dean of the College of Food, Agricultural, and Environmental Sciences.

In any given year that the endowment distribution is not fully used for its intended purposes, the unused portion should be held in the distribution account to be used in subsequent years and only for the purposes of the endowment, or reinvested in the endowment principal at the discretion of the associate dean for Research and Graduate Education and the director of the SENR.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

The endowment established herein is intended to benefit the University in perpetuity. Should unforeseen circumstances arise in the future so that the need for this endowment ceases to exist, then another use as nearly aligned with the original intent of the contributions as good conscience and need dictate, shall be designated by the University's Board of Trustees. In making this alternate designation, the Board shall seek advice from the vice president for agricultural administration and dean of the College of Food, Agricultural, and Environmental Sciences, in consultation with the associate dean for Research and Graduate Education and the director of the SENR.

The Floyd B. Mellor Scholarship Fund

The Floyd B. Mellor Scholarship Fund was established August 23, 1989, by the Board of Trustees of The Ohio State University with a gift to The Ohio State University Development Fund from the estate of Floyd B. Mellor, Killbuck, Ohio to the Ohio Agricultural Research and Development Center, Wooster, Ohio, a component of the College of Food, Agricultural, and Environmental Sciences (CFAES). In 2020, the Ohio Agricultural Research and Development Center, Wooster, Ohio was renamed CFAES Wooster. Effective November 18, 2021, the fund description shall be revised.

All gifts are to be invested in the University's permanent endowment fund, under the rules and regulations adopted by the Board of Trustees, with the right to invest and reinvest as occasion dictates.

The annual distribution shall be used to provide a scholarship or scholarships to worthy students participating in beef cattle research at CFAES Wooster, as determined by The Ohio State University. Expenditures shall be approved in accordance with the then current guidelines and procedures established by the College of Food, Agricultural, and Environmental Sciences. Scholarship recipients, the number of recipients, and amount of each scholarship shall be determined in accordance with the then current guidelines and procedures for scholarship administration established by the college, in consultation with Student Financial Aid.

It is the desire of the donor that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused distribution, then another use shall be designated by the Board of Trustees in consultation with the appropriate college dean, department chairperson, or program administrative officer in order to carry out the desire of the donor.

**The Robert F. Wolfe and Edgar T. Wolfe Foundation Chief Clinical Officer Chair
in the Wexner Medical Center**

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish The Robert F. Wolfe and Edgar T. Wolfe Foundation Chief Clinical Officer Chair in the Wexner Medical Center effective November 18, 2021, with gifts from Robert F. Wolfe and Edgar T. Wolfe Foundation.

The annual distribution from this fund supports a chair position for the chief clinical officer in the Wexner Medical Center. Expenditures shall be at the discretion of the chief clinical officer or his/her designee.

Subsequent to the retirement of the current Chief Clinical Officer, Dr. Andrew M. Thomas, the fund and chair shall be renamed Robert F. Wolfe and Edgar T. Wolfe Foundation – Dr. Andrew M. Thomas Chief Clinical Officer Chair in the Wexner Medical Center in perpetuity. Should the title of the chief clinical officer change, the naming shall extend to any successor position and the new name of the chair would change accordingly.

The position holder shall be appointed and reviewed in accordance with the then current guidelines and procedures for faculty appointment. Expenditures shall be approved in accordance with the then current guidelines and procedures established by the Wexner Medical Center.

The highest ranking official in the Wexner Medical Center or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. The University and the Foundation may modify the purpose of this fund, in consultation with the donor named above. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in the Wexner Medical Center or his/her designee to identify a similar purpose consistent with the original intent of the donor. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

Seth Andre Myers Professorship in Global Military History

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the Seth Andre Myers Chair Fund in Global Military History effective August 19, 2021, with gifts from Stephen Myers. The required funding level for a professorship has been reached. Effective November 18, 2021, the fund name and description shall be revised and the position shall be established.

The annual distribution from this fund shall be used to support a professorship position in the Department of History focused on global military history. The position holder shall be appointed and reviewed in accordance with the then current guidelines and procedures for faculty appointment.

Should the gifted endowment principal balance reach \$3,500,000 for a chair position by September 30, 2026, the annual distribution from this fund shall be used to support a chair position in the Department of History focused on global military history. After September 30, 2026, the endowment may be revised when the gifted endowment principal reaches the minimum funding level required at that date for a chair position. The position holder shall be appointed and reviewed in accordance with the then current guidelines and procedures for faculty appointment.

If the position is vacant, the annual distribution may be used to support the faculty in the College of Arts and Sciences, Department of History. Expenditures shall be approved in accordance with the then current guidelines and procedures established by the college.

The highest ranking official in the College of Arts and Sciences or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. The University and the Foundation may modify the purpose of this fund, in consultation with the donor named above. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in the College of Arts and Sciences or his/her designee to identify a similar purpose consistent with the original intent of the donor. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

Richard R. Duncan Fellowship

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the Richard R. Duncan Fellowship effective November 18, 2021, with an estate gift from Dr. Richard R. Duncan (PhD 1963).

The annual distribution from this fund supports a fellowship position for students in the PhD program of the Department of History who are considered "all but dissertation" (ABD) and are working on dissertations in the period between the 1860's and 1950's in any field. Recipients and amount of support shall be determined in accordance with the then current guidelines and procedures for fellowship administration established by the College of Arts and Sciences, in consultation with Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

The highest ranking official in the College of Arts and Sciences or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in the College of Arts and Sciences or his/her designee to identify a similar purpose consistent with the original intent of the donor. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

Margaret A. Iden Endowed Fund

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the Margaret A. Iden Endowed Fund effective November 18, 2021, with an estate gift from Dr. Margaret A. "Peggy" Iden (BS 1950, MA 1951).

This endowment honors Peggy's life as an educator, athlete and adventure enthusiast who believed everyone should have the opportunity to pursue an education, as well as engage in physical activities and athletic competitions.

The annual distribution from this fund supports the College of Education and Human Ecology. Expenditures shall be approved in accordance with the then current guidelines and procedures established by the college.

The highest ranking official in the College of Education and Human Ecology or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in the College of Education and Human Ecology or his/her designee to identify a similar purpose consistent with the original intent of the donor. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

Margaret Carbon Richardson Endowed Scholarship Fund

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the Margaret Carbon Richardson Endowed Scholarship Fund effective November 18, 2021, with an estate gift from Margaret Richardson.

The annual distribution from this fund provides renewable, tuition-only scholarships to undergraduate students. Preference shall be given to candidates from Sharon, Pennsylvania who demonstrate financial need. Recipients will be selected by Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

The highest ranking official in Student Financial Aid or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. The University and the Foundation may modify the purpose of this fund. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in Student Financial Aid or his/her designee to identify a similar purpose consistent with the original intent of the donor. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

Bhavesh V. Patel and Family Endowed Scholarship Fund in Engineering

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the Bhavesh V. Patel and Family Endowed Scholarship Fund in Engineering effective November 18, 2021, with gifts from Bhavesh V. Patel (BS 1988).

The annual distribution from this fund provides one or more scholarships to students who are enrolled in the College of Engineering and demonstrate financial need. First preference shall be given to candidates majoring in chemical engineering. The donor desires that when awarding this scholarship special consideration be given to first-generation college students as well as students who have experience living or working in diverse environments and/or are members of an organization recognized by the University that is open to all but whose mission seeks to advance the need of populations historically underrepresented in higher education. The donor desires to provide as significant financial support as possible to one eligible recipient. Any remaining distribution shall be used to provide as significant financial support as possible to additional eligible recipients. If no students meet the selection criteria, the scholarship(s) will be open to all students who are enrolled in the college and demonstrate financial need. Scholarship recipients, the number of recipients, and amount of each scholarship shall be determined in accordance with the then current guidelines and procedures for scholarship administration established by the college, in consultation with Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

The highest ranking official in the college or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. The University and the Foundation may modify the purpose of this fund, in consultation with the donor named above. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in the College of Engineering or his/her designee to identify a similar purpose consistent with the original intent of the donor. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

George and Lena Bailey Speakers Fund in the College of Education and Human Ecology

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the George and Lena Bailey Speakers Fund in the College of Education and Human Ecology effective November 18, 2021, with an estate gift from George Bailey given in memory of his wife, Dr. Lena Charles Bailey (PhD 1969).

The annual distribution from this fund supports speakers in the College of Education and Human Ecology. Expenditures shall be approved in accordance with the then current guidelines and procedures established by the college.

The highest ranking official in the College of Education and Human Ecology or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in the College of Education and Human Ecology or his/her designee to identify a similar purpose consistent with the original intent of the donor. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

The Julius and Mary Ann Vargo Athletics Scholarship Fund

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish The Julius and Mary Ann Vargo Athletics Scholarship Fund effective November 18, 2021, with gifts from Joseph Michael "Mike" Vargo in honor of his parents, Julius and Mary Ann Vargo.

The annual distribution from this fund supplements the grant-in-aid costs of undergraduate student-athletes. Recipients, the number of recipients, and amount of support shall be determined in accordance with the then current guidelines and procedures for scholarship administration established by the Department of Athletics, in consultation with Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

The highest ranking official in the Department of Athletics or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. The University and the Foundation may modify the purpose of this fund, in consultation with the donor named above. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in the Department of Athletics or his/her designee to identify a similar purpose consistent with the original intent of the donor. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

Michael and Sandy Vargo Family Scholarship Fund

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the Michael and Sandy Vargo Family Scholarship Fund effective November 18, 2021, with a gift from Joseph Michael Vargo.

The annual distribution from this fund supplements the grant-in-aid costs of undergraduate student-athletes with preference towards those participating in Olympic varsity sports. Scholarship recipients, the number of recipients, and amount of each scholarship shall be determined in accordance with the then current guidelines and procedures for scholarship administration established by the Department of Athletics, in consultation with Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

The highest ranking official in the Department of Athletics or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. The University and the Foundation may modify the purpose of this fund, in consultation with the donor named above. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in the Department of Athletics or his/her designee to identify a similar purpose consistent with the original intent of the donor. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

The Don and Abby Robinson Fund, In Memoriam of Dr. Martin Lubow

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish The Don and Abby Robinson Fund, In Memoriam of Dr. Martin Lubow effective November 18, 2021, with a grant from The Martin Lubow, MD and Diane Infield Lubow Fund of the Columbus Foundation as recommended by Don Robinson.

The annual distribution from this fund supports lectureships focused on Neuro-Ophthalmology in the College of Medicine. Expenditures shall be approved in accordance with the then current guidelines and procedures established by the college.

The highest ranking official in the College of Medicine or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. The University and the Foundation may modify the purpose of this fund, in consultation with the donor named above. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in the College of Medicine or his/her designee to identify a similar purpose consistent with the original intent of the donor. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

Women of Scarlet and Gray Fund

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the Women of Scarlet and Gray Fund effective November 18, 2021, with gifts from Rite Rug Holdings Inc.

The annual distribution from this fund is used to support and enhance the experience and development of student-athletes participating in a women's varsity sport. Expenditures shall be approved in accordance with the then current guidelines and procedures established by the Department of Athletics.

The highest ranking official in the Department of Athletics or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. The University and the Foundation may modify the purpose of this fund, in consultation with the donor named above. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in the Department of Athletics or his/her designee to identify a similar purpose consistent with the original intent of the donor. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

Combined Veterinary Pathology Residency PhD Endowment Fund

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the Combined Veterinary Pathology Residency PhD Endowment Fund effective November 18, 2021, with gifts from Dr. Sanford Parsons Bishop (MS 1965, PhD 1968).

The annual distribution from this fund supports trainees of the combined veterinary pathology residency/PhD program (or successor program) in the College of Veterinary Medicine. Expenditures shall be approved in accordance with the then current guidelines and procedures established by the college.

The highest ranking official in the College of Veterinary Medicine or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. The University and the Foundation may modify the purpose of this fund, in consultation with the donor named above. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in the College of Veterinary Medicine or his/her designee to identify a similar purpose consistent with the original intent of the donor. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

The A.T. "Greg" and Charlotte Gregoire Fund in Addiction and Recovery

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish The A.T. "Greg" and Charlotte Gregoire Fund in Addiction and Recovery effective November 18, 2021, with gifts from friends and colleagues of Dean Thomas "Tom" Gregoire. The fund is named after his parents and is in honor of Dean Thomas Gregoire for his unwavering service to the College of Social Work and commitment to those challenged by substance use disorders.

The annual distribution from this fund supports students in recovery from substance use disorders or students who are enrolled in the College of Social Work who wish to pursue a career in the addictions field. Recipients, the number of recipients, and amount of support shall be determined in accordance with the then current guidelines and procedures for scholarship administration established by the college, in consultation with Student Financial Aid. Expenditures shall be approved in accordance with the then current guidelines and procedures established by the college.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

The highest ranking official in the College of Social Work or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. The University and the Foundation may modify the purpose of this fund, in consultation with the donors named above. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in the College of Social Work or his/her designee to identify a similar purpose consistent with the original intent of the donors. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

Robert L. DeSilets Scholarship Fund

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the Robert L. DeSilets Scholarship Fund effective November 18, 2021, with gifts from Michelle DeSilets Gallagher.

Robert "Bob" L. DeSilets Sr. followed his family's tradition by attending The Ohio State University where he earned a Bachelor of Architecture (B.Arch.) in 1965 before beginning a career focused on historic preservation. He worked for Price and Dickey, Giles Hughes, and John Milner Architects before opening his own practice in 1979. Bob created and chaired the Historical Architecture Review Board for nearly 20 years in his home township of Lower Merion, Pennsylvania. He lived in and ran his practice out of his beloved Suntop Homes built by Frank Lloyd Wright. Bob's impact on the field of architecture can be seen in numerous projects including the Thomas Edison homestead, Lucy the Margate Elephant, the Second Bank of Philadelphia, Franklin Court, the Graff House, Nitre Hall and the Federal School in Haverford Township, Pennsylvania.

The annual distribution from this fund provides one or more scholarships to students who are studying in the Austin E. Knowlton School of Architecture and demonstrate an interest in historic preservation or the history of architecture. First preference shall be given to undergraduate students in their second, third or fourth year. If no students meet the selection criteria, the scholarship(s) will be open to all students who are studying in the school. Scholarship recipients, the number of recipients, and amount of each scholarship shall be determined in accordance with the then current guidelines and procedures for scholarship administration established by the College of Engineering, in consultation with Student Financial Aid and the school.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

The highest ranking official in the College of Engineering or his/her designee, in consultation with the highest ranking official in the School, has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. The University and the Foundation may modify the purpose of this fund, in consultation with the donor named above. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in the College of Engineering or his/her designee to identify a similar purpose consistent with the original intent of the donor. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

Sharon G. Fullerton Maliska Hilandar Research Library Support Fund

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the Sharon G. Fullerton Maliska Hilandar Research Library Support Fund effective November 18, 2021, with gifts from Sharon G. Maliska in grateful memory of The Very Reverend Dr. Mateja Matejic, professor emeritus of the University Slavic Department, and to honor Dr. Predrag Matejic, professor emeritus of the University Libraries, who were key in establishing this library collection.

The annual distribution from this fund supports the Hilandar Research Library at the discretion of the highest ranking official in University Libraries or his/her designee. Expenditures shall be approved in accordance with the then current guidelines and procedures established by University Libraries.

The highest ranking official in University Libraries or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. The University and the Foundation may modify the purpose of this fund, in consultation with the donor named above. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in University Libraries or his/her designee to identify a similar purpose consistent with the original intent of the donor. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

Aaron Klamut Glioblastoma Multiforme Brain Tumor Research Endowed Fund

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the Aaron Klamut Glioblastoma Multiforme Brain Tumor Research Endowed Fund effective November 18, 2021, with gifts from David D. Klamut and Theresa M. Fredericka in memory of Aaron Klamut, David's son and Theresa's step-son, who died of glioblastoma in July 2018.

The annual distribution from this fund supports glioblastoma research. Expenditures shall be approved in accordance with the then current guidelines and procedures established by The Ohio State University Comprehensive Cancer Center – Arthur G. James Cancer Hospital and Richard J. Solove Research Institute (OSUCCC – James).

The highest ranking official(s) in the OSUCCC - James or his/her/their designee(s) has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. The University and the Foundation may modify the purpose of this fund, in consultation with the donors named above. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official(s) in the OSUCCC - James or his/her/their designee(s) to identify a similar purpose consistent with the original intent of the donors. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

Barbara E. Anderson and Dr. Larry Berliner Undergraduate English and Chemistry Scholarship Fund

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the Barbara E. Anderson and Dr. Larry Berliner Undergraduate English and Chemistry Scholarship Fund effective November 18, 2021, with gifts from Dr. Lawrence J. Berliner and Ms. Barbara E. Anderson (MA 1971).

The annual distribution from this fund provides one or more scholarships to undergraduate students who are enrolled in the College of Arts and Sciences, majoring in English, chemistry or biochemistry, and demonstrate financial need. Preference will be given to candidates who are participating in the Honors program. It is the donors' desire to alternate between students majoring in English and students majoring in chemistry or biochemistry every other year. If no students meet the selection criteria, the scholarship(s) will be open to all undergraduate students majoring in actuarial sciences, astronomy and astrophysics, data analysis, earth sciences, mathematics, physics, or statistics. Recipients shall be selected in accordance with the then current guidelines and procedures for scholarship administration established by the college, in consultation with Student Financial Aid.

The University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

The highest ranking official in the College of Arts and Sciences or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

In the year 2070 the fund shall be dissolved, and the principal balance shall be used to provide as many scholarships as possible over the next ten to twenty years.

It is the desire of the donors that the endowment established herein should benefit the University until the year 2070. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. The University and the Foundation may modify the purpose of this fund, in consultation with the donors named above. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in the College of Arts and Sciences or his/her designee to identify a similar purpose consistent with the original intent of the donors. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

Gerald J. Greenspan Endowed Scholarship Fund for Biomedical Engineering

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the Gerald J. Greenspan Endowed Scholarship Fund for Biomedical Engineering effective November 18, 2021, with an estate gift from Gerald J. Greenspan (MS 1993, MS 1994).

The annual distribution from this fund provides one or more scholarships to students who are studying biomedical engineering, with a preference for students interested in human mechanics. Scholarship recipients, the number of recipients, and amount of each scholarship shall be determined in accordance with the then current guidelines and procedures for scholarship administration established by the College of Engineering, in consultation with Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

The highest ranking official in the College of Engineering or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in the College of Engineering or his/her designee to identify a similar purpose consistent with the original intent of the donor. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

Gerald J. Greenspan Endowed Scholarship Fund for Exercise Physiology

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the Gerald J. Greenspan Endowed Scholarship Fund for Exercise Physiology effective November 18, 2021, with an estate gift from Gerald J. Greenspan (MS 1993, MS 1994).

The annual distribution from this fund provides one or more scholarships to students studying exercise physiology. Scholarship recipients, the number of recipients, and amount of each scholarship shall be determined in accordance with the then current guidelines and procedures for scholarship administration established by the College of Education and Human Ecology, in consultation with Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

The highest ranking official in the College of Education and Human Ecology or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in the College of Education and Human Ecology or his/her designee to identify a similar purpose consistent with the original intent of the donor. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

Gerald J. Greenspan Endowed Scholarship Fund for Human Nutrition

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the Gerald J. Greenspan Endowed Scholarship Fund for Human Nutrition effective November 18, 2021, with an estate gift from Gerald J. Greenspan (MS 1993, MS 1994).

The annual distribution from this fund provides one or more scholarships to students studying human nutrition. Scholarship recipients, the number of recipients, and amount of each scholarship shall be determined in accordance with the then current guidelines and procedures for scholarship administration established by the College of Education and Human Ecology, in consultation with Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

The highest ranking official in the College of Education and Human Ecology or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in the College of Education and Human Ecology or his/her designee to identify a similar purpose consistent with the original intent of the donor. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

Dan and Ellen Coombs Endowed Chemical Engineering Support Fund

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the Dan and Ellen Coombs Endowed Chemical Engineering Support Fund effective November 18, 2021, with a gift from Daniel Mark Coombs (BS 1978) and Mary Ellen Coombs (BS 1979).

10% of the annual distribution from this fund supports graduate students in the William G. Lowrie Department of Chemical and Biomolecular Engineering as recommended by the highest ranking official in the department or his/her designee.

90% of the annual distribution from this fund shall be reinvested in the endowment principal for ten years or until the donors' estate gift is realized. Thereafter, 100% of the annual distribution from this fund shall support graduate students in the William G. Lowrie Department of Chemical and Biomolecular Engineering as recommended by the highest ranking official in the department or his/her designee.

If at any time the gifted principal balance reaches the then current minimum required for an endowed fellowship, the fund name shall be revised to the Dan and Ellen Coombs Endowed Chemical Engineering Fellowship Fund and 100% of the annual distribution from this fund will support fellowships in the William G. Lowrie Department of Chemical and Biomolecular Engineering.

Expenditures shall be approved in accordance with the then current guidelines and procedures established by the College of Engineering.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

The highest ranking official in the College of Engineering or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. The University and the Foundation may modify the purpose of this fund, in consultation with the donors named above. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in the College of Engineering or his/her designee to identify a similar purpose consistent with the original intent of the donors. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

Sam and Carol Huffman Engineering Endowed Scholarship Fund

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the Sam and Carol Huffman Engineering Endowed Scholarship Fund effective November 18, 2021, with gifts from Samuel V. Huffman Jr. and Carol Ann Martin Huffman.

The annual distribution from this fund provides one or more scholarships to students who are from the state of Ohio, are majoring in engineering and demonstrate financial need. It is the donors' clear intent that preference shall be given first to candidates from Harrison County, Ohio and second to students from Tuscarawas County, Ohio. It is the donors' desire to provide as significant financial support as possible to one eligible recipient. Any remaining funds shall be used to provide as significant financial support as possible to additional eligible recipients. Scholarship recipients, the number of recipients, and amount of each scholarship shall be determined in accordance with the then current guidelines and procedures for scholarship administration established by the College of Engineering, in consultation with Student Financial Aid. Scholarships are renewable as long as the recipients are in good standing with the University and meet the selection criteria.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

Unused annual distribution shall be reinvested in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. The University and the Foundation may modify the purpose of this fund, in consultation with the donors named above. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in the College of Engineering or his/her designee to identify a similar purpose consistent with the original intent of the donors. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

Borton Family Endowed Scholarship Fund

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the Borton Family Endowed Scholarship Fund effective November 18, 2021, with gifts from Ronald J. Borton, James L. Borton, Dennis L. Borton, family and friends.

The annual distribution from this fund provides scholarship support for students attending the Agricultural Technical Institute (ATI) in Wooster, Ohio. If no students meet the selection criteria, the scholarship(s) will be open to all students enrolled in the College of Food, Agricultural, and Environmental Sciences. Scholarship recipients, the number of recipients, and amount of each scholarship may be recommended by the highest ranking official at ATI or his/her designee and shall be determined in accordance with the then current guidelines and procedures for scholarship administration established by the college, in consultation with Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

The highest ranking official in the College of Food, Agricultural, and Environmental Sciences or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. The University and the Foundation may modify the purpose of this fund, in consultation with the donors named above. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in the College of Food, Agricultural, and Environmental Sciences or his/her designee to identify a similar purpose consistent with the original intent of the donors. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

The Aaron S. Whitmer Scholarship Fund

The Aaron S. Whitmer Memorial Fund was established August 28, 2015, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from his parents, Daniel and Donna Whitmer, and friends and family. Effective August 31, 2018, the fund description was revised. Effective November 18, 2021, the fund name and description shall be revised.

Aaron Whitmer touched many lives with his kind heart, sense of humor, and generous spirit prior to his death in July 2008 at the age of sixteen. He is remembered by his parents, brother, grandparents, aunts, uncles and many other relatives and friends. Aaron grew up in Beavercreek, Ohio. He hoped to study medicine at Ohio State and become a physician. Aaron attended Beavercreek High School and was active as a tutor. Aaron battled brain cancer with bravery and determination but accepted his fate with a calm presence of mind that was rooted in his belief in God's plan for him. He fulfilled his mission on this earth by leaving those who knew him with an understanding that even if our life is relatively short, we can have a profound impact on the lives of those with whom we interact.

The annual distribution from this fund shall be used to provide scholarship support to students enrolled in the College of Medicine who are focused on a career in cancer research. Scholarship recipients, the number of recipients, and amount of each scholarship shall be determined in accordance with the then current guidelines and procedures for scholarship administration established by the college, in consultation with Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

The highest-ranking official in the College of Medicine or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. The University and the Foundation may modify the purpose of this fund, in consultation with the donors named above. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in the College of Medicine or his/her designee to identify a similar purpose consistent with the original intent of the donors. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

**The Dr. Walter F. Ersing Endowed Fund for PhD Dissertation/Master's Thesis Research
in Adapted Physical Education**

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish The Dr. Walter F. Ersing (MA 1955, PhD 1964) Endowed Fund for PhD Dissertation/Master's Thesis Research in Adapted Physical Education effective November 18, 2021, with gifts from Dr. Stephen A. Butterfield (PhD 1984) and Jeanne Z. Butterfield.

The annual distribution from this fund supports PhD level research in the College of Education and Human Ecology in the following order of priority listed below.

- First priority is to support up to two years PhD dissertation research or one year of Master's thesis research in adapted physical education for youth, teenage or young adult populations in the Department of Human Sciences as determined by the highest ranking official in the college or his/her designee.
- Second priority given to PhD level research to support up to two years of study in exercise science for youth, teenage or young adult populations.
- Third priority given to PhD level research to support up to two years of study in physical education teacher education.
- Fourth priority given to PhD level research for one year of study in sports management related to special needs in youth, teenage or young adult populations or to any appropriate future program areas focused on adapted physical education research for youth, teenage or young adult populations as determined by the highest ranking official in the college or his/her designee.

Expenditures shall be recommended by the highest ranking official in the department or his/her designee and shall be approved in accordance with the then current guidelines and procedures established by the college.

The highest ranking official in the College of Education and Human Ecology or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. The University and the Foundation may modify the purpose of this fund, in consultation with the donors named above. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in the College of Education and Human Ecology or his/her designee to identify a similar purpose consistent with the original intent of the donors. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

The Sally Haltom Endowed Scholarship Fund in Optometry

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish The Sally Haltom Endowed Scholarship Fund in Optometry effective November 18, 2021, with gifts from Dr. Jeffrey S. Williams (BS 2003, OD 2007).

The annual distribution from this fund shall be used to provide required equipment (hand-helds, BIODs, Funduscopy lenses, etc.) to one or more incoming optometry students who were members of The Ohio State University Pre-Optometry Club. Expenditures shall be approved in accordance with the then current guidelines and procedures established by the College of Optometry, in consultation with Student Financial Aid. It is the donor's hope that the recipients share in the legacy of giving back to the college to support students.

The unused distribution in the distribution fund shall be reinvested in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. The University and the Foundation may modify the purpose of this fund, in consultation with the donor named above. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation, may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in the College of Optometry or his/her designee to identify a similar purpose consistent with the original intent of the donor. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

The Dr. Richard E. Weisbarth Endowed Fund for Faculty Leadership

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish The Dr. Richard E. Weisbarth Endowed Fund for Faculty Leadership effective November 18, 2021, with gifts from Dr. Richard E. Weisbarth (BS 1978, OD 1980) and matching gifts from Alcon.

The annual distribution from this fund shall be used to encourage faculty members from the College of Optometry to go above and beyond their normal responsibilities to take on leadership roles inside and outside the college and the University, promoting the growth and development of the optometry profession. Expenditures shall be approved in accordance with the then current guidelines and procedures established by the college.

Unused annual distribution shall be reinvested in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. The University and the Foundation may modify the purpose of this fund, in consultation with the donor named above. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in the College of Optometry or his/her designee to identify a similar purpose consistent with the original intent of the donor. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

The Sheila Thomas-Jackson Endowed Scholarship Fund in Pharmacy

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish The Sheila Thomas-Jackson Endowed Scholarship Fund in Pharmacy effective November 18, 2021, with gifts from Dr. Sheila Marie Thomas-Jackson (BS 1992, PHP 2000).

The annual distribution from this fund to provide a scholarship to a student who is enrolled in the College of Pharmacy's Bachelor of Science in the Pharmaceutical Sciences program and intends to continue on to the Doctor of Pharmacy program. Recipients will be selected by the college's scholarship committee, in consultation with Student Financial Aid. It is the donor's desire that the scholarships be awarded with particular attention to, but not limited to, African American students. The scholarship may be renewed until the recipient graduates from the Doctor of Pharmacy program.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

Unused annual distribution shall be reinvested in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, in consultation with the donor named above, or if the purpose of the fund become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the highest ranking official the College of Pharmacy or his/her designee. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

Dennis and Christina Smith Family Endowment Fund

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the Dennis and Christina Smith Family Endowment Fund effective November 18, 2021, with gifts from Dennis Smith and Christina Smith.

The annual distribution from this fund provides unrestricted support for the Arthur G. James Cancer Hospital and Richard J. Solove Research Institute and the Comprehensive Cancer Center (OSUCCC – James). Expenditures shall be approved in accordance with the then current guidelines and procedures established by the OSUCCC – James.

If the fund's principal balance reaches the amount required to establish a restricted endowed fund at that time, the fund name shall be changed to the Dennis and Christina Smith Family Cancer Research Endowment Fund and the annual distribution shall be used to support cancer research at the OSUCCC – James, to include but not be limited to: supplies, equipment, salaries, research personnel, conferences/travel, publication costs, etc. Expenditures shall be approved in accordance with the then current guidelines and procedures established by the OSUCCC – James.

The highest ranking official(s) in the OSUCCC – James or his/her/their designee(s) has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. The University and the Foundation may modify the purpose of this fund, in consultation with the donors named above. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official(s) in The James and the Comprehensive Cancer Center or his/her/their designee(s) to identify a similar purpose consistent with the original intent of the donors. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

The Jason B. Jones Dean's Innovation Fund

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish The Jason B. and Stephanie C. Jones Dean's Innovation Fund effective June 8, 2018, with gifts from Jason B. Jones (BS 1993) of Baltimore, Maryland. Effective November 18, 2021, the fund name and description shall be revised.

The annual distribution from this fund shall be used by the dean of the Max M. Fisher College of Business to support activities of the faculty, students, and staff in accordance with the college's strategic plans.

The endowment may be revised when the gifted endowment principal reaches the minimum funding level required at that date for a restricted endowment. Thereafter, the annual distribution shall provide one or more scholarships to undergraduate students from the Baltimore, Maryland area who are enrolled in the Max M. Fisher College of Business and demonstrate financial need. If no students meet the selection criteria, the scholarship(s) will be open to all students who are enrolled in the college. Scholarships are renewable as long as the recipients are in good standing with the University and meet the selection criteria. The amount of the scholarship(s) and number of recipients shall be at the discretion of the highest ranking official in the college or his/her designee. Recipients shall be selected in accordance with the current guidelines and procedures for scholarship administration established by the college, in consultation with Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

The highest ranking official in the Max M. Fisher College of Business or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal. The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, in consultation with the donor named above, or if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the dean of the Max M. Fisher College of Business. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

The Jo Ann S. Donohue Speech-Language Pathology Innovation Fund

The Jo Ann S. Donohue Speech-Language Pathology Innovation Fund was established February 2, 2007, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with a gift from the estate of Dorothy Somerville of Wintersville, Ohio, in honor of her daughter, Jo Ann S. Donohue (BS 1971). Effective November 18, 2021, the fund description shall be revised.

It was the donor's wish, but not her direction, that the annual distribution from this fund be used for speech language clinical project work. Expenditures may be recommended by the highest ranking official in the Department of Speech and Hearing Science or his/her designee and approved, in accordance with the then current guidelines and procedures established by the College of Arts and Sciences.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that this fund should benefit the University in perpetuity. If, in the future, the need for this fund should cease to exist or so diminish as to provide unused distributions, then another use shall be designated by the Board of Trustees and Foundation Board as recommended by the highest ranking official in the College of Arts and Sciences or his/her designee. Any such alternate distributions shall be made in a manner as nearly aligned with the original intent of the donor as good conscience and need dictate.

Raymond and Lillian Fuller Medical Scholarship Fund

The Raymond and Lillian Fuller Medical Scholarship Fund was established August 30, 2013, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from Dr. Raymond E. Fuller (MD 1954) and Lillian L. Fuller. Effective November 18, 2021, the fund description shall be revised.

The annual distribution from this fund shall provide scholarships in the College of Medicine based on financial need. First-time recipients shall be medical student(s) with an interest in primary care, specifically internal medicine, family practice or general pediatrics. Preference shall be given to those ranking in the top 25% of their class. Scholarship recipients, the number of recipients, and amount of each scholarship shall be determined in accordance with the then current guidelines and procedures for scholarship administration established by the college, in consultation with Student Financial Aid.

The scholarships are portable if the recipients change campuses, transferable if they change majors, and renewable for up to eight semesters, even if the semesters are non-consecutive, as long as the recipient remains in good standing with the University.

This fund is included in the Ohio Scholarship Challenge. The University will match annual distribution payouts in perpetuity. The transfer of matching funds will occur once annually, usually in July. Under the Challenge, unused annual distribution cannot be reinvested in the fund's principal.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, in consultation with the donors named above, or if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the highest ranking official in the College of Medicine or his/her designee. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

Jeff and Terri Heaphy Scholarship Fund

The Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, shall establish the Jeff and Terri Heaphy Scholarship Fund effective February 27, 2020, with a gift from Jeffrey John Heaphy (BS 1983) and Theresa Lynn Heaphy (BS 1983, MS 1995). Effective November 18, 2021, the fund description shall be revised.

Fifty percent of the annual distribution provides one or more scholarship(s) to undergraduate students who are enrolled in the Max M. Fisher College of Business and are studying finance and/or accounting. Candidates must have graduated from a high school in the state of Ohio.

Fifty percent of the annual distribution provides one or more scholarship(s) to students who are studying occupational therapy in the School of Health and Rehabilitation Sciences. Candidates must have graduated from a high school in the state of Ohio. Scholarship recipients, the number of recipients, and amount of each scholarship shall be determined in accordance with the then current guidelines and procedures for scholarship administration established by the Max M. Fisher College of Business and the School of Health and Rehabilitation Sciences, in consultation with Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

The highest ranking officials in the Max M. Fisher College of Business and the School of Health and Rehabilitation Sciences or their designees have the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. The University and the Foundation may modify the purpose of this fund, in consultation with the donors named above. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking officials in the Max M. Fisher College of Business and the School of Health and Rehabilitation Sciences or their designees to identify a similar purpose consistent with the original intent of the donors. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

The Heffner Scholarship Fund in Medicine

The Heffner Scholarship Fund in Medicine was established June 1, 2007, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from The Heffner Fund of Columbus, Ohio. Effective June 4, 2020, the fund description shall be revised. Effective November 18, 2021, the fund description shall be further revised.

The annual distribution from this fund shall be used to provide one or more scholarships to medical students in the College of Medicine and/or students who are a part of the MedPath program based on financial need. Preference shall be given to students who have served in leadership roles that called upon their abilities to lead an organization in innovative ways, propelling the organization to excellence. Scholarship recipients, the number of recipients, and amount of each scholarship shall be determined in accordance with the then current guidelines and procedures for scholarship administration established by the college, in consultation with Student Financial Aid. The Ohio State University's mission and admissions policy supports educational diversity.

The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

The highest ranking official in the College of Medicine or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that this fund should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. The University and the Foundation may modify the purpose of this fund, in consultation with the donor named above. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation, may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in the College of Medicine or his/her designee to identify a similar purpose consistent with the original intent of the donor. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

The Majidzadeh Family Scholarship Fund

The Majidzadeh Family Scholarship Fund was established March 5, 1999, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from the Majidzadeh family of Columbus, Ohio. Effective November 18, 2021, the fund description shall be revised.

The annual distribution shall be used to supplement grant-in-aid scholarship costs of student-athletes at The Ohio State University who are studying biomedical engineering. If no students meet the selection criteria, the scholarship(s) will be open to student-athletes who are studying engineering. Scholarship recipients, the number of recipients, and amount of each scholarship shall be determined in accordance with the then current guidelines and procedures for scholarship administration established by the Department of Athletics, in consultation with Student Financial Aid.

The highest ranking official in the Department of Athletics or his/her designee has the discretion to hold all or a portion of the unused distribution in the distribution fund to be used in subsequent years, and/or reinvest all or a portion of the unused distribution in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donors that the endowment established herein should benefit the University in perpetuity. Should the University units referenced in this endowment restructure in the future, the terms of the endowment shall apply to their successors in interest. The University and the Foundation may modify the purpose of this fund, in consultation with the donors named above. In accordance with Ohio Revised Code, if the purpose of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the University and Foundation may modify the purpose of this fund. The University and the Foundation shall consult the highest ranking official in the Department of Athletics or his/her designee to identify a similar purpose consistent with the original intent of the donors. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.

Bertha and Eleanor Searle Nursing Endowed Scholarship Fund

The Bertha and Eleanor Searle Nursing Endowed Scholarship Fund was established January 30, 2015, by the Board of Trustees of The Ohio State University, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from the Eleanor Searle McCollum Foundation. Effective November 18, 2021, the fund description shall be revised.

The annual distribution from this fund shall be used to provide scholarship support for RN to BSN nursing students enrolled in the College of Nursing who are from the state of Ohio with preference given first to candidates from Plymouth, Ohio, then to candidates from small towns and/or rural areas of Richland and Huron Counties. Scholarship recipients, the number of recipients, and amount of each scholarship shall be determined in accordance with the then current guidelines and procedures for scholarship administration established by the college, in consultation with Student Financial Aid.

The Ohio State University's mission and admissions policy supports educational diversity. The University may modify any criteria used to select scholarship recipients should the criteria be found, in whole or in part, to be contrary to federal or state law or University policy.

In any given year that the endowment distribution is not fully used for its intended purpose, the unused distribution from this endowed fund shall be reinvested in the endowment principal.

The investment and management of and expenditures from all endowment funds shall be in accordance with University policies and procedures, as approved by the Board of Trustees. As authorized by the Board of Trustees, a fee may be assessed against the endowment portfolio for the University's costs of development and fund management.

It is the desire of the donor that the endowment established herein should benefit the University in perpetuity. The University and the Foundation reserve the right to modify the purposes of this fund, however, in consultation with the donor named above, or if such purposes become unlawful, impracticable, impossible to achieve, or wasteful, provided that such fund shall only be used for the University's charitable purposes. In seeking such modification, the University and the Foundation shall consult the highest ranking official in the College of Nursing or his/her designee. Modifications to endowed funds shall be approved by the University's Board of Trustees and the Foundation's Board of Directors, in accordance with the policies of the University and Foundation.



THE OHIO STATE UNIVERSITY

MAJOR PROJECT UPDATES

Projects Over \$20M

November 2021



PROJECT NAME	CONSTRUCTION COMPLETION DATE	APPROVALS		BUDGET	ON TIME	ON BUDGET
		DES	CON			
Newton Renovation and New Nursing Building	5/22	✓	✓	\$30.7 M		
WMC Outpatient Care Dublin	6/22	✓	✓	\$161.2 M		
Dodd - Parking Garage	8/22	✓	✓	\$33.3 M		
Celeste Lab Renovation	8/22	✓	✓	\$31.1 M		
Controlled Environment Food Prod Research Complex	8/22	✓	✓	\$35.8 M		
Combined Heat & Power Plant/District Heating & Cooling Loop	11/22	✓	✓	\$289.9 M		
Arts District	12/22	✓	✓	\$165.3 M		
Lacrosse Stadium	12/22	✓		\$21.5 M		
WMC Outpatient Care West Campus	1/23	✓	✓	\$348.8 M		
Interdisciplinary Research Facility	3/23	✓	✓	\$227.8 M		
Energy Advancement and Innovation Center	9/23	✓	✓	\$48.4 M		
Interdisciplinary Health Sciences Center	11/23	✓	✓	\$155.9 M		
Cannon Drive Relocation - Phase 2	12/24	✓	✓	\$56.9 M		
Martha Morehouse Facility Improvements	1/25	✓	✓	\$41.8 M		
Wexner Medical Center Inpatient Hospital	6/25	✓	✓	\$1,797.1 M		
TOTAL – 15 PROJECTS				\$3,433.13 M		

On Track
 Watching Closely
 Not on Track



COMBINED HEAT AND POWER PLANT/DISTRICT HEATING AND COOLING LOOP – CHP/DHC

105 MW combined heat and power (CHP) plant, with a heating capacity of 285 klb/hr of superheated steam. The CHP plant will also contain an 8,000-ton cooling facility with future build-out potential to 13,000-ton. Installation of heating hot water (HHW) and chilled water (CW) on the midwest and west campuses to support existing and new campus buildings. Rehabilitation of John Herrick Drive bridge to support new utilities which connect the CHP to main campus.

PROJECT FUNDING: Utility Fee

PROJECT UPDATE: Major equipment installation is complete. Foundation work is ongoing at CHP. Distribution installation continues on the midwest campus. The north half of the bridge demolition is complete; new bridge structure installation started the week of 10/4.

CURRENT BUDGET	
Total Project	\$289.9 M

PROJECT SCHEDULE	
BoT Approval	8/19
Construction	11/20-11/22
Facility Opening	1/23

CONSULTANTS	
Operator's Engineer	HDR
Design-Builder (CHP)	Frank Lill & Son
CMR (DHC/Bridge)	Whiting/Turner-Corna Kokosing
A/E (DHC)	RMF Engineering
A/E (Bridge)	EMH&T

- On Budget
- On Time



LACROSSE STADIUM

Construct a new outdoor lacrosse stadium in the Athletics District, east of the Covelli Center, for the Men’s and Women’s varsity programs. The venue will include an outdoor field, seating for 2,500, locker rooms and concessions.

PROJECT FUNDING: Fundraising

PROJECT UPDATE: Design continues with 75% construction documents under review. The GMP was submitted in late October with construction expected to start in November.

CURRENT BUDGET	
Construction w/ Cont	\$19.1 M
Total Project	\$21.5 M

CONSULTANTS	
Architect of Record	HOK
CM at Risk	Ruscilli

PROJECT SCHEDULE	
BoT Approval	8/19
Construction	11/21 – 12/22
Facility Opening	1/23

 On Budget
 On Time



WEXNER MEDICAL CENTER OUTPATIENT CARE WEST CAMPUS

Construct an approximately 385,000-square foot outpatient facility including a surgical center, proton therapy, and medical office space. The proton therapy facility will focus on leading-edge cancer treatments and research. The facility will also include a 640-space parking garage.

PROJECT FUNDING: Auxiliary funds; fundraising; partner funds

PROJECT UPDATE: Structural steel is completed. Concrete deck pours will continue through early Nov. Overhead MEP rough-in began on levels 2-4 to meet proton installation schedule. Wall framing has begun on level 2. Major mechanical equipment began arriving 11/8/21. Major medical equipment rough-in continues throughout.

CURRENT BUDGET	
Construction w/ Cont	\$229.0 M
Total Project	\$348.8 M

CONSULTANTS	
Architect of Record	Perkins & Will
CM at Risk	BoldtLinbeck

PROJECT SCHEDULE	
BoT Approval	11/18
Construction	7/20-1/23
Facility Opening – Outpatient	5/23
Facility Opening – Proton	10/23

 On Budget
 On Time



INTERDISCIPLINARY RESEARCH FACILITY

Construct a five-story laboratory building in the Innovation District to serve multiple research disciplines, including biomedical, life sciences, engineering, and environmental sciences. The facility will also include a 55,000-square foot exterior plaza to provide collaborative space for the district.

PROJECT FUNDING: Auxiliary funds; university funds; university debt; fundraising
PROJECT UPDATE: Punched window installation will continue through 12/2021; masonry brick installation will continue through 3/2022; MEP prefabrication racks, branch piping and duct run work continues; full building enclosure expected in 12/2021

CURRENT BUDGET	
Construction w/ Cont	\$172.2 M
Total Project	\$227.8 M

CONSULTANTS	
Architect of Record	Pelli Clarke Pelli
CM at Risk	Whiting Turner/Corna Kok

PROJECT SCHEDULE	
BoT Approval	11/17
Construction	9/20-3/23
Facility Opening	6/23

 On Budget
 On Time



WEXNER MEDICAL CENTER INPATIENT HOSPITAL

Construct a new 1.9M square foot inpatient hospital tower with up to 820 beds in private room settings replacing and expanding on the 440 beds in Rhodes Hall and Doan Hall including an additional 84 James beds. Facilities will include state-of-the-art diagnostic, treatment and inpatient service areas including emergency department, imaging, operating rooms, 60 neonatal intensive care unit bassinets, critical care and medical/surgical beds, and leading-edge digital technologies to advance patient care, teaching and research.

PROJECT FUNDING: University debt; fundraising; auxiliary funds

PROJECT UPDATE: Structural steel is underway; the north and south elevator shafts are up to level 14. Project team is evaluating cost reduction options for the final GMP.

CURRENT BUDGET	
Construction w/ Cont	\$1,643.7 M
Total Project	\$1,797.1 M

CONSULTANTS	
Architect of Record	HDR
CM at Risk	Walsh-Turner (JV)

PROJECT SCHEDULE	
BoT Approval	2/18
Construction	10/20-6/25
Facility Opening	Q1 2026

- On Budget
- On Time