THE OHIO STATE UNIVERSITY

TOPIC: Fiscal Year 2026 Interim Financial Report – March 31, 2026

CONTEXT: The purpose of this report is to provide an update of financial results for the nine months ending March 31, 2026.

FINANCIAL SUMMARY

The university's overall financial position remains strong. Operating revenues increased $628 million in the first nine months of fiscal year 2026 compared to the first nine months of fiscal year 2025, driven primarily by strong growth in healthcare revenues. Specific impacts include:

- A $661 million increase in healthcare revenues, driven by higher acuity with inpatient volumes and continued growth in outpatient services.
- A $23 million increase in net student tuition, due primarily to increases in enrollment and rates for Instructional Fees and the Non-Resident Surcharge.
- A $10 million decrease in auxiliary revenues, reflecting decreases in event and housing and dining revenues, which were partially offset by increases in Athletics revenues.
- A $15 million decrease in grants and contracts, primarily due to a $23 million decrease in state grants and a $7 million decrease in federal grants, which were partially offset by a $14 million increase in private grants.

The year-to-date increase in net position was $788 million, up $3 million compared to the prior year's increase in net position of $785 million. The change relates primarily to a $40 million increase in endowment gifts, a $17 million increase in state grants for student financial aid and a $16 million increase in current-use gifts, offset by a $53 million decrease in net investment income and a $16 million increase in net operating loss. Additional details on university revenues, expenses, cash and investments, debt, and cash flows are provided below.

Revenues

Student tuition and fees, net - increased $23 million or 2%, to $971 million for the first nine months of fiscal year 2026 compared to the first nine months of fiscal year 2025, due primarily to an increase in gross tuition and other student fees of $18 million and a $4 million reduction in scholarship allowances. The increase in gross tuition revenue is primarily driven by increases in enrollment and rates for Instructional fees and the Non-Resident Surcharge. Overall, university Autumn enrollments increased 0.6%. For undergraduates in the AU25 Tuition Guarantee Group, Instructional and General fees increased 3% and Non-Resident Fees increased 7.5%. For graduate students, Instructional and General Fees increased 3% and Non-Resident Fees increased 4%. The decrease in scholarship allowance is driven by a later start date for the Spring 2026 semester, which reduced the number of days of scholarship allowance recognized through March 31.

Grants and contracts – decreased $15 million in the first nine months of fiscal year 2026 compared to the first nine months of fiscal year 2025 due primarily to decreases in state grants of $23 million and federal grants of $7 million, which were partially offset by a $14 million increase in private grants. The decrease in state grants relates primarily to decreases from the Ohio Department of Behavioral Health ($8 million), the Ohio Department of Job & Family Services ($5 million) and the Ohio Department of Health ($3 million).

Gifts – increased $40 million over the prior year, reflecting increases in endowment gifts (up $40 million) and current use gifts (up $16 million), which were partially offset by a $16 million decrease in private capital gifts.

Sales and services of auxiliary enterprises - decreased $10 million over the prior year. Event revenues were down $12 million, reflecting fewer Stadium shows. Housing and dining revenues were down $9 million, due to a $5 million decrease in student housing and dining plan revenues and a $4 million increase in scholarship allowances associated with housing and dining (which reduces net revenues). Partially offsetting these decreases was an $11 million increase in Athletics revenue, driven primarily by growth in public ticket sales and parking revenues for home football games and increased income from Big Ten television rights.

Sales and services of the OSU Health System and OSU Physicians, Inc. - increased $661 million to $5,605 million. Health System revenues increased $567 million, driven by higher inpatient acuity and continued growth in outpatient services. Infusion activity, radiation treatments, imaging, cardiac volumes, and transplants continue to outpace both budget and the prior year. The new University Hospital, which opened in February, has driven increased patient activity and strong occupancy. Specialty Outpatient Pharmacy activity has also experienced higher volumes this year and continues to contribute to the strong operating margin. OSU Physicians' revenues increased $93 million due to continued investment in primary care and community outreach services, growth of specialty services, expansion in regional outpatient clinics, and increased surgical capacity with the expansion of operating hours and investment in community anesthesia providers.

Expenses

University – expenses increased $49 million to $3,044 million in the first nine months of fiscal year 2026. Salaries increased $45 million, or 3%, primarily due to a 3.5% increase in faculty and staff salary guidelines. Benefits increased $30 million, reflecting higher retirement contributions due to an increasing salary base and increases in medical costs. Supplies and services decreased $14 million, primarily due to the timing of internal recharges for HR services.

OSU Health System and OSU Physicians – expenses, including depreciation and interest expense, increased $565 million to $5,312 million in the first nine months of fiscal year 2026. The Health System continues to focus on throughput, workforce retention, and optimization of the new University Hospital. Expense control and labor management have remained strong and aligned with volume levels through the first three quarters of fiscal year 2026. OSU Physicians increased $93 million, primarily due to higher provider expenses associated with investment in patient care services growth and access improvement.

Auxiliary – expenses increased $18 million to $410 million in the first nine months of fiscal year 2026, primarily reflecting increases in salaries (up $5 million), benefits (up $2 million) and supplies and services, which were up $10 million, primarily driven by increases in Athletics expenses for revenue sharing (payments to student-athletes), Big Ten Championship tickets and travel costs.

Cash and Investments

For the nine months ending March 31, 2026, total university cash and investments increased $1,022 million to $13,343 million compared to June 30, 2025, primarily due to increases in the Long-Term Investment Pool (up $311 million), securities lending assets (up $311 million), cash and cash equivalents (up $214 million) and temporary investments (up $126 million). Additional details for the Long-Term Investment Pool and temporary investments are provided below.

Long-Term Investment Pool and Temporary Investments

For the nine months ending March 31, 2026, the fair value of the university's Long-Term Investment Pool increased by $311 million to $8,931 million. Changes in total valuation compared to the prior year are summarized below:

	2026	2025
Market Value at July 1	$ 8,619,921	$ 7,931,714
Net Principal Additions	131,961	103,310
Change in Market Value	404,097	344,471
Income Earned	152,222	156,939
Distributions	(253,750)	(237,900)
Expenses	(123,137)	(113,833)
Market Value at March 31	$ 8,931,314	$ 8,184,701

Net principal additions include new endowment gifts ($112.3 million), reinvestment of unused endowment distributions ($13.8 million), and other net transfers of university monies (-$0.2 million). 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 March 31, 2026. Income earned includes interest and dividends and is used primarily to help fund distributions. Expenses include investment management expenses ($47.9 million), University Development-related expenses ($30.9 million), and other administrative-related expenses ($0.4 million).

LTIP Investment Returns

For the nine months ending March 31, 2026, the LTIP earned a return, net of investment fees, of 5.66%. For the comparable nine months ending March 31, 2025, the net investment return was 5.56%. The rolling 1-year return as of March 31, 2026, is 11.91%.

Temporary Investments

For the nine months ending March 31, 2026, the Tier 1 Investments earned a return of 3.19%, outperforming the Bank of America ML 90-day T-Bill (2.71%) by 0.48%. Tier 2 Investments earned 3.05%, outperforming the blended benchmark of ICE Bofa US Corp & Govt 1-3 Years, BBG US Govt/Credit 1-5 Years, BBG US Ag Govt/Cr Intrmd, and ICE Bofa US Treasury 1-10 (2.62%) by 0.43%.

For the comparable nine months ending March 31, 2025, the Tier 1 Investments earned a return of 3.83%. Tier 2 Investments returned 5.15% for the same time period.

Other Assets and Liabilities

Accounts receivable increased $136 million, to $1,387 million at March 31, 2026. Tuition receivables increased $103 million, reflecting initial tuition billings for summer term. Healthcare receivables increased $101 million, reflecting growth in patient care revenues. The $101 million net increase in Healthcare receivables includes a $236 million increase in gross receivables and a corresponding $135 million increase in allowances for uncollectible accounts. These increases in receivables were partially offset by a $77 million decrease in grant and contract receivables. Inventories, prepaid expenses and other assets increased $107 million, to $327 million at March 31, 2026, due to increases of $17 million in inventories and $89 million in prepaid expenses. The increase in prepaid expenses is primarily due to increases of $48 million in scholarships and fee authorizations for graduate associates, which are recognized as expenses over the course of the semester, $31 million in health care prepaid expenses and $9 million in OhioLink prepaid expenses. Accounts payable and accrued expenses increased $114 million, to $1,149 million at March 31, 2026, due to increases of $79 million in accrued compensation and benefits, $26 million in interest payable and $9 million in payables to vendors. Deposits and advance payments for goods and services were up $344 million, to $756 million at March 31, 2026, primarily due to increases of $248 million for tuition & fees, $37 million for housing & dining for spring semester, $31 million for grant and contract advances, $17 million for Athletics and Business Advancement and $11 million for Health System advances.

Debt

Total university debt decreased $91 million, to $4,275 million at March 31, 2026, primarily reflecting principal payments. On January 6, 2026, the university issued $561 million of tax-exempt fixed-rate General Receipts Refunding Bonds, Series 2026A. The Series 2026A Bonds are structured with a single maturity due in 2035. The interest rate coupon on the Series 2026A Bonds is 5.00%. The proceeds of the 2026A Bonds were used to refund all the outstanding General Receipt Bonds, Series 2010C and to pay the cost of issuance of the 2026A Bonds.

.

Cash Flows

University cash and cash equivalents increased $214 million in the first nine months of fiscal year 2026. Net cash provided by operating activities was $75 million, compared to net cash used by operating activities of $131 million in the first nine months of the prior year. The increase in net operating cash flows relates primarily to increases in receipts from sales and services and grants and contracts, partially offset by payments made to employees, benefit payments and payments to vendors. Net cash provided by noncapital financing activities was $792 million in the first nine months of fiscal year 2026, compared to $737 million for the prior year. The increase is due primarily to increases in gift receipts and non-exchange grant receipts. Net cash used by capital financing activities was $768 million in the first nine months of fiscal year 2026 due primarily to capital expenditures. Net cash provided by investing activities was $114 million, primarily reflecting investment income.

THE OHIO STATE UNIVERSITY
CONSOLIDATED STATEMENTS OF NET POSITION - UNAUDITED
March 31, 2026 and June 30, 2025
(in thousands)

	As of March 2026	As of June 2025	Increase/(Decrease) Dollars	%
ASSETS:				
Current Assets:				
Cash and cash equivalents	$ 961,570	$ 724,747	$ 236,823	32.7%
Temporary investments	2,782,657	2,656,861	125,796	4.7%
Accounts receivable, net	1,387,160	1,250,771	136,389	10.9%
Notes receivable - current portion, net	6,456	6,456	-	0.0%
Pledges receivable - current portion, net	59,981	60,106	(125)	-0.2%
Accrued interest receivable	25,343	24,781	562	2.3%
Inventories, prepaid expenses, and other assets	326,674	219,721	106,953	48.7%
Investments held under securities lending program	311,521	925	310,596	100.0%
Total Current Assets	5,861,362	4,944,368	916,994	18.5%
Noncurrent Assets:				
Unexpended bond proceeds	31,307	54,375	(23,068)	-42.4%
Notes receivable, net	18,143	23,741	(5,598)	-23.6%
Pledges receivable, net	174,476	174,476	-	0.0%
Net other post-employment benefit asset	357,668	357,668	-	0.0%
Long-term investment pool	8,931,314	8,619,921	311,393	3.6%
Other long-term investments	324,819	264,581	60,238	22.8%
Leases receivable, net	66,000	66,001	(1)	0.0%
Other noncurrent assets	359,955	359,955	-	0.0%
Capital assets, net	9,636,246	9,444,618	191,628	2.0%
Total Noncurrent Assets	19,899,928	19,365,336	534,592	2.8%
Total Assets	25,761,290	24,309,704	1,451,586	6.0%
Deferred Outflows:				
Pension	718,996	718,996	-	0.0%
Other post-employment benefits	17,543	17,543	-	0.0%
Other deferred outflows	46,120	43,298	2,822	6.5%
Total Assets and Deferred Outflows	$ 26,543,949	$ 25,089,541	$ 1,454,408	5.8%
LIABILITIES AND NET POSITION:				
Current Liabilities:				
Accounts payable and accrued expenses	$ 1,149,123	$ 1,035,604	$ 113,519	11.0%
Deposits and advance payments for goods and services	756,009	412,505	343,504	83.3%
Current portion of bonds, notes and leases payable	126,432	126,414	18	0.0%
Long-term bonds payable, subject to remarketing	603,820	603,820	-	0.0%
Liability under securities lending program	311,521	925	310,596	100.0%
Other current liabilities	140,930	126,809	14,121	11.1%
Total Current Liabilities	3,087,835	2,306,077	781,758	33.9%
Noncurrent Liabilities:				
Bonds, notes and leases payable	3,083,184	3,152,608	(69,424)	-2.2%
Concessionaire payable	461,482	482,717	(21,235)	-4.4%
Net pension liability	3,688,568	3,688,568	-	0.0%
Net other post-employment benefit liability	22,317	22,317	-	0.0%
Compensated absences	266,806	253,423	13,383	5.3%
Self-insurance accruals	97,564	107,571	(10,007)	-9.3%
Amounts due to third-party payors - Ohio State Health System	64,970	63,857	1,113	1.7%
Irrevocable split-interest agreements	37,387	36,269	1,118	3.1%
Refundable advances for Federal Perkins loans	13,058	15,362	(2,304)	-15.0%
Advance from concessionaire	904,381	920,533	(16,152)	-1.8%
Other noncurrent liabilities	412,656	413,487	(831)	-0.2%
Total Noncurrent Liabilities	9,052,373	9,156,712	(104,339)	-1.1%
Total Liabilities	12,140,208	11,462,789	677,419	5.9%
Deferred Inflows:				
Parking service concession arrangement	418,312	426,917	(8,605)	-2.0%
Pension	124,296	124,296	-	0.0%
Other post-employment benefits	107,893	107,893	-	0.0%
Other deferred inflows	456,338	458,079	(1,741)	-0.4%
Total Deferred Inflows	1,106,839	1,117,185	(10,346)	-0.9%
Total Net Position	13,296,902	12,509,567	787,335	6.3%
Total Liabilities, Deferred Inflows, and Net Position	$ 26,543,949	$ 25,089,541	$ 1,454,408	5.8%

THE OHIO STATE UNIVERSITY
CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - UNAUDITED
For the Nine Months Ended March 31, 2026 and March 31, 2025
(in thousands)

	March 2026	March 2025	Increase/(Decrease) Dollars	%
Operating Revenues:				
Student tuition and fees, net	$ 970,577	$ 947,938	$ 22,639	2.4%
Federal grants and contracts	408,364	414,988	(6,624)	-1.6%
State grants and contracts	75,296	98,317	(23,021)	-23.4%
Local grants and contracts	24,854	24,678	176	0.7%
Private grants and contracts	321,742	307,337	14,405	4.7%
Sales and services of educational departments	168,039	183,749	(15,710)	-8.5%
Sales and services of auxiliary enterprises	353,743	363,286	(9,543)	-2.6%
Sales and services of the Ohio State Health System, net	4,625,312	4,058,134	567,178	14.0%
Sales and services of Ohio State University Physicians, Inc., net	979,369	885,977	93,392	10.5%
Other operating revenues	89,734	104,214	(14,480)	-13.9%
Total Operating Revenues	8,017,030	7,388,618	628,412	8.5%
Operating Expenses:				
Educational and General:				
Instruction and departmental research	1,109,577	1,067,489	42,088	3.9%
Separately budgeted research	532,263	531,962	301	0.1%
Public service	160,590	156,369	4,221	2.7%
Academic support	283,294	261,546	21,748	8.3%
Student services	102,645	100,914	1,731	1.7%
Institutional support	272,221	294,796	(22,575)	-7.7%
Operation and maintenance of plant	129,743	121,080	8,663	7.2%
Scholarships and fellowships	121,948	124,212	(2,264)	-1.8%
Auxiliary enterprises	410,410	392,522	17,888	4.6%
Ohio State Health System	4,099,148	3,642,974	456,174	12.5%
Ohio State University Physicians, Inc.	963,694	870,398	93,296	10.7%
Depreciation	461,140	437,903	23,237	5.3%
Total Operating Expenses	8,646,673	8,002,165	644,508	8.1%
Operating Loss	(629,643)	(613,547)	(16,096)	2.6%
Non-operating Revenues (Expenses):				
State share of instruction and line-item appropriations	409,440	406,561	2,879	0.7%
Federal subsidies for Build America Bonds interest	6,816	8,491	(1,675)	-19.7%
Federal non-exchange grants	87,264	88,027	(763)	-0.9%
State non-exchange grants	46,674	29,561	17,113	57.9%
Gifts	164,897	149,195	15,702	10.5%
Net investment income (loss)	611,967	665,400	(53,433)	-8.0%
Interest expense	(119,905)	(131,817)	11,912	-9.0%
Other non-operating revenues (expenses)	(12,538)	(4,334)	(8,204)	189.3%
Net Non-operating Revenues (Expenses)	1,194,615	1,211,084	(16,469)	-1.4%
Income (loss) before changes in net position	564,972	597,537	(32,565)	-5.4%
Changes in Net Position				
State capital appropriations	73,324	63,713	9,611	15.1%
Private capital gifts	36,948	52,839	(15,891)	-30.1%
Additions to permanent endowments	112,326	72,632	39,694	54.7%
Capital contributions and other changes in net position	-	(1,500)	1,500	0.0%
Total Changes in Net Position	222,598	187,684	34,914	18.6%
Increase (decrease) in Net Position	787,570	785,221	$ 2,349	0.3%
Net Position - Beginning of Year	12,509,332	11,143,206		
Net Position - End of Period	$ 13,296,902	$ 11,928,427		

THE OHIO STATE UNIVERSITY
STATEMENTS OF CASH FLOWS - UNAUDITED
For the Nine Months Ended March 31, 2026 and March 31, 2025
(in thousands)

	March 2026	March 2025	Increase/(Decrease) Dollars	%
Cash Flows from Operating Activities:				
Tuition and fee receipts	$ 915,712	$ 941,540	$ (25,828)	-2.7%
Grant and contract receipts	934,557	858,560	75,997	8.9%
Receipts for sales and services	6,125,036	5,410,031	715,005	13.2%
Payments to or on behalf of employees	(3,717,783)	(3,508,780)	(209,003)	-6.0%
University employee benefit payments	(1,013,006)	(971,727)	(41,279)	-4.2%
Payments to vendors for supplies and services	(3,116,495)	(2,782,656)	(333,839)	-12.0%
Payments to students and fellows	(145,075)	(144,989)	(86)	-0.1%
Student loans issued	(2,988)	(1,939)	(1,049)	-54.1%
Student loans collected	3,799	3,875	(76)	-2.0%
Student loan interest and fees collected	1,447	1,312	135	10.3%
Other receipts	89,894	64,237	25,657	39.9%
Net cash provided (used) by operating activities	75,098	(130,536)	205,634	157.5%
Cash Flows from Noncapital Financing Activities:				
State share of instruction and line-item appropriations	387,275	402,807	(15,532)	-3.9%
Non-exchange grant receipts	133,938	117,588	16,350	13.9%
Gift receipts for current use	165,022	149,195	15,827	10.6%
Additions to permanent endowments	112,326	72,632	39,694	54.7%
Drawdowns of federal direct loan proceeds	286,386	285,050	1,336	0.5%
Disbursements of federal direct loans to students	(286,141)	(285,465)	(676)	-0.2%
Amounts received from irrevocable split-interest agreements	2,317	3,496	(1,179)	-33.7%
Amounts paid to annuitants and life beneficiaries	(1,199)	(1,006)	(193)	-19.2%
Agency funds receipts	4,196	5,909	(1,713)	-29.0%
Agency funds disbursements	(3,906)	(5,994)	2,088	34.8%
Other receipts (payments)	(7,750)	(6,789)	(961)	100.0%
Net cash provided by noncapital financing activities	792,464	737,423	55,041	7.5%
Cash Flows from Capital Financing Activities:				
Gift receipts for capital projects	36,948	52,839	(15,891)	-30.1%
Payments for purchase or construction of capital assets	(627,085)	(584,413)	(42,672)	-7.3%
Principal payments on capital debt and leases	(76,788)	(75,554)	(1,234)	-1.6%
Interest payments on capital debt and leases	(111,801)	(110,879)	(922)	-0.8%
Federal subsidies for Build America Bonds interest	10,733	5,469	5,264	96.3%
Net cash provided (used) by capital financing activities	(767,993)	(712,538)	(55,455)	-7.8%
Cash Flows from Investing Activities:				
Purchases of investments	(5,509,041)	(9,368,267)	3,859,226	41.2%
Proceeds from sales and maturities of investments	5,424,902	8,979,872	(3,554,970)	-39.6%
Investment income	198,325	280,746	(82,421)	-29.4%
Net cash provided (used) by investing activities	114,186	(107,649)	221,835	206.1%
Net Increase (Decrease) in Cash	213,755	(213,300)	$ 427,055	200.2%
Cash and Cash Equivalents - Beginning of Year	779,122	1,056,657		
Cash and Cash Equivalents - End of Period	$ 992,877	$ 843,357		