NEW ISSUE
Book Entry Only

Supplemental Official Statement No. 4
(To Official Statement dated February 23, 2016)

RATINGS: Moody's: Aa1
S&P: AA
Fitch: AA
See **RATINGS** herein.

In the opinion of Bricker & Eckler LLP, Bond Counsel, under existing law and assuming compliance with certain covenants, interest on the Series 2020 A Bonds is excluded from gross income for federal income tax purposes, is not treated as an item of tax preference for purposes of the alternative minimum income tax under the Internal Revenue Code of 1986, as amended, and is exempt from certain taxes imposed by the State of Ohio. The Series 2020 A Bonds are not "private activity bonds" within the meaning of the Code. The University has not designated the Series 2020 A Bonds as "qualified tax exempt obligations" within the meaning of Section 265(b)(3) of the Code. Interest on the Series 2020 A Bonds may be subject to certain federal income taxes imposed on certain corporations, and certain taxpayers may have certain other adverse federal income tax consequences as a result of owning the Series 2020 A Bonds. See TAX MATTERS herein.

$185,995,000
THE OHIO STATE UNIVERSITY
General Receipts Bonds
(Multiyear Debt Issuance Program)
Series 2020 A

Dated: Date of Delivery **Due: As shown on inside cover**

The General Receipts Bonds (Multiyear Debt Issuance Program), Series 2020 A (the "Series 2020 A Bonds") are special obligations of The Ohio State University (the "University") issued to refund certain prior general receipts obligations of the University and to pay costs of issuance of the Series 2020 A Bonds. See **PLAN OF REFUNDING**.

The Series 2020 A Bonds are the fourth series issued by the University pursuant to its Multiyear Debt Issuance Program (the "Program"). The University is authorized by the Program Resolution (as herein defined) to issue from time to time General Receipts Bonds for the purpose of retiring or refunding Outstanding General Receipts Bonds as well as issuing up to $1,000,000,000 of General Receipts Bonds for new projects, in one or more series, each denominated as "Program Bonds". The specific terms of each series of Program Bonds are set forth in one or more supplements to the Official Statement dated February 23, 2016 (the "Official Statement"), and this Supplemental Official Statement sets forth the terms for the Series 2020 A Bonds, which are an issuance of Program Bonds. See **INTRODUCTORY STATEMENT – The Program** in the accompanying Official Statement. Except as otherwise defined herein, all capitalized terms used in this Supplemental Official Statement shall have the same meanings assigned to them in the accompanying Official Statement or the Amended and Restated Trust Indenture (as herein defined).

The Series 2020 A Bonds are issuable in the denomination of $5,000 or any integral multiple thereof. The principal of the Series 2020 A Bonds will be payable at the designated corporate trust office of the Trustee. Interest on the Series 2020 A Bonds is payable semi-annually on June 1 and December 1, commencing December 1, 2020. The Series 2020 A Bonds will be initially issued only as fully registered bonds issuable under a book entry system and registered initially in the name of The Depository Trust Company or its nominee ("DTC"). There will be no distribution of the Series 2020 A Bonds to the owners of book entry interests. So long as DTC or its nominee is the registered owner of the Series 2020 A Bonds, references herein to the Bondholders or registered owners shall mean DTC or its nominee, and not the owners of book entry interests in the Series 2020 A Bonds. See **APPENDIX C – BOOK ENTRY ONLY SYSTEM**.

The Series 2020 A Bonds are not subject to redemption prior to maturity. See **DESCRIPTION OF THE SERIES 2020 A BONDS – Redemption**.

The Series 2020 A Bonds are not obligations of the State of Ohio, are not general obligations of the University, and the full faith and credit of the University is not pledged to their payment. The owners of the Series 2020 A Bonds have no right to have any excises or taxes levied by the Ohio General Assembly for the payment of the principal, interest and redemption premium.

This cover page contains certain information for quick reference only. It is not intended to be a summary of this issue. Investors must read this entire Supplemental Official Statement and the accompanying Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2020 A Bonds are offered when, as and if issued by the University and received by the Underwriters, subject to a receipt of an opinion on certain legal matters relating to their issuance by Bricker & Eckler LLP, bond counsel to the University. Certain legal matters will be passed upon for the University by its statutory counsel, the Attorney General of the State of Ohio, through Anne K. Garcia, Interim Vice President & General Counsel for the University and by Tucker Ellis LLP as Issuer and Disclosure Counsel to the University. Certain legal matters in connection with the Series 2020 A Bonds will be passed upon for the Underwriters by Dinsmore & Shohl LLP, counsel to the Underwriters. It is expected that the Series 2020 A Bonds will be available in definitive form for delivery through the facilities of DTC in New York, New York on or about June 25, 2020.

Goldman Sachs & Co. LLC

KeyBanc Capital Markets Inc. **Loop Capital Markets** **RBC Capital Markets**

This Supplemental Official Statement is dated June 10, 2020.

MATURITY SCHEDULE

$185,995,000
THE OHIO STATE UNIVERSITY
General Receipts Bonds
(Multiyear Debt Issuance Program)
Series 2020 A

Maturity Date	Principal Amount	Interest Rate	Yield	CUSIP†
6/1/2022	$7,195,000	5.000%	0.290%	677632 J69
12/1/2022	23,975,000	5.000	0.300	677632 J77
12/1/2023	22,755,000	5.000	0.360	677632 J85
12/1/2024	23,055,000	5.000	0.450	677632 J93
12/1/2025	16,535,000	5.000	0.540	677632 K26
12/1/2026	17,930,000	5.000	0.680	677632 K34
12/1/2027	19,370,000	5.000	0.810	677632 K42
12/1/2028	12,515,000	5.000	0.920	677632 K59
12/1/2029	34,675,000	5.000	0.970	677632 K67
12/1/2030	7,990,000	5.000	1.070	677632 K75

† CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence and is an independent company not affiliated with the University. The University is not responsible for the selection or use of the CUSIP number referenced herein and no representation is made by the University as to its correctness. A CUSIP number is included solely for the convenience of the readers of this Supplemental Official Statement. The CUSIP number is subject to change after the issuance of the Series 2020 A Bonds.

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SERIES 2020 SUPPLEMENTAL OFFICIAL STATEMENT

OFFICIAL STATEMENT

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REGARDING USE OF THIS SUPPLEMENTAL OFFICIAL STATEMENT

This Supplemental Official Statement, including the Appendices attached hereto, and the accompanying Official Statement, does not constitute an offering of any security other than the original offering by the University of the Series 2020 A Bonds identified on the cover hereof. No dealer, broker, salesman or other person has been authorized by the University to give any information or to make any representation with respect to the Series 2020 A Bonds other than those contained in this Supplemental Official Statement and the accompanying Official Statement and, if given or made, such other information or representations not so authorized must not be relied upon as having been given or authorized by the University. This Supplemental Official Statement, which includes the cover page and the Appendices attached hereto and the accompanying Official Statement, does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Series 2020 A Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

The information and descriptions in this Supplemental Official Statement and the accompanying Official Statement do not purport to be comprehensive or definitive. Statements regarding specific documents, including the Series 2020 A Bonds, are summaries of and subject to the detailed provisions of such documents and are qualified in their entirety by reference to each such document, copies of which will be made available, upon request, for examination in the offices of the Underwriters during the initial offer of the Series 2020 A Bonds and thereafter at the designated corporate trust office of the Trustee.

The information and expressions of opinion in this Supplemental Official Statement and the accompanying Official Statement are subject to change without notice and neither the delivery of this Supplemental Official Statement and the accompanying Official Statement nor any sale of the Series 2020 A Bonds shall under any circumstances create any implication that there has been no change in the affairs of the University since the date of this Supplemental Official Statement.

Upon issuance, the Series 2020 A Bonds will not be registered by the University under the Securities Act of 1933, as amended (the "Securities Act") pursuant to the exemption afforded under Section 3(a)(2) of the Securities Act, or under any state securities law. The Series 2020 A Bonds will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, or other governmental entity or agency, except the University, will have passed upon the accuracy or adequacy of this Supplemental Official Statement and the accompanying Official Statement or approved the Series 2020 A Bonds for sale. Any representation to the contrary is a criminal offense.

Certain statements included or incorporated by reference in this Supplemental Official Statement constitute "forward looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1955, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget," "intend," "projection" or other similar words. Such forward looking statements include, but are not limited to, certain statements contained in the information in APPENDIX A – THE OHIO STATE UNIVERSITY. A number of important factors, including factors affecting the University's financial condition and factors which are otherwise unrelated thereto, could cause actual results to differ materially from those stated in such forward looking statements, including but not limited to the ongoing effects of the COVID-19 pandemic as described in Appendix A under "FINANCIAL OPERATIONS OF THE UNIVERSITY – COVID-19 Pandemic." The full impact of COVID-19 and the scope of any adverse effect on University finances and operations cannot be determined at this time. THE UNIVERSITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

The forward looking information and preliminary financial data set forth in this Supplemental Official Statement and in Appendix A were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to forward looking information and preliminary financial data, but, in the view of the University's management, were prepared on a reasonable basis, reflect the best currently available estimates and judgments, and present, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the University. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this Supplemental Official Statement are cautioned not to place undue reliance on the forward looking information and preliminary financial data.

The Underwriters have provided the following sentence for inclusion in this Supplemental Official Statement. The Underwriters have reviewed the information in this Supplemental Official Statement and the accompanying Official Statement in accordance with, and as a part of, their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2020 A BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

SUMMARY OF THE OFFERING

Issuer:	The Ohio State University
Securities Offered:	$185,995,000 General Receipts Bonds (Multiyear Debt Issuance Program) Series 2020 A
Priority of Pledge:	The Series 2020 A Bonds are being issued as Senior Lien Obligations under the Indenture. See **SECURITY AND SOURCES OF PAYMENT** in the accompanying Official Statement.
Interest Accrual Date:	Interest will accrue from the Date of Issuance
Interest Payment Dates:	June 1 and December 1, commencing December 1, 2020
Redemption:	The Series 2020 A Bonds are not subject to redemption prior to maturity. See **DESCRIPTION OF THE SERIES 2020 A BONDS – No Optional Redemption** herein.
Date of Issuance:	June 25, 2020
Authorized Denominations:	$5,000 and any integral multiples thereof
Form and Securities Depository:	The Series 2020 A Bonds will be delivered solely in registered form under a book entry system through the facilities of DTC.
Use of Proceeds:	The Series 2020 A Bonds are being issued for the purpose of refunding certain prior general receipts obligations of the University as described herein and to pay costs of the issuance of the Series 2020 A Bonds. See **PLAN OF REFUNDING** herein.
Ratings:**	**Moody's:** Aa1 **S&P:** AA **Fitch:** AA

** Note: A securities rating is not a recommendation to buy, hold or sell securities, and may be subject to revision or withdrawal at any time.

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$185,995,000
THE OHIO STATE UNIVERSITY
General Receipts Bonds
(Multiyear Debt Issuance Program)
Series 2020 A

INTRODUCTORY STATEMENT

This Supplemental Official Statement has been prepared by The Ohio State University (the "University"), a state university of the State of Ohio, in connection with the issuance and sale by the University of $185,995,000 in aggregate principal amount of its General Receipts Bonds (Multiyear Debt Issuance Program), Series 2020 A (the "Series 2020 A Bonds"). The Series 2020 A Bonds are being issued as Senior Lien Obligations under the Indenture (defined below) for the purpose of refunding certain General Receipts Bonds previously issued by the University and paying costs of the issuance of the Series 2020 A Bonds, all described under **PLAN OF REFUNDING** herein.

The Series 2020 A Bonds are being issued pursuant to Sections 3345.11 and 3345.12 of the Ohio Revised Code (the "Act"), the General Bond Resolution adopted by the Board of Trustees of the University (the "Board") on November 5, 1999 (the "1999 Bond Resolution") and the Multiyear Debt Issuance Program Bond Resolution (the "Original Program Resolution"), adopted by the Board on June 5, 2015.

The Original Program Resolution authorized the issuance and sale by the University of up to a maximum of $1,000,000,000 in aggregate principal amount of its Program Bonds in one or more series until June 30, 2018 (the "Offering Period"). That Original Program Resolution contemplated that the specific terms of each series of Program Bonds issued during the Offering Period would be set forth in one or more supplements to the Official Statement dated February 23, 2016 (the "Official Statement"). This Supplemental Official Statement is such a supplement to the Official Statement and relates to the offering of the Series 2020 A Bonds. On June 9, 2017, the Board adopted a resolution amending the Original Program Resolution to exclude from that $1,000,000,000 principal issuance limit the principal amount of refunding Obligations to the extent that the principal amount of such refunding Obligations does not exceed the principal amount of the outstanding Obligations refunded. On June 8, 2018, the Board further amended the Original Program Resolution to authorize the use of the remaining unissued debt authorization in the Original Program Resolution and to extend the Offering Period to June 30, 2020 (the Original Program Resolution and such subsequent amending resolutions, collectively, the "Program Resolution").

The Series 2020 A Bonds are also issued pursuant to an Amended and Restated Trust Indenture (the "Amended and Restated Trust Indenture") dated as of December 1, 1999, as amended and supplemented to date, including by the Multiyear Debt Issuance Program Supplement to Amended and Restated Trust Indenture dated as of March 1, 2016, as amended by the First Amendment to Multiyear Debt Issuance Program Supplement to Amended and Restated Trust Indenture, dated as of December 1, 2017 and the Second Amendment to Multiyear Debt Issuance Program Supplement to Amended and Restated Trust Indenture, dated as of June 1, 2020 (together, the "Program Supplement"), each between the University and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee") and a Certificate of Award dated June 10, 2020 (the "Certificate of Award"). The Program Resolution, the Amended and Restated Trust Indenture and the Program Supplement are collectively referred to in this Supplemental Official Statement as the "Indenture."

The University has previously authorized and issued Obligations secured by the Indenture. Upon issuance of the Series 2020 A Bonds, there will be 21 series of General Receipts Bonds secured by the

Indenture outstanding of which \$2,613,780,000* in aggregate principal amount will be Senior Lien Obligations and \$337,955,000 in aggregate principal amount will be subordinated Special Purpose General Receipts Obligations. See **GENERAL RECEIPTS OBLIGATIONS** in the accompanying Official Statement and **GENERAL RECEIPTS AND OUTSTANDING GENERAL RECEIPTS BONDS** herein.

As used herein, the following terms have the definitions provided:

"Auxiliary Facilities" means buildings, structures, and other improvements, and equipment, real estate and interests in real estate therefor, to be used for or in connection with student activity or student service facilities, dining halls, and other food service and preparation facilities, vehicular parking facilities, bookstores, athletic and recreational facilities, faculty centers, auditoriums, assembly and exhibit halls, hospitals, infirmaries and other medical and health facilities, research, and continuing education facilities.

"Bond" or "Bonds" means any bond, or all of the bonds, or an issue or series of bonds, as the case may be, of the University issued pursuant to the 1999 Bond Resolution, a Series Resolution and this Indenture, as well as any bond or bonds outstanding and issued under the terms of the Original Indenture.

"Educational Facilities" means buildings, structures, and other improvements, and equipment, real estate and interests in real estate therefor, to be used for or in connection with classrooms or other instructional facilities, libraries, administrative and office facilities, and other facilities, other than Auxiliary Facilities, to be used directly or indirectly for or in connection with the conduct of the institution of higher education.

"Housing and Dining Facilities" means buildings, structures, and other improvements, and equipment, real estate and interests in real estate therefor, to be used for or in connection with dormitories or other living quarters and accommodations, or related dining hall or other food service and preparation facilities, for students, members of the faculty, officers or employees of University, and their spouses and families.

"Notes or Note" means any note or all of the notes, or an issue of notes, as the case may be, including Commercial Paper, issued by the University in anticipation of the issuance of Bonds to pay Costs of University Facilities pursuant to the Act, or to pay costs of refunding or retirement of Notes previously issued pursuant to the Act, the 1999 Bond Resolution, a Series Resolution and this Indenture and including any note or notes issued pursuant to the terms of the Original Indenture.

"Obligations" means Bonds or Notes.

"Senior Lien Obligation" means (a) the following issues of General Receipts Bonds: the Series 1997 Bonds, the Series 1999 B Bonds, the Series 2001 Bonds, the Series 2003 B Bonds, the Series 2003 C Bonds, the Series 2005 A Bonds, the Series 2005 B Bonds, the Series 2008 A Bonds, the Series 2008 B Bonds, the Series 2010 A Bonds, the Series 2010 C Bonds, the Series 2010 D Bonds, the Series 2010 E Bonds, the Series 2011 A Bonds, the Series 2012 A Bonds, the Series 2012 B Bonds, the Series 2014 A Bonds and the Series 2014 B Bonds and (b) any other Obligations issued from time to time under the Indenture and designated by the University as being secured by a lien on General Receipts senior to the lien on the Special Purpose Pledged Revenues securing the Special Purpose General Receipts Obligations.

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* The aggregate principal amount of Senior Lien Obligations outstanding does not include the General Receipts Bonds to be refunded by the Series 2020 A Bonds (See PLAN OF REFUNDING herein).

"Special Purpose General Receipts Obligations" means any other Obligations issued from time to time and secured by the Special Purpose Pledged Revenues.

"Special Purpose Pledged Revenues" means all revenues, fees, rentals, rates, charges, insurance proceeds and other moneys derived by the University from the ownership or operation of Special Purpose Revenue Facilities, subject and subordinate to the lien on General Receipts securing any Senior Lien Obligation.

"Special Purpose Revenue Facilities" means all Housing and Dining Facilities and such Auxiliary Facilities as shall constitute recreation facilities owned by the University.

"University Facilities" means Housing and Dining Facilities or Auxiliary Facilities or Education Facilities, and includes any one, part of, or any combination of such facilities, and further includes site improvements, utilities, machinery, furnishings and any separate or connected buildings, structures, improvements, sites, open space and green space areas, utilities or equipment to be used in, or in connection with the operation or maintenance of, or supplementing or otherwise related to the services or facilities to be provided by such facilities.

This Supplemental Official Statement includes all Appendices hereto and the accompanying Official Statement, each of which are delivered herewith.

PLAN OF REFUNDING

The Refunded Bonds

Proceeds of the Series 2020 A Bonds will be used for the purposes of (1) refunding a portion of the University's outstanding General Receipts Bonds shown below (collectively, the "Refunded Bonds"), and (2) paying costs of issuance of the Series 2020 A Bonds. Proceeds of the Series 2020 A Bonds will be held in trust by The Bank of New York Mellon Trust Company, N.A., as escrow agent for the University, to provide for payment of the redemption price of the Refunded Bonds on their applicable Earliest Permitted Redemption Date as shown below. The mathematical accuracy of (a) the computations of the adequacy of the cash to provide for the payment of the principal and interest due and to be due on the Refunded Bonds, and (b) the computations supporting the conclusion by Bond Counsel that the Series 2020 A Bonds are not "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986, as amended, will be verified by Samuel Klein and Company, Certified Public Accountants. See VERIFICATION AGENT herein. The moneys on deposit in the Escrow Fund will be irrevocably committed to the payment of the redemption price of the Refunded Bonds.

Series	Amount	Earliest Optional Redemption Date
1997	$12,260,000	September 1, 2020
1999 B-1	$6,560,000	August 5, 2020
2001	$43,080,000	August 5, 2020
2003 C	$34,765,000	August 3, 2020
2005 B	$45,425,000	August 3, 2020
2008 B	$60,080,000	August 3, 2020
2010 E	$25,000,000	August 3, 2020

Sources and Uses of Funds

The sources and uses of funds with respect to the Series 2020 A Bonds are summarized below:

Sources of Funds:	
Par Amount	$185,995,000.00
Net Original Issue Premium	46,028,758.95
Total Sources	$232,023,758.95
Uses of Funds:	
Deposit to Escrow Fund	$230,886,071.50
Issuance Expenses[1]	1,137,687.45
Total Uses	$232,023,758.95

[1] To pay issuance expenses of the Series 2020 A Bonds, including Underwriters' discount, legal fees, Trustee fees and miscellaneous costs.

DESCRIPTION OF THE SERIES 2020 A BONDS

Set forth below is a description of the specific terms of the Series 2020 A Bonds. This description supplements, and should be read together with, the description of the general terms of Senior Lien Obligations set forth in the accompanying Official Statement. The following description does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the description in the accompanying Official Statement.

General Terms

The Series 2020 A Bonds are being issued as fixed rate Senior Lien Obligations and will be dated as of the date of their issuance and delivery, as set forth on the inside cover page hereof. The Series 2020 A Bonds will bear interest at the rate set forth on the inside cover page hereof, payable semi-annually on June 1 and December 1, commencing on December 1, 2020, and will mature on the dates and in the principal amounts set forth in the inside cover page hereof. The Series 2020 A Bonds are issuable as fully registered bonds in denominations of $5,000 and integral multiples thereof. Interest on the Series 2020 A Bonds will be calculated based on a year of 360 days, consisting of twelve 30-day months.

The principal of the Series 2020 A Bonds is payable only to the registered owner, initially DTC or its nominee, at the designated corporate trust office of the Trustee. Except as otherwise provided in the agreement between DTC and the Trustee, interest will be paid on each June 1 and December 1 to the registered owner of a Series 2020 A Bond at the close of the 15th day of the calendar month next preceding that interest payment date (the "Regular Record Date") (i) by check or draft mailed to the registered owner at the owner's address as it appears on the registration books maintained by the Trustee, or (ii) by wire transfer to such account, if any, as requested by such registered owner of $1,000,000 or more in aggregate principal amount of the Series 2020 A Bonds, provided that notice of such request is given in writing by such owner to the Paying Agent not less than ten (10) days prior to an Interest Payment Date for which such notice shall be effective, such notice continuing in effect as to subsequent Interest Payment Dates until such time as an owner in writing notifies the Paying Agent to the contrary or until such time as such owner ceases to be an owner of the requisite principal amount of Series 2020 A Bonds.

No Optional Redemption

The Series 2020 A Bonds are not subject to optional redemption prior to maturity.

GENERAL RECEIPTS AND OUTSTANDING GENERAL RECEIPTS BONDS

The University has issued from time to time Senior Lien Obligations consisting of bonds secured by the pledge of its General Receipts and Special Purpose General Receipts Obligations consisting of bonds secured solely by Special Purpose Pledged Revenue. See **GENERAL RECEIPTS OBLIGATIONS** and **SECURITY AND SOURCES OF PAYMENT** in the accompanying Official Statement. The University has never failed to pay punctually and in full all amounts due on any indebtedness.

General Receipts of the University

General Receipts pledged to the security of the Series 2020 A Bonds include virtually all the receipts of the University, excepting only receipts expressly excluded by the Indenture. Among receipts expressly excluded are monies raised by taxation, State appropriations and any grants, gifts, donations and pledges, and receipts therefrom, which under restrictions imposed in the grant or promise or as a condition of the receipt are not available for payment of Debt Service Charges. See **GENERAL RECEIPTS OBLIGATIONS and SECURITY AND SOURCES OF PAYMENT** in the accompanying Official Statement for a more detailed description of the University's General Receipts.

General Receipts for the five most recent Fiscal Years is shown below. Historical collections of General Receipts should not be relied upon as being necessarily indicative of future results. Future results may be impacted by a number of factors including those resulting from the global COVID-19 pandemic. See **APPENDIX A - FINANCIAL OPERATIONS OF THE UNIVERSITY – COVID-19 Pandemic**.

General Receipts of the University
(dollars in thousands)

	2015	**2016**	**2017**	**2018**	**2019**
Tuition, Fees and Other Student Charges	$1,021,995	$1,065,633	$1,106,385	$1,135,298	$1,188,569
Unrestricted Government Grants & Contracts	76,201	76,580	82,051	84,258	89,762
Private Gifts and Grants	32,985	41,468	44,167	41,310	41,206
Unrestricted Endowment Income	15,332	18,272	22,859	28,792	41,291
Dept. & University Sales & Services	152,328	153,560	155,779	157,841	165,638
Auxiliary Sales & Services	294,586	295,554	346,260	369,891	384,556
Hospital Sales & Services	2,368,952	2,625,075	2,853,177	3,103,891	3,432,271
Other Sources	32,156	32,379	53,649	26,687	33,936
Total General Receipts	$3,994,535	$4,308,521	$4,664,327	$4,947,968	$5,377,229

Outstanding General Receipts Obligations

The University's General Receipts Bonds (including Senior Lien Obligations and Special Purpose General Receipts Obligations), as of the date hereof, taking into effect the issuance of the Refunding Bonds and the refunding of the Refunded Bonds, consist of the following:

General Receipts Bonds	Original Amount	Amount Outstanding
Series 1997 Bonds	$79,540,000	$3,350,000
Series 1999 B Bonds	83,400,000	1,640,000
Series 2001 Bonds	76,950,000	6,765,000
Series 2003 C Bonds	121,295,000	5,190,000
Series 2005 B Bonds	129,990,000	8,120,000
Series 2008 B Bonds	127,770,000	17,650,000
Series 2010 A Bonds	241,170,000	6,125,000
Series 2010 C Bonds	654,785,000	654,785,000
Series 2010 D Bonds	88,335,000	84,625,000
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	49,310,000
Series 2012 B Bonds	23,170,000	10,525,000
Series 2013 A Bonds(1)	337,955,000	337,955,000
Series 2014 A Bonds	135,985,000	124,250,000
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	17,535,000
Series 2017 Bonds	69,950,000	62,915,000
Series 2020 A Bonds	185,995,000	185,995,000
Total:	$3,878,330,000	$2,951,735,000

(1) The Series 2013 A Bonds are currently the only outstanding series of Special Purpose General Receipts Obligations issued under the Indenture.

Interest Rate Swaps

As part of its debt management, the University is also party to the following forward-starting floating-to-fixed interest rate swap agreements with a total notional amount of $328,800,000:

Outstanding Notional Amount	Related Bond Series[1]	University Pays	University Receives	Counterparty	Effective Date	Termination Date
$164,400,000	Series 2013 A	1.188%	SIFMA[2]	Barclays	6/1/2023	6/1/2043
164,400,000	Series 2013 A	1.264	SIFMA	Wells Fargo	6/1/2023	6/1/2043

[1] The forward-starting swaps were entered into to allow the University to lock in current favorable floating-to-fixed swap rates in connection with the planned refunding of the Series 2013 A Bonds in 2023.
[2] Securities Industry and Financial Markets Association (SIFMA) weekly variable rate index.

Annual Debt Service Charges and Coverage on Both Senior Lien Obligations and Special Purpose General Receipts Obligations

The following table represents the annual estimated Fiscal Year Debt Service Charges for all outstanding Obligations following the issuance of the Series 2020 A Bonds and the refunding of the Refunded Bonds (and excluding commercial paper notes, certificates of participation, other debt not issued under the Indenture and obligations defeased under the Indenture).

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Debt Service Charges on all Senior Lien Obligations and Special Purpose General Receipts Obligations

Fiscal Year	Outstanding Senior Lien Obligations Debt Service(1, 2)	Outstanding Special Purpose General Receipts Bonds Debt Service	Series 2020 A Principal	Series 2020 A Interest	Series 2020 A Total Debt Service	Total Debt Service(1, 2, 3)
2021	$161,804,530	$14,879,450	-	$8,679,767	$8,679,767	$185,363,746
2022	155,893,907	14,879,450	$7,195,000	9,299,750	16,494,750	180,073,107
2023	154,873,357	25,074,450	23,975,000	8,340,625	32,315,625	188,288,432
2024	147,361,578	25,074,700	22,755,000	7,172,375	29,927,375	179,608,653
2025	146,374,630	25,074,450	23,055,000	6,027,125	29,082,125	177,476,205
2026	131,482,398	25,072,450	16,535,000	5,037,375	21,572,375	161,592,223
2027	132,792,156	25,073,450	17,930,000	4,175,750	22,105,750	162,041,356
2028	134,159,929	25,073,800	19,370,000	3,243,250	22,613,250	162,476,979
2029	118,721,527	25,072,800	12,515,000	2,446,125	14,961,125	146,240,452
2030	190,824,340	25,072,000	34,675,000	1,266,375	35,941,375	217,162,715
2031	109,288,159	25,075,200	7,990,000	199,750	8,189,750	134,563,109
2032	101,300,144	25,071,400	-	-	-	126,371,544
2033	96,983,336	25,075,000	-	-	-	122,058,336
2034	92,824,544	25,074,800	-	-	-	117,899,344
2035	217,262,044	25,070,850	-	-	-	242,332,894
2036	90,010,544	25,071,100	-	-	-	115,081,644
2037	90,010,669	25,073,625	-	-	-	115,084,294
2038	90,011,669	25,071,425	-	-	-	115,083,094
2039	90,012,794	25,073,800	-	-	-	115,086,594
2040	794,235,794	25,072,450	-	-	-	819,308,244
2041	56,737,600	25,075,050	-	-	-	81,812,650
2042	56,738,000	25,070,850	-	-	-	81,808,850
2043	56,737,000	25,073,250	-	-	-	81,810,250
2044	56,739,100	-	-	-	-	56,739,100
2045	106,176,300	-	-	-	-	106,176,300
2046	47,413,000	-	-	-	-	47,413,000
2047	390,766,500	-	-	-	-	390,766,500
2048	34,120,000	-	-	-	-	34,120,000
2049	34,120,000	-	-	-	-	34,120,000
2050	34,120,000	-	-	-	-	34,120,000
2051	34,120,000	-	-	-	-	34,120,000
2052	34,120,000	-	-	-	-	34,120,000
2053	34,120,000	-	-	-	-	34,120,000
2054	34,120,000	-	-	-	-	34,120,000
2055	34,120,000	-	-	-	-	34,120,000
2056	34,120,000	-	-	-	-	34,120,000
2057	279,060,000	-	-	-	-	279,060,000
2058-2110(3)	24,000,000	-	-	-	-	1,272,000,000
2111	524,000,000	-	-	-	-	524,000,000
Total(4)	**$6,399,675,544**	**$556,295,800**	**$185,995,000**	**$55,888,267**	**$241,883,267**	**$7,011,859,611**

Notes:

1 Assumes a rate of 2.25% for the variable rate obligations of the University.

2 Debt service with respect to Build America Bonds issued by the University is shown without netting federal subsidy payments.

3 Debt Service on the Senior Lien Obligations for the period beginning in Fiscal Year 2058 and ending in Fiscal Year 2110 is $24,000,000 per year and the aggregate debt service over the period is $1,272,000,000.

4 Interest and total amounts may vary slightly from actual amounts payable due to rounding variances.

The maximum annual Debt Service Charges on the outstanding Obligations, including the Series 2020 A Bonds (assuming the assumptions stated in the above table), are $819,308,244 in Fiscal Year 2040. Prior to Fiscal Year 2040, the maximum annual Debt Service Charges on outstanding Obligations are $242,332,894 in Fiscal Year 2035. The University's General Receipts for Fiscal Year 2019, $5,377,229,000, were over 6.5 times the maximum annual Debt Service Charges in Fiscal Year 2040, and for the period prior to Fiscal Year 2040, over 22.1 times the maximum annual Debt Service Charges in Fiscal Year 2035. See **GENERAL RECEIPTS AND OUTSTANDING GENERAL RECEIPTS BONDS** above, and **SECURITY AND SOURCES OF PAYMENT** in the accompanying Official Statement.

TAX MATTERS

General

In the opinion of Bricker & Eckler LLP, Bond Counsel, under existing law, interest on the Series 2020 A Bonds is excluded from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code") and is not treated as an item of tax preference under Section 57 of the Code for purposes of the alternative minimum tax. Further, the Series 2020 A Bonds are not "private activity bonds" as defined in Section 141(a) of the Code.

The Series 2020 A Bonds and the interest, transfer and any profit made on the sale or other disposition thereof are exempt from taxes levied by the State of Ohio and its political subdivisions. For purposes of this paragraph, "taxes" means any direct or indirect taxes, including income, ad valorem, transfer, excise taxes, commercial activities tax and the corporate franchise tax measured by net income of a corporation, but "taxes" does not mean or include: (i) the corporate franchise tax measured by net worth of a corporation; (ii) the estate tax; (iii) the taxes levied on insurance companies and dealers in intangibles pursuant to Chapter 5725 of the Ohio Revised Code; and (iv) the tax on shares of and capital employed by dealers in intangibles pursuant to Section 5707.03 of the Ohio Revised Code. Bond Counsel will express no opinion and make no representation regarding other federal, state or local income tax consequences resulting from the receipt or accrual of interest on the Series 2020 A Bonds.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications made by the University and others, and the compliance with certain covenants of the University, to be contained in the transcript of proceedings and which are intended to evidence and assure the foregoing, including that the Series 2020 A Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel has not and will not independently verify the accuracy of such certifications and representations.

The University has not designated the Series 2020 A Bonds as "qualified tax exempt obligations" as defined in Section 265(b)(3) of the Code.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and remain excluded from gross income for federal income tax purposes, some of which, including provisions for the rebate by the University of certain investment earnings to the federal government, require future or continued compliance after issuance of the Series 2020 A Bonds in order for the interest to be and continue to be so excluded from the date of issuance. Noncompliance with these requirements could cause the interest on the Series 2020 A Bonds to be included in gross income for federal income tax purposes and thus to be subject to regular federal income tax retroactively to the date of their issuance. The University covenants in the Indenture to take such actions that may be required of it for the interest on the Series 2020 A Bonds to be and remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion.

Under the Code, interest on the Series 2020 A Bonds may be subject to a branch profits tax imposed on certain foreign corporations doing business in the United States of America, and a tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes can have certain adverse federal income tax consequences on items of income or deductions for certain taxpayers, including among them financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, and those that are deemed to incur or continue indebtedness to acquire or carry tax exempt obligations and individuals otherwise eligible for the earned income credit. The applicability and extent of these or other tax consequences will depend upon the particular tax status or other items of income and expenses of the owners of the Series 2020 A Bonds. Bond Counsel will express no opinion and make no representation regarding such consequences.

General information reporting requirements will apply to interest payments made on the Series 2020 A Bonds. Recipients of interest payments must furnish their social security number or employer identification number and certify that it is correct (utilizing Form W 9, request for Taxpayer Identification Number and Certification or other form). Backup withholding will apply to such interest payments if the owner fails to provide accurate taxpayer identification number information or if notified by the Internal Revenue Service that backup withholding is required.

From time to time legislative proposals are pending in Congress or the Ohio legislature that would, if enacted, alter or amend one or more of the federal or state tax matters discussed herein in certain respects or that would adversely affect the market value of the Series 2020 A Bonds. In addition, federal or state judicial decisions may be rendered, or administrative actions taken by taxing authorities, which could also impact the federal or state tax matters discussed herein or that would adversely affect the market value of the Series 2020 A Bonds. Neither the form nor enactment of any of such proposals can be predicted, and there can be no assurance that any such proposals or any judicial decisions or administrative actions will not apply, either retroactively or prospectively, to the Series 2020 A Bonds.

Prospective purchasers of the Series 2020 A Bonds should consult their own tax advisors regarding pending or proposed federal and state tax legislation and other court proceedings, and prospective purchasers of the Series 2020 A Bonds at other than their original issuance at the respective prices on the cover page of this Official Statement relating to the Series 2020 A Bonds should also consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Original Issue Premium

The Series 2020 A Bonds ("Premium Bonds") as indicated on the inside front cover of this Supplemental Official Statement were offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of Premium Bonds callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond stated on the inside front cover of this Supplemental Official Statement who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

Owners of Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of bond premium properly accruable or amortizable in any period with respect to the Premium Bonds and as to other federal tax consequences and the treatment of bond premium for purposes of state and local taxes on, or based on, income.

TRANSCRIPT AND CLOSING DOCUMENTS

A complete transcript of proceedings and a certificate (described under **LITIGATION**) relating to litigation will be delivered by the University when the Series 2020 A Bonds are delivered by the University to the Underwriters. The University at that time will also provide to the Underwriters a certificate, signed by the University officials who sign this Supplemental Official Statement and addressed to the Underwriters, relating to the accuracy and completeness of this Supplemental Official Statement and the accompanying Official Statement and to it being a "final official statement" in the judgment of the University for purposes of paragraph (f)(3) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.

LEGAL MATTERS

Legal matters incident to the validity of the Series 2020 A Bonds and certain other matters regarding the Series 2020 A Bonds are subject to the legal opinion of Bricker & Eckler LLP, Bond Counsel. See **TAX MATTERS** herein. The legal opinion, dated and premised on law in effect as of the date of issuance and delivery of the Series 2020 A Bonds, will be delivered to the Underwriters at the time of original delivery. The proposed text of the opinion of Bond Counsel is attached as **APPENDIX D** herein. The legal opinion to be delivered to the Underwriters at the time of issuance and delivery of the Series 2020 A Bonds may vary from that text if necessary to reflect facts and law on the date of issuance and delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Supplemental Official Statement and the accompanying Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expressed any opinion concerning any of the matters referred to in the opinion subsequent to its date.

In addition to rendering the legal opinion, Bond Counsel will assist the University in the preparation of and advise the University concerning documents for the bond transcript.

Certain legal matters will be passed upon for the University by its statutory counsel, the Attorney General of the State of Ohio, through Anne K. Garcia, Interim Vice President & General Counsel for the University and by Tucker Ellis LLP as Issuer and Disclosure Counsel to the University. In addition, certain other legal matters will be passed upon for the Underwriters by their counsel, Dinsmore & Shohl LLP.

LITIGATION

There is no litigation or administrative action or proceeding pending or threatened to restrain or enjoin, or seeking to restrain or enjoin, the issuance and delivery of the Series 2020 A Bonds or to question the proceedings and authority under which the Series 2020 A Bonds are authorized and are to be issued, sold executed or delivered, or the validity of the Series 2020 A Bonds. A no litigation certificate to such effect will be delivered by the University at the time of issuance and delivery of the Series 2020 A Bonds.

The University is a party to various legal proceedings seeking damages or injunctive relief and generally incidental to its operations but unrelated to the Series 2020 A Bonds. The ultimate disposition of such proceedings is not presently determinable, but will not, in the opinion of appropriate University officials, have a material adverse effect on the Series 2020 A Bonds or the security for the Series 2020 A Bonds.

INDEPENDENT ACCOUNTANTS

The financial statements of the University as of June 30, 2019 and 2018 and for the years then ended, included in this Supplemental Official Statement as **APPENDIX B**, have been audited by PricewaterhouseCoopers LLP, independent accountants, as stated in their report, appearing in **APPENDIX B**.

VERIFICATION AGENT

Before delivery of the Series 2020 A Bonds, Samuel Klein and Company, Certified Public Accountants will deliver a report on the mathematical accuracy of certain computations contained in schedules provided to them by the Underwriters. Those computations relate to the adequacy of the cash and securities deposited with the Escrow Trustee for the Refunded Bonds to pay the debt service on the Refunded Bonds to each applicable call date and to pay the redemption prices of the Refunded Bonds on such call date. Those computations will be relied on by Bricker & Eckler LLP, as Bond Counsel, to support its opinions with respect to the Refunded Bonds.

RISKS RELATING TO INFECTIOUS DISEASE OUTBREAK

The President of the United States of America issued a National Emergency Concerning the Novel Corona Virus Disease (COVID-19) Outbreak on March 13, 2020. The spread of COVID-19 will likely have a material impact on the State and national economies and, accordingly, could have a material adverse impact on General Receipts of the University that are pledged as security for the Series 2020 A Bonds. For additional information regarding the anticipated impacts of COVID-19 on the University's operations, see **APPENDIX A - FINANCIAL OPERATIONS OF THE UNIVERSITY – COVID-19 Pandemic**.

RATINGS

Moody's Investors Service, Inc., S&P Global Ratings, Inc. and Fitch Ratings have assigned ratings of "Aa1", "AA" and "AA", respectively, the Series 2020 A Bonds. No application for a rating has been made by the University to any other rating service.

The ratings reflect only the respective views of the rating services and any explanation of the meaning or significance of the ratings may only be obtained from the respective rating service. The ratings are not recommendations to buy, sell or hold securities. The University furnished to each rating service certain information and materials, some of which may not have been included in this Supplemental Official Statement, relating to the Series 2020 A Bonds and the University. Generally, rating services base their ratings on such information and materials and on their own investigations, studies and assumptions. Each rating should be evaluated independently of any other rating. There can be no assurance that a rating when assigned will continue for any given period of time or that it will not be lowered or withdrawn entirely by a rating service if in its judgment circumstances so warrant. Any lowering or withdrawal of a rating may have an adverse effect on the marketability or market price of the Series 2020 A Bonds.

The University expects to furnish the rating services with information and materials that may be requested. However, the University assumes no obligation to furnish requested information and materials, and may issue debt for which a rating is not requested. Failure to furnish requested information and materials, or the issuance of debt for which a rating is not requested, may result in the suspension or withdrawal of a rating on the Series 2020 A Bonds.

CONTINUING DISCLOSURE COMPLIANCE

Historical Compliance

The University has undertaken to provide continuing disclosure in connection with the issuance of Program Bonds as described in the accompanying Official Statement. From time to time, the University has not fully complied with all terms of its existing continuing disclosure undertakings. Specifically, the annual financial information and financial statements for Fiscal Year 2018 were not associated with certain CUSIP numbers relating to the University's General Receipts Series 2010D Bonds and the annual financial information and financial statements for Fiscal Years 2017 and 2018 were not associated with certain CUSIP numbers relating to the University's General Receipts Series 2010A Bonds.

Pursuant to the Second Amendment to Multiyear Debt Issuance Program Supplement to Amended and Restated Trust Indenture, dated as of June 1, 2020 (the "Second Amendment"), and in accordance with amendments to the Rule effective as of October 30, 2018 with a compliance date of February 27, 2019, the University has amended Section 7 of the Program Supplement to add the following to the definition of Specified Events:

(xv) Incurrence of a financial obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Obligated Person, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Obligated Person, any of which reflect financial difficulties.

Municipalities Continuing Disclosure Cooperation Initiative

In March 2014, the Securities and Exchange Commission ("SEC") announced the Municipalities Continuing Disclosure Cooperation Initiative ("MCDC"), pursuant to which municipal bond underwriters, issuers, and obligated persons were permitted to self-report possible violations involving materially inaccurate statements or omissions relating to prior compliance with continuing disclosure obligations. The SEC further announced that, to the extent an issuer meets the requirements of MCDC and the enforcement division of the SEC (the "Division") decided to recommend enforcement action against the issuer, the Division would recommend that the SEC accept a settlement from the issuer on favorable settlement terms, including the issuer's undertakings to establish appropriate policies, procedures and training regarding continuing disclosure obligations, comply with existing continuing disclosure undertakings, including updating past delinquent filings, disclose the settlement in future offering documents and cooperate with any subsequent investigations by the Division.

In May 2016, the University executed and submitted to the SEC an Offer of Settlement under MCDC, in which the University consented to proposed settlement terms consistent with those originally announced by the SEC in March 2014. By order dated August 24, 2016 (the "Order"), the SEC accepted the University's Offer of Settlement and ordered the University to cease and desist from committing or causing any future violations of Section 17(a)(2) of the Securities Act of 1933 and comply with the following undertakings, which undertakings are consistent with those originally announced by the SEC in March 2014:

(1) within 180 days of the date of the Order, the University was required to establish appropriate written policies and procedures and periodic training regarding continuing disclosure obligations to comply with the federal securities laws, including the designation of an individual or officer at the University responsible for ensuring the University's compliance with such policies and procedures and responsible for implementing and maintaining a record (including attendance) of such training;

(2) within 180 days of the date of the Order, the University was required to comply with existing continuing disclosure undertakings, including updating past delinquent filings;

(3) the University is required to disclose in a clear and conspicuous fashion the terms of the settlement described in the Order in any final official statement for an offering by the University within five years of the date of the Order;

(4) the University was required to certify, in writing, compliance with the undertakings set forth above, including certification no later than the one-year anniversary of the date of the Order and certifications made from time to time upon reasonable requests by the SEC staff for further evidence of compliance; and

(5) the University is required to cooperate with any subsequent investigation by the Division regarding the false statements and/or material omissions that were the subject of the Order, including the roles of individuals and/or other parties involved.

Consistent with the original announcement of MCDC by the SEC, the University was not subject to any civil or criminal penalty or fine arising from MCDC or the violations that were the subject of the Order. On February 16, 2017, the University certified compliance with the Order to the SEC. The University has been and remains fully committed to ensure continuing disclosure in an appropriate and timely manner in connection with its bond issues.

The Trustee will not be responsible for, or for determining, the University's compliance with the continuing disclosure agreement.

UNDERWRITING

The University has entered into a purchase contract with the Underwriters listed on the cover hereof for whom Goldman Sachs & Co. LLC is acting as a representative, and the Underwriters have agreed to purchase the Series 2020 A Bonds from the University at an aggregate discount of $663,251.16 from the public offering price set forth on the cover page hereof.

The purchase contract pursuant to which the Series 2020 A Bonds are being sold provides that the Underwriters will purchase not less than all of the Series 2020 A Bonds. The Underwriters' obligation to make such purchase is subject to certain terms and conditions set forth in the purchase contract, the approval of certain legal matters by counsel and certain other conditions.

The Underwriters may offer and sell the Series 2020 A Bonds to certain dealers and others at a price lower than the initial offering price. The offering price of Series 2020 A Bonds may be changed from time to time by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, market making, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment and commercial banking services for the University, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the University. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in such securities or investments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such securities and investments.

CONCLUDING STATEMENT

Quotations in this Supplemental Official Statement taken from, and summaries and explanations of, the provisions of the Ohio Constitution, the Ohio Revised Code and other laws, the Program Resolution, the Amended and Restated Trust Indenture, the Program Supplement and the Continuing Disclosure Agreement, do not purport to be complete, and reference is made to the pertinent provisions of the Constitution, Ohio Revised Code and other laws and those documents for all complete statements of their provisions. Such documents are available for review at the University during regular business hours at the office of the Treasurer of the University. During the initial offering period, copies of the documents will also be available for review at the offices of the Underwriters.

To the extent that any statements in this Supplemental Official Statement and the accompanying Official Statement involve matters of estimate or opinion, whether or not expressly stated to be such, those statements are made as such and not as representations of fact or certainty, and no representation is made that any of those statements will be realized. Information in this Supplemental Official Statement and the accompanying Official Statement has been derived by the University from official and other sources and is believed by the University to be reliable, but information other than that obtained from official records of the University has not been independently confirmed or verified by the University and its accuracy is not guaranteed.

This Supplemental Official Statement and the accompanying Official Statement is not to be construed as or as part of a contract or agreement with the original purchasers or holders of the Series 2020 A Bonds.

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This Supplemental Official Statement has been duly prepared and delivered by the University, and executed for, and on behalf of, the University by the official identified below.

THE OHIO STATE UNIVERSITY

By: *<u>/s/ Michael Papadakis</u>*
Michael Papadakis, Senior Vice President for Business and Finance

APPENDIX A

THE OHIO STATE UNIVERSITY

APPENDIX A

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NOTICE REGARDING FORWARD-LOOKING STATEMENTS

Forward-Looking Statements

Certain statements included or incorporated by reference in this Appendix A constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget," "intend," "projection" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information in this Appendix A. A number of important factors, including factors affecting the University's financial condition and factors which are otherwise unrelated thereto could cause actual results to differ materially from those stated in such forward-looking statements. THE OHIO STATE UNIVERSITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

Projections and Financial Data

The projections set forth in this Appendix A were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to forward-looking information and preliminary financial data, but, in the view of the University's management, were prepared on a reasonable basis, reflect the best currently available estimates and judgments, and present, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the University. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this Appendix A are cautioned not to place undue reliance on the forward-looking information and preliminary financial data.

Impact of COVID-19 on Forward Looking Statements, Projections, and Financial Data

In addition to other factors, certain information in this Appendix A may be impacted by the ongoing effects of the COVID-19 pandemic as described herein under "**COVID-19 Pandemic**"**.** The full impact of COVID-19 and the scope of any adverse effect on University finances and operations cannot be determined at this time. As a result, the current year budgets and projections contained in this Appendix A have not been updated to reflect the potential impact of the COVID-19 outbreak. SEE "**COVID-19 Pandemic**" herein for additional information concerning the current status of the COVID-19 outbreak and its potential effect on the University's financial position and operations.

THE OHIO STATE UNIVERSITY

GENERAL

The Ohio State University (the "University") was founded in 1870 by the Ohio General Assembly under provisions of the Morrill Act as the Ohio Agricultural and Mechanical College (the "College"). The College was located on 331 acres of land approximately two miles north of Columbus. In 1878, the General Assembly designated the College a university and changed its name to The Ohio State University. That same year, the University graduated its first class. Through August 2019, the University has awarded nearly 781,400 undergraduate and graduate degrees.

The University is one of 14 state-supported universities in Ohio. It is declared by statute to be a body politic and corporate. The University's main campus is located in the City of Columbus on a 1,666-acre site containing 565 buildings (the "Columbus Campus"). Also in Columbus, the University owns two 18-hole regulation golf courses and the Don Scott Airport. In addition to the Columbus Campus, the University operates educational programs at Extended Campuses located in Lima, Mansfield, Marion, and Newark (collectively, the "Extended Campuses") housed in 76 buildings on 1,482 acres. The University also operates an Agricultural Technical Institute, the Ohio Agricultural Research and Development Center ("OARDC") in Wooster, Ohio and the Molly Caren Agriculture Center in London, Ohio, along with various other research farms throughout Ohio collectively comprising 10,775 acres and 395 buildings. An additional 235 buildings are located on 405 acres at various other locations across Ohio.

The Columbus Campus is the third largest individual campus of any public university or college in the United States in terms of both head count enrollment and full-time equivalent (FTE) enrollment. The enrollment for Autumn 2019 was 61,391 students for the Columbus Campus and 6,871 for the Extended Campuses, bringing the total enrollment for all campuses at that time to 68,262 students. During the academic year ending June 30, 2019, the University awarded a total of 17,145 degrees consisting of 11,478 baccalaureate degrees, 2,750 master's degrees, 886 doctorate degrees, 802 professional degrees, 1,159 associate degrees, and 70 post-baccalaureate degrees. The University has nearly 500,000 living alumni. The University has one of the largest athletic departments in the country with 36 varsity sports. The Athletics Department is self-supported and generated approximately $208 million in revenues in Fiscal Year 2019. As of September 30, 2019, the University employed a total of 49,030 faculty and staff (including student employees) among its campuses.

The Board of Trustees

The University is governed by a Board of Trustees (the "Board") which, under Ohio law, is directed and granted authority to do all things necessary for the proper maintenance and successful and continuous operation of the University. Two of the Trustees must be students at the University. The Trustees, other than charter Trustees and student Trustees, are appointed by the Governor with the advice and consent of the State Senate for overlapping nine-year terms. The student Trustees are appointed by the Governor with the advice and consent of the State Senate for overlapping two-year terms. The charter Trustees, who are not residents of Ohio, are appointed by the other members of the Board for three-year terms. There may be up to three charter Trustees. Charter Trustees have no voting privileges on the Board and are not considered as members of the Board when determining whether a quorum is present.

As of June 1, 2020, the officers and members of the Board, and the years in which their respective terms expire, are:

Gary R. Heminger, Chair (2027)	Former Chairman of the Board and Chief Executive Officer, Marathon Petroleum Corporation and MPLX GP LLC
Timothy P. Smucker, Vice Chair (2020)	The J.M. Smucker Company, Chairman Emeritus
Abigail S. Wexner, Vice Chair (2023)	Whitebarn Associates, Chief Executive Officer
Alex Shumate (2020)	Squire Patton Boggs (U.S.) LLP, Managing Partner, Columbus Office
Michael Kiggin (2021)	Capitol Strategy Group, Principal
Cheryl L. Krueger (2021)	KRUEGER+CO. Consulting, Inc., Founder and Chief Executive Officer
Brent R. Porteus (2022)	Blair Porteus & Sons, Managing Partner
Erin P. Hoeflinger (2022)	Aetna, Senior Vice President of Strategy & Consumer Experience
Alex R. Fischer (2023)	Columbus Partnership, President and Chief Executive Officer
Hiroyuki Fujita (2024)	Quality Electrodynamics, Founder, President, Chief Executive Officer and Chairman of the Board
Alan A. Stockmeister (2025)	Foremost Management, Inc., President and Owner
John W. Zeiger (2026)	Zeiger, Tigges & Little LLP, Founding Partner
Elizabeth P. Kessler (2027)	Jones Day, Partner-in-charge, Columbus Office
Lewis Von Thaer (2028)	Battelle Memorial Institute, President and Chief Executive Officer
Jeff M.S. Kaplan (2028)	The Ohio State University, Former Secretary and Senior Advisor to the Board
James D. Klingbeil, Charter Trustee (2021)	Klingbeil Capital Management and The Klingbeil Company, Chairman and Klingbeil Medical Partners, Chief Executive Officer
Janice M. Bonsu, Student (2020)	Graduate Student Trustee
Anand Shah, Student (2021)	Undergraduate Student Trustee

The secretary of the Board is Jessica A. Eveland.

Senior Management

Biographical information regarding certain individuals who are part of or have been approved to serve as the senior management of the University as of March 31, 2020 is set forth below.

Dr. Michael V. Drake has served as President of the University since 2014. Dr. Drake announced that he will transition out of that role while continuing to serve through at least the end of the academic year. He previously served as chancellor of the University of California, Irvine, from July 2005 through June 2014. Prior to Dr. Drake's arrival at UC Irvine, he served for five years as vice president for health affairs for the University of California system, overseeing academic program policy at the system's 15 health sciences schools, located on seven campuses. Dr. Drake earned his bachelor's degree from Stanford University and his medical degree from UC San Francisco.

On June 3, 2020, the University announced the appointment of Kristina M. Johnson, PhD as the 16th President of the University. Dr. Johnson's tenure as President will begin on September 1, 2020. See **Recent Developments** below.

Dr. Bruce A. McPheron serves as Executive Vice President and Provost at the University. For the three years prior to serving as Executive Vice President and Provost, Dr. McPheron served as the University's Vice President for Agricultural Administration and dean of the College of Food, Agricultural and Environmental Sciences (CFAES) and was Interim Executive Vice President and Provost for the six months leading up to his permanent appointment. Prior to joining the University in 2012, he was dean of the College of Agricultural Sciences at Penn State University (PSU) for three years and served 21 years in various other positions with PSU. Dr. McPheron earned his bachelor's degree at the University and his master's and doctorate at the University of Illinois.

Dr. Harold L. Paz serves as Executive Vice President and Chancellor for Health Affairs for the University. In this newly-established position, he manages the Wexner Medical Center, including all seven hospitals. He also oversees the seven health-sciences colleges and more than 20 research institutes at the University in partnership with the Provost. From 2014 until he joined the University, Dr. Paz was executive vice president and chief medical officer of Aetna, and while at Aetna and beginning in 2015, was a professor adjunct of internal medicine at Yale University School of Medicine. Prior to joining Aetna, Dr. Paz held various positions at Penn State University (PSU) including chief executive officer of the PSU Milton S. Hershey Medical Center, senior vice president for health affairs, dean of the College of Medicine and president and chief executive officer of the PSU Hershey Health System from 2006 to 2014. Prior to his tenure at PSU, Dr. Paz served as dean of the Robert Wood Johnson Medical School and chief executive officer of the Robert Wood Johnson Medical Group from 1995 to 2006. Dr. Paz is board certified in internal medicine and pulmonary medicine. He completed his internal medicine residency at Northwestern University and a postdoctoral fellowship in pulmonary and critical care medicine and environmental health sciences at Johns Hopkins University. He earned his bachelor's degree in biology and psychology and his medical degree from the University of Rochester and a master's degree in life sciences engineering from Tufts University.

Michael Papadakis serves as Senior Vice President for Business and Finance and Chief Financial Officer for the University. Mr. Papadakis joined the University in June of 2011 as Treasurer and Vice President of Financial Services, was subsequently elevated to Deputy Chief Financial Officer, Treasurer and Vice President of Financial Services & Innovation and served as Interim Senior Vice President for Business and Finance and Chief Financial Officer for a year prior to his permanent appointment. Prior to joining the University, he served as a director of energy investment banking at KeyBanc Capital Markets. Additionally, Mr. Papadakis held previous roles in corporate tax at Deloitte & Touche, strategic business valuation at Arthur Andersen and is a certified public accountant. He earned his master's in finance from the Fisher College of Business at the University and a bachelor's of business administration in accounting from the University of Cincinnati and has completed the General Management Program at Harvard Business School.

Anne Garcia serves as interim Vice President and General Counsel for the University replacing Chris Culley who left the University in November 2019. Ms. Garcia currently serves as senior associate general counsel and vice president for legal and compliance for the Wexner Medical Center. An experienced healthcare lawyer, Ms. Garcia came to Ohio State University in 2016 from Saint Louis University, where she worked for six years and most recently served as senior associate general counsel and executive director of Compliance. Ms. Garcia earned her J.D. degree from Tulane University School of Law.

Jay Kasey serves as Senior Vice President for Administration and Planning at the University. Prior to his appointment to this post, Mr. Kasey had management responsibility for elements of the OSU Health System hospitals. He has also been instrumental in leading the medical center expansion project. Mr. Kasey has worked in senior level healthcare positions since 1985. After serving as the COO or CEO of two different five-hundred bed community hospitals, Mr. Kasey joined The Hunter Group, a consulting firm specializing in hospital and health systems operations.

Michael Eicher was named Senior Vice President for Advancement in September 2012. He oversees the full integration of the University's fundraising, alumni relations, and communications efforts. He joined the University from Johns Hopkins University, where he served as senior vice president for external affairs and development. Prior to working at Johns Hopkins, Mr. Eicher was vice chancellor at the University of California, Los Angeles. Mr. Eicher graduated from the University of California, San Diego.

Dr. Melissa Shivers serves as Vice President for Student Life. Dr. Shivers most recently served as Vice President for Student Life at the University of Iowa where she focused on strategic initiatives related to student life and student success, especially those with a focus on health, safety, and well-being. Prior to that, Dr. Shivers spent seven years at the University of Tennessee where she held various roles, including associate vice chancellor for student life and dean of students. Dr. Shivers also held positions at University of Georgia, Clemson University and Georgia Southern University. Dr. Shivers earned her bachelor's degree in communication arts from Georgia Southern University, her master's degree in education, counseling and guidance services from Clemson University and her PhD in counseling and student personnel services from University of Georgia.

Eugene D. Smith serves as Senior Vice President and Wolfe Foundation Endowed Athletics Director. Mr. Smith was named the University's Director of Athletics in March of 2005 and was elevated to his current position in

May of 2016. Prior to joining the University, Mr. Smith served as athletic director at Arizona State University from 2000 to 2005, athletic director at Iowa State University from 1993 to 2000 and athletic director at Eastern Michigan University from 1986 to 1993. Mr. Smith earned his bachelor's degree in business administration from the University of Notre Dame in 1977.

Dr. Morley O. Stone serves as Senior Vice President for Research. Prior to joining the University in August of 2018, Dr. Stone served as chief technology officer at the Air Force Research Laboratory (AFRL) of Wright-Patterson Air Force Base in Dayton from 2014 to 2018. Dr. Stone also served as chief scientist for AFRL's Human Performance Wing from 2008 to 2014 and as a manager at the Defense Advanced Research Projects Agency (DARPA) from 2003 to 2006. Dr. Stone earned his bachelor's degree in biological sciences from Wright State University and a PhD in biochemistry from Carnegie Mellon University.

Susan McGarry Basso serves as Senior Vice President for Talent, Culture and Human Resources. Prior to joining the University in September of 2017, Ms. Basso served as vice president for human resources at Penn State University from 2010 to 2017. Ms. Basso also served as associate vice president of human resources for Seton Hall University from 2006 to 2010 and various positions at East Stroudsburg University from 1988 to 2006. Ms. Basso earned her bachelor's degree in psychology from Ursinus College and a master's degree in human resources administration from the University of Scranton.

Academic Structure

The academic organization of the University consists of 15 colleges, 7 schools, the Graduate School and the Agricultural Technical Institute. The University offers more than 200 undergraduate majors, 166 programs leading to the master's degree, 120 programs leading to the doctoral degree, and over 12,000 different courses.

The 15 colleges within the University are:

Arts and Sciences	Medicine
Business	Nursing
Dentistry	Optometry
Education and Human Ecology	Pharmacy
Engineering	Public Affairs
Food, Agricultural and Environmental Sciences	Public Health
Law	Social Work
	Veterinary Medicine

The 7 schools within the University's colleges are:

Health and Rehabilitation Sciences	Earth Sciences
Architecture	Environment and Natural Resources
Biomedical Science	Music
Communication	

University Libraries consists of the Thompson Library and ten department library and special collections locations on the Columbus campus. The libraries on the Ohio State Columbus campus have a combined collection size of over 5.8 million volumes. The University Libraries website provides access to more than 11.5 million books and journal volumes in print and microformat, as well as an extensive collection of electronic databases.

Accreditations and Memberships

The Ohio State University has been accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools (NCA) since 1913, and in 2017, the University underwent its decennial reaffirmation of accreditation. Additionally, the University has programs, departments and colleges that are accredited by more than 40 specialized accrediting bodies. The University is a member of both the Association of American Universities and the Association of Public and Land-Grant Universities.

Faculty and Employees

As of September 30, 2019, the University had a faculty and non-instructional staff of 49,030 full and part-time employees on all campuses. The numbers of staff members for the Columbus Campus and the Extended Campuses as of September 30, 2019 were as follows:

	Columbus Campus	Extended Campuses	Total University
Instructional Staff			
Regular Faculty[1]:			
Professor	1,179	74	1,253
Associate Professor	787	134	921
Assistant Professor	587	64	651
Instructor	13	1	14
Total Regular Faculty	2,566	273	2,839
Other Faculty:			
Clinical Faculty[2]	1,830	6	1,836
Auxiliary Faculty[3]	2,472	323	2,795
Research Faculty[4]	112	1	113
Total Other Faculty	4,414	330	4,744
Total Instructional	**6,980**	**603**	**7,583**
Non-Instructional Staff			
Unclassified Staff	21,925	924	22,849
Classified Civil Service Staff	4,854	386	5,240
Professional & Technical Staff	48	0	48
Graduate Associates	4,356	75	4,431
Other Students	8,411	468	8,879
Total Non-Instructional Staff	39,594	1,853	41,447
Total Staff	46,574	2,456	49,030

(1) Regular faculty are tenure track with at least 50% FTE.
(2) Clinical faculty includes the following titles: Professor-Clinical, Associate Professor-Clinical, Assistant Professor-Clinical, and Instructor Clinical with at least 10% FTE.
(3) Auxiliary faculty includes all other instructional staff including Lecturers, House Staff and Visiting Faculty.
(4) Research faculty includes the following titles: Research Professor, Research Associate Professor, and Research Assistant Professor with at least 50% FTE.

The University faculty membership in distinguished academic societies includes the National Academy of Sciences (10 members), the National Academy of Engineering (9 members), and the Institute of Medicine (7 members). The faculty also includes 20 members of the American Academy of Arts and Sciences and more than 100 fellows of the American Association for the Advancement of Science. Many Fulbright Fellowships have been awarded to University faculty and graduate students each year.

The University is a party to collective bargaining agreements with the Communications Workers of America, the Fraternal Order of Police and the Ohio Nurses Association, which agreements cover only some of its employees. The remaining University employees, including faculty and other instructional staff, have not elected to join a bargaining unit.

Retirement Plans

The University participates in contributory retirement plans administered by the State Teachers Retirement System of Ohio ("STRS") and the Ohio Public Employees Retirement System ("OPERS"). As an alternative to STRS and OPERS, eligible employees may elect to participate in the University's Alternative Retirement Plan ("ARP"). The ARP was created by the University's Board of Trustees in February 1999. The number of OSU employees who contributed to the various retirement plans during calendar year 2019 is as follows:

OPERS	38,060
STRS	4,834
ARP	6,321

STRS and OPERS are two of five statewide public employee retirement systems created by and operating pursuant to Ohio law, all of which currently have unfunded actuarial accrued liabilities. The Ohio General Assembly has the power to amend the format of those systems and to revise rates and methods of contributions to be made by public employers and their employees and eligibility criteria, benefits or benefit levels for members.

STRS and OPERS both offer three separate retirement plans: a defined benefit plan, a defined contribution plan, and a combined plan.

- The STRS and OPERS defined benefit plans are cost-sharing multiple-employer defined benefit pension plans. Subject to eligibility requirements, the defined benefit plans currently provide for retirement benefits, disability benefits, postretirement health care coverage, and death benefits.
- The STRS and OPERS defined contribution plans are plans in which the member selects where both member and employer contributions are invested.
- The STRS and OPERS combined plans have features of both a defined contribution plan and a defined benefit plan. Subject to eligibility requirements, the combined plans currently provide for retirement benefits, disability benefits, postretirement health care coverage, and death benefits.

Ohio law requires the University to offer the ARP to certain employees. The ARP is a tax-qualified, defined contribution plan under Section 401(a) of the Internal Revenue Code and is maintained for eligible full-time faculty and staff.

STRS, OPERS and the ARP are funded by both employee and employer contributions at rates established under Ohio law. Currently, the statutory employee contribution rate is 10% of eligible compensation for OPERS and 14% of eligible compensation for STRS and the employer contribution rate is 14% of eligible compensation for both OPERS and STRS. Law enforcement employees contribute 13% of eligible compensation to OPERS and the University contributes 18.1%. Employee and employer contributions to the ARP are equal to the amount the University would have contributed to STRS or OPERS, as applicable to the employee, less any amount required to be paid by the University to the applicable state retirement system ("mitigating rate"). The mitigating rate is charged independently by OPERS and STRS and may differ between OPERS and STRS. A mitigating rate also applies to the OPERS and STRS defined contribution plans and can differ from the rate applied to the ARP. Contributions to STRS, OPERS and the ARP are subject to limits under the Internal Revenue Code.

The University also maintains a tax-qualified retirement plan and a related Section 415(m) plan for eligible employees whose contributions to STRS, OPERS or the ARP are limited under the Internal Revenue Code. Contributions may be funded from both employer and employee contributions. In addition, optional supplemental retirement programs (403(b) and 457(b) plans) are available for eligible employees.

Federal law requires University employees hired after March 31, 1986, to participate in the federal Medicare program. The current rate for Medicare is 1.45% of covered wages for both the employer and the employee. Otherwise, University employees do not currently contribute to the federal Social Security system.

In accordance with GASB Statement 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 other post-employment benefit (OPEB) liabilities of the plans. Although changes in net pension and OPEB liabilities generally are recognized as expense in the current period, GASB 68 and 75 require certain items to be 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 9 years).

The collective net pension liabilities of the retirement systems and the University's proportionate share of these liabilities as of June 30, 2019 are as follows (dollars in thousands):

	STRS-Ohio	OPERS	Total
Net pension liability – all employers	$21,987,755	$27,273,872	
Proportion of the net pension liability – University	4.6%	9.9%	
Proportionate share of net pension liability	$1,019,690	$2,695,368	$3,715,058

The collective net OPEB liabilities of the retirement systems and the University's proportionate share of these liabilities as of June 30, 2019 are as follows (dollars in thousands):

	STRS-Ohio	OPERS	Total
Net OPEB liability – all employers	$(1,606,898)	$13,037,639	
Proportion of the net OPEB liability – University	4.6%	10.1%	
Proportionate share of net OPEB liability	$(74,520)	$1,321,019	$1,246,499

Enrollment

The University attracts students from a variety of backgrounds and geographical locations, with representation in the Autumn Semester of 2019 from all 50 states and 112 foreign countries. Ohio residents represent 74.6% of the University's enrollment, while 15.8% are from other states and 9.6% are international students. The head count enrollment (full-time and part-time students) for each of the Columbus Campus and the Extended Campuses of the University for the Autumn Semesters of 2015 through 2019 is shown below:

Academic Year	Columbus Campus	Extended Campuses	Total Enrollment
2015-16	58,663	6,521	65,184
2016-17	59,482	6,564	66,046
2017-18	59,837	6,607	66,444
2018-19	61,170	6,930	68,100
2019-20	61,391	6,871	68,262

The following table shows the total Autumn head count enrollment for undergraduate and graduate students for all campuses, and for students enrolled in professional programs, as well as the aggregate FTE enrollment for all campuses.

Academic Year	Undergraduate	Graduate	Professional	Total	Full-Time Equivalent
2015-16	51,759	10,270	3,155	65,184	58,978
2016-17	52,349	10,529	3,168	66,046	60,040
2017-18	52,517	10,708	3,219	66,444	60,427
2018-19	53,734	11.113	3,253	68,100	61,654
2019-20	53,669	11,305	3,288	68,262	61,631

In 1969, the General Assembly, upon recommendation of the Ohio Board of Regents, set enrollment limitations for several of the larger state universities. The limitation for the Columbus Campus is 42,000 FTE resident undergraduate enrollment. Excluded from this enrollment calculation is the FTE enrollment in certain categories, including Medical Sciences (Medicine, Dentistry, Veterinary Medicine, Nursing, Allied Medicine and Optometry) and Agriculture programs, and part-time commuter students in evening courses. With these exclusions, the FTE enrollment for the Columbus Campus is substantially below the enrollment limitation.

Prior to 1987, the University practiced open admissions for freshmen, accepting applications on a first-come, first-served basis. Admissions would "close" when the number of applications received reached the FTE enrollment limitation. Because of increased demands for the Columbus Campus, the University adopted a selective admissions policy beginning with applications for Autumn Quarter 1987.

The application deadline is fixed at February 1st of each year. All resident and nonresident applicants are considered within a competitive process. Primary criteria for admission are the applicant's high school college preparatory program and performance as measured by class rank, and standardized test scores. Other factors include courses exceeding the minimum in mathematics, natural sciences and foreign languages, competitiveness of high school, leadership, special talents, or special circumstances. In addition, special consideration is given to students who will provide cultural, racial, economic, and geographic diversity to the University.

Admissions

The table below sets forth, for the Columbus Campus, the number of completed freshman applications received and accepted, the percentage of applicants accepted for admission, the number of freshmen enrolled, the percentage of accepted applicants who enrolled and the average ACT scores and retention rates of enrollees in the Autumn Quarters or Semesters of the academic years indicated.

Academic Year	Applications Completed	Applicants Accepted	Percent Accepted	Applicants Enrolled	Percent Enrolled	Average ACT	Retention Rate
2015-16	40,220	19,851	49.4%	6,978	35.2%	28.9	94.2%
2016-17	44,821	24,240	54.1%	7,885	32.5%	29.1	94.2%
2017-18	47,758	22,939	48.0%	7,136	31.1%	29.2	94.5%
2018-19	48,033	24,943	51.9%	7,851	31.5%	29.3	94.1%
2019-20	47,675	25,606	53.7%	7,630	29.8%	29.5	N/A

The average freshman composite scores on the Scholastic Aptitude Test (SAT critical reading and math) for the Columbus Campus was 1,347 for the Autumn Semester 2019; the average ACT Composite was 29.5. These averages have increased dramatically over the past decade as the University invested in strategic recruitment initiatives. Per the goals of the University Strategic Enrollment Plan, the composition of the freshman class has become increasingly more diverse. Non-Ohio resident freshman enrollment was 32.3% for Autumn Semester 2019.

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Fees and Charges

The per student instructional and general fees (including the tuition surcharge paid by non-resident students) for the Columbus Campus for academic years 2015-16 through 2019-20 are shown below.

Total Instructional and General Fees for Full-Time Students (Per Academic Year)

Columbus Campus		**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**
Resident	Undergraduate Tuition Guarantee 2017-18[(1)]	NA	NA	$10,170	$10,170	$10,170
	Undergraduate Tuition Guarantee 2018-19[(1)]	NA	NA	NA	10,304	10,304
	Undergraduate Tuition Guarantee 2019-20[(1)]	NA	NA	NA	NA	10,662
	Undergraduate-Non-Guarantee	$9,615	$9,615	9,615	9,615	9,615
	Graduate	11,928	11,928	11,928	11,928	11,928
	MHRM (Formerly MLHR)	16,248	16,248	16,568	16,568	16,568
	MBA	30,120	30,120	30,120	30,120	30,120
	Working Professional MBA	25,512	25,512	25,512	25,512	25,512
	EMBA	48,032	64,928	48,032	64,987	48,032
	Masters of Accounting	31,824	31,824	31,824	31,824	31,824
	Masters of Audiology	12,504	12,504	12,504	12,504	12,504
	MSLP	12,504	12,504	12,504	12,504	12,504
	Masters of Health Admin.	14,336	14,336	14,336	14,336	14,336
	Masters of Public Health	12,760	12,760	12,760	12,760	12,760
	Public Health PEP	12,760	12,760	12,760	12,760	12,760
	MPT/DPT	12,864	12,864	13,368	13,368	13,368
	MOT/DOT - Ranks 1-2	11,576	11,576	12,472	13,440	13,440
	MSW	12,600	12,600	12,600	12,600	12,600
	MBOE	33,980	34,646	34,646	34,710	34,518
	SMB Finance	55,632	55,632	55,632	55,632	55,632
	MBLE	27,552	27,552	27,552	27,552	27,552
	MAEE-DL	14,712	14,712	14,712	14,712	14,712
	GC Med	19,504	19,504	19,504	19,504	19,504
	GMB	13,020	13,020	11,828	11,828	11,828
	MGEL	17,144	17,144	17,072	17,072	17,072
Non-	SMB-Analytics	NA	NA	NA	35,189	35,189
Resident	Undergraduate Tuition Guarantee 2017-18[(1)]	NA	NA	29,274	30,186	31,147
	Undergraduate Tuition Guarantee 2018-19[(1)]	NA	NA	NA	30,320	31,281
	Undergraduate Tuition Guarantee 2019-20[(1)]	NA	NA	NA	NA	31,639
	Undergraduate-Non-Guarantee	26,943	27,807	28,719	29,631	30,592
	Graduate	31,400	32,376	33,400	34,432	35,512
	MHRM (Formerly MLHR)	34,152	35,048	36,312	37,256	38,250
	MBA	49,592	50,568	51,592	52,624	53,704
	Working Professional MBA	42,816	43,680	44,592	45,504	46,464
	EMBA	48,042	64,938	48,042	64,997	48,042
	Masters of Accounting	51,296	52,272	53,296	54,328	55,408
	Masters of Audiology	31,976	32,952	33,976	35,008	36,088
	MSLP	31,976	32,952	33,976	35,008	36,088
	Masters of Health Admin.	33,808	34,784	35,808	36,840	37,920
	Masters of Public Health	32,232	33,208	34,232	35,264	36,344
	Public Health PEP	32,232	33,208	34,232	35,264	36,344
	MPT/DPT	30,168	31,032	31,536	32,408	33,322
	MOT/DOT - Ranks 1-2	28,880	29,744	30,640	31,608	32,480
	MSW	32,072	33,048	34,072	35,104	36,184
	MBOE	33,990	34,656	34,656	34,720	34,528
	SMB Finance	55,642	55,642	55,642	55,642	55,642
	MBLE	44,856	45,720	46,632	47,544	48,504
	MAEE-DL	14,722	14,722	14,722	14,722	14,722
	GC Med	40,504	41,552	41,552	31,552	32,130
	MGEL	17,154	17,154	17,082	17,082	17,082
	SMB-Analytics	NA	NA	NA	35,199	35,199

		2015-16	2016-17	2017-18	2018-19	2019-20
Professional Schools						
Resident	Law	$28,632	$29,192	$29,768	$30,352	$30,952
	Medicine - Rank 1	29,648	29,648	29,648	30,008	30,008
	Medicine - Rank 2	29,648	29,648	29,648	30,008	30,008
	Medicine - Rank 3	29,648	29,648	29,648	30,008	30,008
	Medicine - Rank 4	29,648	29,648	29,648	30,008	30,008
	Dentistry - Rank 1	32,816	33,464	34,128	35,144	36,708
	Dentistry - Ranks 2-4	29,104	29,680	30,264	31,168	32,248
	Optometry - Ranks 1-2	25,512	26,264	26,264	26,776	27,304
	Optometry - Ranks 3-4	22,648	23,320	23,320	23,776	24,240
	Veterinary Medicine - Ranks 1-3	29,512	30,096	30,688	31,288	31,904
	Veterinary Medicine - Rank 4	22,960	30,096	30,688	31,288	31,904
	Pharmacy - Ranks 1-3	21,168	21,168	22,000	22,864	23,760
	Pharmacy Rank 4	15,080	21,168	22,000	22,864	23,760
Non-Resident	Law	43,584	44,144	44,720	45,304	45,904
	Medicine - Rank 1	49,280	50,264	51,296	52,696	53,786
	Medicine - Rank 2	49,280	50,264	51,296	52,696	53,786
	Medicine - Rank 3	49,280	50,264	51,296	52,696	53,786
	Medicine - Rank 4	49,280	50,264	51,296	52,696	53,786
	Dentistry - Rank 1	71,248	72,664	74,112	76,328	79,128
	Dentistry - Ranks 2-4	63,184	64,440	65,720	67,688	69,864
	Optometry - Ranks 1-2	54,568	47,320	47,320	47,832	48,360
	Optometry - Ranks 3-4	48,472	41,144	41,144	41,600	42,064
	Veterinary Medicine - Ranks 1-3	67,136	68,472	69,064	69,664	71,240
	Veterinary Medicine - Rank 4	52,240	68,472	69,064	69,664	71,240
	Pharmacy - Ranks 1-3	41,672	42,696	44,608	46,560	48,594
	Pharmacy Rank 4	30,104	42,696	44,608	46,560	48,594
Extended Campuses						
Resident	Undergraduate Tuition Guarantee 2017-18[1]	NA	NA	7,553	7,553	7,553
	Undergraduate Tuition Guarantee 2018-19[1]	NA	NA	NA	7,644	7,644
	Undergraduate Tuition Guarantee 2019-20[1]	NA	NA	NA	NA	7,912
	Undergraduate (Non-Guarantee)	7,140	7,140	7,140	7,140	7,140
	Graduate	11,736	11,736	11,736	11,736	11,736
	ATI-Tuition Guarantee-2017-18[1]	NA	NA	7,517	7,517	7,517
	ATI-Tuition Guarantee-2018-19[1]	NA	NA	NA	7,608	7,608
	ATI-Tuition Guarantee-2019-20[1]	NA	NA	NA	NA	7,874
	ATI (Non-Guarantee)	7,104	7,104	7,104	7,104	7,104
Non-Resident	Undergraduate Guarantee 2017-18[1]	NA	NA	26,657	27,569	28,530
	Undergraduate Guarantee 2018-19[1]	NA	NA	NA	27,660	28,621
	Undergraduate Guarantee 2019-20[1]	NA	NA	NA	NA	28,889
	Undergraduate (Non-Guarantee)	24,468	25,332	26,244	27,156	28,117
	Graduate	31,208	32,184	33,208	34,240	35,320
	ATI Guarantee 2017-18[1]	NA	NA	26,621	27,533	28,494
	ATI Guarantee 2018-19[1]	NA	NA	NA	27,624	28,585
	ATI Guarantee 2019-20[1]	NA	NA	NA	NA	28,851
	ATI (Non-Guarantee)	24,432	25,296	26,208	27,120	28,081

[1] First-year in-state students who started their college careers in the 2017-18, 2018-19, and 2019-20 academic years were enrolled under the Ohio State Tuition Guarantee, which will provide certainty for those students and their families about the cost of in-state tuition, general fees, housing and dining for four years. There is a non-resident surcharge that is not covered by the Tuition Guarantee Program that may result in slight annual increases for non-resident students.

Comparative information concerning the academic year 2019-20 instructional and general fees charged Ohio residents by the University and the other state universities are set forth below.

Instructional and General Fees*
2019-20

Institution	Undergraduate	Graduate
Bowling Green State University	$10,938	$12,386
Central State University	6,472	NA
Cleveland State University	10,077	14,727
Kent State University	10,359	11,766
Miami University	14,548	14,370
The Ohio State University	**10,037**	**12,425**
Ohio University	10,810	9,510
Shawnee State University	7,701	9,963
University of Akron	10,270	9,136
University of Cincinnati	11,000	14,468
University of Toledo	9,585	15,774
Wright State University	8,954	14,298
Youngstown State University	8,601	12,656

* Based on Fall 2019 full-time charges or 15 credit hours and 2 semesters. Amounts shown include both instructional and General Facilities Fees and exclude certain other fees that are not uniform to all state universities.

Source: Ohio Department of Higher Education Fall 2019 Survey of Student Charges. Room and Board expenses are no longer collected as part of this survey.

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The following student budget has been used by the University's Office of Financial Aid and represents estimated average undergraduate student costs at the Columbus Campus for academic year 2019-2020.

Estimated Annual Expenses 2019-20

Basic Fees	Per Student
Tuition and fees for In-State Residents	$11,084
Tuition and fees for Out-of-State-Residents*	32,060
Room and Board**	12,748
Books and Supplies	1,082
Miscellaneous Costs, Personal Expenses, Phone, etc.	2,998
Additional Out-of-State Travel	834
Total In-State Expenses	$27,912
Total Out-of-State Expenses	$49,722

* Includes the non-resident tuition surcharge
** Based on the most popular room and board plan

Financial Aid

Approximately 79% of the students of the University receive some form of financial assistance. The primary responsibility for this function is placed with the office of Student Financial Aid. During Fiscal Year 2019, students received total assistance amounting to $1.17 billion. The primary sources included the Pell Grant Program, Ford Federal Direct Student Loan Programs, Federal Work Study, Federal Supplemental Educational Opportunity Grants, Ohio College Opportunity Grants, and the University scholarships, loans, employment, and graduate student fee waivers.

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The following table summarizes the financial aid provided to University students for the five Fiscal Years ended June 30, 2019. A portion of funds provided are derived from sources outside the University. All programs assisted by the federal and state governments are subject to appropriation and funding by those governments.

Student Financial Aid
(dollars in thousands)

Source	2015	2016	2017	2018	2019
Scholarships and Grants					
University	$380,161	$401,132	$ 423,481	$ 442,194	$469,848
State Funds	13,933	15,028	14,741	16,465	16,615
Pell Grants	52,615	51,449	50,654	55,365	57,645
Other Federal Grants	2,831	3,076	4,551	3,717	4,661
Other Funds	45,411	50,612	51,138	52,686	54,071
Total Scholarships and Grants	$494,951	$521,297	$544,565	$570,427	$602,839
Loan					
University	$1,247	$1,082	$885	$ 724	$818
Federal Perkins	4,772	4,103	6,632	7,084	0
Federal Stafford & PLUS	351,872	345,442	347,692	343,700	338,591
Other Loans	43,582	45,788	46,934	45,089	48,196
Total Loans	$401,473	$396,415	$402,143	$396,596	$387,605
Student Employment					
Federal Work-Study	$2,979	$2,614	$2,865	$ 2,842	$3,360
University Student Payroll	160,269	158,655	164,014	168,740	173,282
Total Student Employment	$163,248	$161,269	$166,879	$171,583	$176,642
Total Financial Assistance	$1,059,672	$1,078,982	$1,113,587	$1,138,606	$1,167,086

Physical Plant

In total the University consists of 1,271 buildings and structures on 16,163 acres. The Columbus Campus programs are housed in 565 structures on the 1,666 acre campus. There are 76 additional structures located on 1,482 acres at the University's Extended Campuses. The OARDC has 363 buildings on 8,677 acres in Wooster, Ohio and eight other research farms throughout Ohio. The Molly Caren Agricultural Center in London, Ohio comprises 32 buildings on 2,092 acres. An additional 235 buildings, including county extension buildings, are located on 602 acres across Ohio. The total estimated replacement value of the University's buildings and infrastructure, all of which are either owned by the University or by the State for the use and benefit of the University is $15.3 billion. The replacement value of the Columbus Campus alone is nearly $13.0 billion. In 2013, the University entered into a 50-year lease and concession agreement with QIC Global Infrastructure pursuant to which the University, among other things, leased its parking lots and garages. In 2017, the University entered into a 50-year lease and concession agreement with Ohio State Energy Partners pursuant to which, among other things, the University leased its utility facilities (see related discussion in **Recent Developments**).

The Columbus Campus includes 1,666 acres comprising the east and west academic campuses, two 18-hole golf courses across 485-acres, and the 1,338-acre Don Scott Field. The Don Scott Field area contains the airport and experimental and demonstration farms and research areas on 801 acres and has 595 acres of undeveloped land. The Columbus Campus includes numerous academic and laboratory buildings and facilities, a 648 staffed bed University Hospital (does not include 356 staffed beds at the Arthur G. James Cancer Hospital and Richard J. Solove Research Institute or the 200 staffed beds at the University Hospital East), one of the largest academic research libraries in North America, 42 residence hall buildings which can house approximately 14,310 students and a 102,082-seat stadium.

In pursuit of its teaching, research, and public service missions, the University has made significant investments in its facilities. At June 30, 2019, the net book value of the University's land, buildings, improvements, equipment, library books, and construction in progress was $5.41 billion. In Fiscal Year 2019, total University capital expenditures totaled $555 million of which $323 million went toward University projects and $232 million supported health system projects. In addition, several major construction projects are under way including new Arts District facilities, the upgrade and expansion of Postle Hall, Koffolt and Fontana Labs, the Wooster laboratory building, and the new health sciences faculty office and optometry clinic. a new terminal at the OSU Airport, various athletic facilities and the relocation of Cannon Drive. The University's estimated future capital commitments, based on contracts and purchase orders, total approximately $327 million at June 30, 2019.

The Ohio State University Wexner Medical Center

Part of one of the most comprehensive health sciences campuses in the country, The Ohio State University Wexner Medical Center includes the College of Medicine and its School of Health and Rehabilitation Sciences; the Office of Health Sciences, including the OSU Faculty Group Practice; various research centers, programs and institutes; The Ohio State University Comprehensive Cancer Center – Arthur G. James Cancer Hospital and Richard J. Solove Research Institute; and the Ohio State Health System, which includes University Hospital, University Hospital East, Ohio State Harding Hospital, the Richard M. Ross Heart Hospital, Dodd Rehabilitation Hospital, the Ohio State Brain and Spine Hospital, the Ohio State Primary Care Network, Outpatient Care multispecialty facilities and Ohio State Walk-in Care Upper Arlington. The University's Wexner Medical Center hospitals serve more than 64,000 adult inpatients and more than 1.9 million outpatients a year.

In 2019, *U.S. News & World Report* named the University's Wexner Medical Center to its list of America's "Best Hospitals," based on structure, patient experience, outcomes and reputation, for the 27th consecutive year. The Wexner Medical Center was also among the 9% of hospitals in the U.S. to receive the highest rating of five stars in the most recent update to the Centers for Medicare and Medicaid Services' Hospitals Compare website.

The Ohio State University Wexner Medical Center is at the forefront of medicine, where discovery and ingenuity in research laboratories make unique, effective therapies available to patients months, even years, before other hospitals. One of the nation's leading academic medical centers, The Ohio State University Wexner Medical Center offers healthcare services in virtually every specialty and subspecialty in medicine. Thousands of patients come to the Wexner Medical Center each month for treatments and services they cannot find anywhere else. The Ohio State Wexner Medical Center is dedicated to improving health in Ohio and across the world through innovation in research, education and patient care.

A comparative summary of The Ohio State University Wexner Medical Center patient activity statistics for the five years ended June 30 is as follows:

	2015	2016	2017	2018	2019
Inpatient Admissions	58,211	59,538	61,701	64,529	64,534
Outpatient Visits	1,664,152	1,724,176	1,763,707	1,815,070	1,915,176
Surgeries	40,951	41,852	44,090	44,888	46,703

University Hospital specialties include 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. University Hospital has been re-designated a Magnet® hospital by the American Nurses Credentialing Center; one of the highest awards a hospital can receive for outstanding nursing services.

Ohio State Hospital East blends academic medicine with a community-based setting in a comprehensive outpatient facility and a 200-bed hospital on Columbus's East Side. The hospital provides a full range of medical and surgical services to patients throughout central Ohio, including orthopedics, general surgery, vascular surgery, plastic surgery, ENT, cardiovascular and pulmonary care, family medicine, general internal medicine and emergency medicine. Additionally, patients at Hospital East have access to central Ohio's leading alcohol and drug addiction recovery services, a comprehensive wound-healing center with limb preservation program, digestive disease treatment, a full-range of diagnostic services, a sleep disorders center and outpatient oncology services.

The Ohio State Heart and Vascular Center comprises the Richard M. Ross Heart Hospital and Dorothy M. Davis Heart and Lung Research Institute (DHLRI) and is dedicated to advancing the field of cardiovascular medicine and surgery. The University's Ross Heart Hospital is a 150-inpatient-bed facility that 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 DHLRI is one of the nation's few free-standing facilities devoted entirely to the research of diseases affecting the heart, lungs and blood vessels.

Ohio State 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. Treatment for anxiety disorders, panic attacks, post-traumatic stress disorders, depression, bipolar disorder, schizophrenia, ADHD and trauma occurs in a supportive environment emphasizing family participation and a return to independent living.

The only free-standing cancer hospital in central Ohio and the first in the Midwest, the University's Comprehensive Cancer Center – Arthur G. James Cancer Hospital and Richard J. Solove Research Institute (OSUCCC – James) is an international leader in cancer prevention, detection and treatment. The OSUCCC – James is a 356-bed cancer hospital, 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. The OSUCCC – James achieved Magnet® status in 2013.

Ohio State University Physicians, Inc. (OSUP) is a not-for-profit, multispecialty physician practice that has been designated by the Board as the faculty practice plan for the College of Medicine. The University's Faculty Group Practice (FGP) is an organizational unit of the Office of Health Sciences that represents the majority of the physicians delivering care to patients at The Ohio State University Wexner Medical Center. Both OSUP and FGP physicians have an employment relationship with the College of Medicine in support of its teaching, patient care and research mission areas.

The Ohio State Brain and Spine Hospital has 116 beds, bringing together a multidisciplinary team of physicians, nurses and scientists committed to meeting the specialized needs of patients with brain and spine disorders by restoring function, optimizing recovery and providing hope. The hospital includes more than 60,000 square feet of space 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.

Dodd Rehabilitation Hospital is home to Ohio State's high-performing and nationally 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. Physical medicine and rehabilitation works to restore function for a person who has been disabled as a result of a disease, disorder or injury.

On November 14, 2018, the Wexner Medical Center and Mercy Health launched Healthy State Alliance. Healthy State Alliance brings together two organizations with complementary missions, capabilities and talents to leverage their respective strengths, significantly expand access to life-changing care and improve the health of all those they serve. Early efforts will be focused on three objectives: addressing the opioid epidemic and increasing access to cancer and transplant care.

As part of its strategic planning and development process, the University and its Wexner Medical Center are continually evaluating opportunities that may involve the addition or acquisition of, or affiliation with, other organizations and enterprises including acute care hospital facilities, long-term care entities and other healthcare enterprises, or the divestiture of enterprises, operations or facilities that the University's Wexner Medical Center currently owns or operates. In addition, the University's Wexner Medical Center may engage in such discussions with health insurers, HMOs, preferred provider organizations, third-party administrators and other health insurance-related businesses. Because the healthcare field is rapidly evolving, the Wexner Medical Center is often simultaneously discussing or evaluating a variety of potential acquisitions, divestitures, combinations, affiliations, expansions and joint ventures. Many of those discussions and evaluations never progress to an actual agreement, and the University does not typically disclose such discussions or evaluations unless and until a definitive agreement is reached.

Other Public Institutions

Publicly owned higher education institutions in Ohio now include 13 state universities (with a total of 24 branches), one freestanding medical college (in addition to five at state universities) and 23 community and technical colleges. Those institutions all receive State assistance and conduct full-time educational programs in permanent facilities.

Ohio Department of Higher Education

The Ohio Department of Higher Education (formerly known as the Ohio Board of Regents) is a cabinet-level agency for the Governor of the State of Ohio that oversees higher education for the State. The Chancellor of the Ohio Department of Higher Education is an appointee of the Governor, with the advice and consent of the State Senate. The current Chancellor is Randy Gardner. The Chancellor has statewide coordinating, recommendatory, advisory and directory powers with respect to state-supported and state-assisted institutions of higher education. Among the Chancellor's powers and responsibilities are to formulate and revise a state master plan for higher education; to make recommendations to the Governor and General Assembly concerning the development of state-financed capital plans for higher education; to prepare a state plan for and be the state agency responsible for participation in federal programs relative to the construction of higher education academic facilities; to approve or disapprove the establishment of technical colleges, state institutions of higher education, community colleges and new branches or academic centers of state universities; to approve or disapprove all new degree programs at higher education institutions; to review and recommend the elimination of graduate and professional programs; to approve increases in fees and fee pledges of higher education institutions related to the issuance of new debt, and to review appropriation requests of those institutions and make recommendations to the General Assembly concerning the biennial higher education operating and capital appropriations.

The Ohio Board of Regents acts as an advisory board to the Chancellor. The Ohio Board of Regents consists of nine voting members appointed to six-year terms by the Governor with the advice and consent of the State Senate. Ex-officio non-voting members are the chairpersons of the respective education committees of the State Senate and the State House of Representatives.

FINANCIAL OPERATIONS OF THE UNIVERSITY

General

The financial statements of the University are prepared in a "business type activity" format in Governmental Accounting Standards Board (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*. GASB Statement No. 35 defines business type activities as those financed in whole or in part by fees charged to external parties for goods and services. Most public colleges and universities have elected to use the business type activity format. For further information see the audited financial statements of the University as of June 30, 2019 and 2018.

Summary of Revenues, Expenses, and Other Changes in Net Position

It should be noted that the required subtotal for net operating income or loss will generally reflect a "loss" for state-supported colleges and universities such as the University. 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. 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.

The following "Summary of Revenues, Expenses and Other Changes in Net Position" presents summary financial information for Fiscal Years 2015 through 2019.

Summary of Revenues, Expenses and Changes in Net Position
(dollars in thousands)

	2015	2016	2017	2018	2019
Operating Revenues:					
Tuition and fees, net*	$850,289	$884,805	$927,317	$935,893	$969,633
Grants and contracts	691,209	683,809	737,060	757,036	782,234
Auxiliary enterprises sales and services, net	261,351	261,761	309,497	328,692	339,615
OSU Health System sales and services, net	2,357,824	2,625,075	2,844,327	3,103,891	3,432,271
OSU Physicians sales and services, net	405,619	487,429	496,364	525,796	560,322
Departmental sales and other operating revenues	190,225	182,639	213,026	193,292	211,223
Total operating revenues	$4,756,517	$5,125,518	$5,527,591	$5,844,600	$6,295,298
Operating Expenses:					
Educational and general	$2,281,828	$2,418,561	$2,495,255	$2,062,211	2,721,044
Auxiliary enterprises	248,879	254,137	313,185	322,149	361,346
OSU Health System	1,970,124	2,242,256	2,595,797	2,720,988	3,109,070
OSU Physicians	373,658	441,333	444,361	484,132	507,366
Depreciation	342,196	358,326	381,753	402,135	420,506
Total operating expenses	$5,216,685	$5,714,613	$6,230,351	$5,991,615	$7,119,332
Net operating income (loss)	($460,168)	($589,095)	($702,760)	($147,015)	($824,034)
Non-Operating Revenues (Expenses):					
State share of instruction and line-item appropriations	$435,824	$456,063	$473,061	$475,593	$469,679
Gifts - current use	163,800	156,737	181,212	168,209	160,102
Net investment income (loss)	173,478	(10,376)	543,300	440,393	232,287
Grants, interest expense and other non-operating	12,930	(26,586)	(61,632)	(29,027)	(38,811)
Income (loss) before changes in net position	325,864	(13,257)	433,181	908,153	(777)
Changes in Net Position:					
State capital appropriations	40,868	36,381	68,270	83,217	64,900
Private capital gifts	1,688	10,422	26,761	15,470	26,565
Additions to permanent endowments	60,792	64,537	60,177	61,708	68,696
Increase (decrease) in net position	429,212	98,083	588,389	1,068,548	159,384
Net Position - beginning of year	$6,727,831	$4,992,309	$5,090,392	$5,666,558	$5,494,631
Effect of GASB 68 (Pensions)**	(2,164,734)				
Effect of GASB 81 (Irrevocable Split Interest Agreements)***			(12,223)		
Effect of GASB 75 (OPEB)****				(1,225,012)	
Effect of GASB 83 (Certain Asset Retirement Obligation) *****				(15,463)	
Net Position-end of year	$4,992,309	$5,090,392	$5,666,558	$5,494,631	$5,654,015

* Net of scholarship allowances of $171,707, $180,828, $179,071, $199,405, and $218,936, respectively.

**In Fiscal Year 2015, the University implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions. The cumulative effect of adopting GASB 68 was a reduction in the University's net position as of July 1, 2014.

*** In Fiscal Year 2017, the University implemented GASB Standard No.81, Irrevocable Split-Interest Agreements. The cumulative effect of adopting GASB No. 81 was a $12,223 reduction in the University's net position as of July 1, 2016.

**** In Fiscal Year 2018, the University implemented GASB Standard No.75, Accounting and Financial Reporting for OPEB. The cumulative effect of adopting GASB 75 was a reduction in the University's net position as of July 1, 2017. Balances reported for the year ended June 30, 2017 and all prior fiscal years presented have not been restated due to limitations on the information available from the retirement systems.

*****In Fiscal Year 2018, the University implemented GASB Standard No. 83, Certain Asset Retirement Obligation. The cumulative effect of adopting GASB No. 83 was a $15,463 reduction in the University's net position as of July 1, 2017.

The following Net Position (Equity) Summary presents net investment in capital assets, restricted – nonexpendable, restricted – expendable and unrestricted net position balances for Fiscal Years 2015 through 2019.

Net Position (Equity) Summary
(dollars in thousands)

	2015	2016	2017	2018	2019
Net Investment in Capital Assets	$2,396,802	$2,382,715	$2,364,637	$2,488,574	$2,749,111
Restricted – Nonexpendable	1,355,560	1,370,064	1,473,074	1,551,278	1,580,115
Restricted – Expendable	993,000	908,953	1,190,162	1,328,793	1,303,269
Unrestricted*	246,947	428,660	638,685	125,986	21,520
Total Net Position	$4,992,309	$5,090,392	$5,666,558	$5,494,631	$5,654,015

*The decreases in unrestricted net position relate to the implementation of the GASB 68 pension and GASB 75 OPEB standards, as further explained in the notes to the Summary of Revenues, Expenses and Changes in Net Position.

General Receipts of the University

General Receipts pledged to the security of the Bonds include virtually all the receipts of the University, excepting only receipts expressly excluded by the Indenture. Among receipts expressly excluded are State appropriations and any grants, gifts, donations and pledges, and receipts therefrom, which under restrictions imposed in the grant or promise or as a condition of the receipt are not available for payment of Debt Service Charges.

General Receipts for the five most recent Fiscal Years were as follows:

General Receipts of the University
(dollars in thousands)

	2015	2016	2017	2018	2019
Tuition, Fees and Other Student Charges	$1,021,995	$1,065,633	$1,106,385	$1,135,298	$1,188,569
Unrestricted Government Grants & Contracts	76,201	76,580	82,051	84,258	89,762
Private Gifts and Grants	32,985	41,468	44,167	41,310	41,206
Unrestricted Endowment Income	15,332	18,272	22,859	28,792	41,291
Dept. & University Sales & Services	152,328	153,560	155,779	157,841	165,638
Auxiliary Sales & Services	294,586	295,554	346,260	369,891	384,556
Hospital Sales & Services	2,368,952	2,625,075	2,853,177	3,103,891	3,432,271
Other Sources	32,156	32,379	53,649	26,687	33,936
Total General Receipts	$3,994,535	$4,308,521	$4,664,327	$4,947,968	$5,377,229

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Outstanding General Receipts Obligations

The University's General Receipts Bonds (including Senior Lien Obligations and Special Purpose General Receipts Obligations), as of June 1, 2020 consist of the following:

General Receipts Bonds	Original Amount	Amount Outstanding
Series 1997 Bonds	$ 79,540,000	$15,610,000
Series 1999 B1 Bonds	83,400,000	8,200,000
Series 2001 Bonds	76,950,000	49,845,000
Series 2003 C Bonds	121,295,000	39,955,000
Series 2005 B Bonds	129,990,000	53,545,000
Series 2008 B Bonds	127,770,000	77,730,000
Series 2010 A Bonds	241,170,000	6,125,000
Series 2010 C Bonds	654,785,000	654,785,000
Series 2010 D Bonds	88,335,000	84,625,000
Series 2010 E Bonds	150,000,000	150,000,000
Series 2011 A Bonds	500,000,000	500,000,000
Series 2012 A Bonds	91,165,000	49,310,000
Series 2012 B Bonds	23,170,000	10,525,000
Series 2013 A Bonds(1)	337,955,000	337,955,000
Series 2014 A Bonds	135,985,000	124,250,000
Series 2014 B1 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	17,535,000
Series 2017 Bonds	69,950,000	62,915,000
Total:	$3,692,335,000	$2,992,910,000

(1) The Series 2013 A Bonds are currently the only outstanding series of Special Purpose General Receipts Obligations.

Interest Rate Swaps

As part of its debt management, the University is also party to the following forward-starting floating-to-fixed interest rate swap agreements with a total notional amount of $328,800,000:

Outstanding Notional Amount	Related Bond Series[1]	University Pays	University Receives	Counterparty	Effective Date	Termination Date
$164,400,000	Series 2013 A	1.188%	SIFMA[2]	Barclays	6/1/2023	6/1/2043
164,400,000	Series 2013 A	1.264	SIFMA[2]	Wells Fargo	6/1/2023	6/1/2043

[1] The forward-starting swaps were entered into to allow the University to lock in favorable fixed swap rates in connection with the planned refunding of the Series 2013 A Bonds in 2023.
[2] Securities Industry and Financial Markets Association (SIFMA) weekly variable rate index.

General Operating Budget Procedures

For its Fiscal Year 2020 Operating Budget, the University continued its long-standing approach of adopting a budget that encompasses all funds of the university. This approach affords a holistic view of all operations of the University in an easily understood format that enables the University to highlight the evolution of funding sources which allows leadership to make informed strategic decisions in a timely manner.

The University divides its operating funds budget into a general fund budget (Columbus Campus and, separately, Extended Campuses and the Agricultural Technical Institute), an earnings fund budget, and a restricted fund budget. The general fund budget includes instruction and departmental research, separately budgeted research, public service, student services, general administration, plant operation and maintenance, student aid, and reserves. General fund operating revenues are derived from two primary sources: student academic fees and State appropriations. Over the last decade, student tuition/fees have increased at a faster pace than State appropriations and have become the University's largest source of general fund revenue. The earnings fund budget includes all expenditures supported by the hospitals and student-generated revenues, including room and board, bookstore, intercollegiate athletics, and related income. The restricted fund budget includes all expenditures supported by revenues from grants, contracts, gifts, and donations, and appropriations from the State intended for specific purposes.

The University adopts a general fund operating budget for each fiscal year by allocating to the colleges the increases (or decreases) in State Share of Instruction, student tuition/fees, and indirect cost recoveries collected on research projects. These allocations are based on the enrollments and research efforts adjusted for each college's share of administrative, space, research, and student services costs. Recommendations concerning fees, salaries, benefits, other revenues and expenditures, as well as budget requests for the colleges and support units are developed by the President and senior staff in consultation with the Council of Deans, Senate Fiscal Committee, and other University constituencies and are subject to review and approval by the Board of Trustees.

Fiscal Year 2020 Budget

The University's Fiscal Year 2020 consolidated budget plan projects revenues of $7.49 billion (3.8% annual growth) and expenditures of $7.01 billion (4.5% annual growth) resulting in a Fiscal Year 2020 projected surplus of approximately $480 million. Revenue growth is driven primarily by the health system with University revenue growing a more modest 3.3%. Expenditure growth is driven primarily by personnel expenses including strategic growth in health system physicians and personnel. Fiscal Year 2020 interim financial reports for each quarter are presented to the Audit, Compliance, and Finance Committee at each meeting of the Board of Trustees and are available following those meetings in the Investor Relations section of the University Treasurer's website (https://busfin.osu.edu/university-business/debt-management/investor-relations-continuing-disclosure).*

** Such interim financial reports are not incorporated into and do not constitute a part of this Appendix A. See **COVID-19 Pandemic** below for a discussion of budget considerations for Fiscal Year 2021.*

State Operating Appropriations

All State universities in Ohio receive financial assistance for both operations and designated capital improvements through appropriations by the Ohio General Assembly. These appropriations constitute a portion of the University's annual operating budget and contribute substantially to the successful operation and maintenance of the University. State operating appropriations are allocated across State universities based on student enrollment FTE multiplied by legislated subsidy allowances that vary by program. The following table shows historical State operating appropriations to the University for Fiscal Years 2015 through 2019 and estimated receipts for Fiscal Year 2020.

Fiscal Year	State Operating Appropriations*
2015	$435,824,000
2016	456,063,000
2017	478,847,000
2018	478,444,000
2019	473,126,000
2020**	474,242,709

* Total University, including all campuses.
** Reflects FY 2020 budget as enacted. See **Recent Developments** for discussion concerning the State's operating budget cuts.

State Capital Appropriations

Every year the University updates its five-year capital investment plan. Administrators work with colleges and central offices to prioritize capital needs, based on standing criteria and areas of emphasis. This provides the basis for a State capital appropriations request which is submitted every other year to the Chancellor of the Ohio Department of Higher Education. The request identifies the projects proposed to be financed with State appropriations by the General Assembly and the purpose, priority, amount, and source of funds for those projects. The Chancellor of the

Ohio Department of Higher Education may approve, modify or disapprove aspects of the University's capital appropriation request.

Beginning in 2012, the State transitioned its capital funding model for higher education from a formulaic approach to a more collaborative strategic model that reflects consensus recommendations of the State's universities and community colleges. This strategic model has been continued for all recent State capital biennia. The following table shows capital spending funded, and for Fiscal 2019-2020 expected to be funded, from State capital appropriations to the University for the past five fiscal biennia.

Fiscal Biennium	State Capital Appropriations*
2011-12	104,920,000
2013-14	129,935,000
2015-16	77,249,000
2017-18	151,487,000
2019-20	169,761,900

* See **Recent Developments** below for a discussion concerning the State's capital budget for the 2020-2021 fiscal biennium.

State appropriations constitute a portion of the University's annual operating and capital budgets. Under the Ohio Constitution, an appropriation may not be made for more than a two-year period. There can be no assurance that State appropriated funds for operating or capital improvement purposes will be made available in the amounts requested or required by the University. The General Assembly has the responsibility of determining such appropriations biennially and is not under a legal obligation to make appropriations in accordance with the budget requests of the University. State income and budget constraints may from time to time compel a stabilization or reduction of the level of State assistance and support for higher education in general and the University in particular. In addition, such appropriations (and other similar appropriations) are subject to subsequent limitations pursuant to an Ohio Revised Code section, implemented by the Governor from time to time in the past, which provides in part that if the Governor ascertains that the available revenue receipts and balances for the current fiscal year will in all probability be less than the appropriations for the year, he shall issue such orders to the State agencies as will prevent their expenditures and incurred obligations from exceeding such revenue receipts and balances.

Recent Developments

Total State of Ohio General Revenue Fund (GRF) appropriations are $33.96 billion for Fiscal Year 2020 (a 1.5% increase over Fiscal Year 2019), including GRF appropriation for higher education of $2.72 billion (an increase of 1.5% from Fiscal Year 2019). The impact of COVID was evident in April tax revenues, particularly in the income and sales taxes. Through April 30, 2020, State of Ohio GRF revenues were below estimate by $634.3 million (-2.3%) driven by shortfalls in personal income and sales taxes which were below estimate by $675.6 million (-9.2%) and $159.3 million (-1.8%), respectively, and offset by a $134.1 million overage in non-tax receipts. For the same period, spending from the State's GRF was $337.8 million (-1.2%) below estimate. Apart from Medicaid spending that exceeded estimate by $116.4 million (0.9%), there was below estimate spending across all programmatic categories. As the State begins to emerge from the stay-at-home phase of the pandemic response and economic activity gradually ramps back up, the magnitude of revenue underperformance is expected to moderate.

In response to the impact of the COVID-19 pandemic on economic activity within the state and in anticipation of a declining tax collections, the State has implemented a number of cost containment measures totaling $775 million in GRF appropriation reductions, including an approximately $109 million reduction in higher education for the remaining two months (May and June) of the current fiscal year. The University's reduction in dollars for the remainder of fiscal year 2020 is expected to be approximately $18.4 million.

Capital appropriations made in prior fiscal biennia are considered for re-appropriation within each new fiscal biennium, and as further cost containment measures are considered by the Ohio General Assembly, capital re-appropriations for higher education institutions are being evaluated. If the General Assembly does not include capital re-appropriations for the University in the State budget for the 2021-2022 fiscal biennium, the unexpended balances of prior year capital appropriations for the University will not be available for certain ongoing University capital projects and alternative sources of funds may need to be used to complete those projects.

The University continues to make significant investments in access and affordability, increasing its commitment to need-based financial aid by more than $100 million over the past four years and via the Ohio State Tuition Guarantee (introduced in Autumn 2017) which provides first-year, in-state students with predictability about the cost of tuition, general fees, housing and dining for four years. Tuition and fees now support 76% of the cost of instruction with the remainder funded through State Share of Instruction. The University has focused new and expanded financial aid programs on Ohio students who demonstrate financial need. With another $25 million committed to President's Affordability Grants this fiscal year, the University has dedicated $110 million over five years to support low-and moderate-income Ohio students. The University also established the Buckeye Opportunity Program in Autumn 2018, ensuring that Ohio students who qualify for Pell Grants receive an aid package that covers the full cost of tuition and mandatory fees. The program supports an estimated 4,200 students per year and is funded through a new endowment created from proceeds of the Comprehensive Energy Management partnership.

The Ohio State Tuition Guarantee will continue into its fourth year in Fiscal Year 2021. The total cost of resident tuition and mandatory fees for incoming freshman in Fiscal Year 2021 will increase 3.9% on the Columbus campus and 4.1% on regional campuses, compared with the previous cohort (per the Tuition Guarantee, these rates will be frozen for four years). A 4.8% increase to the non-resident surcharge will be implemented for undergraduate students and most graduate programs.

In support of its Digital Flagship program, the University has integrated learning technology throughout the Ohio State experience. Beginning in Autumn 2018 and continuing through Autumn 2020, incoming first-year students at all campuses receive an iPad Pro as part of their academic toolkit. Faculty members have ramped up courses specifically designed to take advantage of widespread access to this technology. Additionally, the University continues to expand its investments in programs that support teaching excellence, such as the University Institute for Teaching and Learning. The Institute works with faculty throughout the University to extend best practices and instruction.

In July 2017, the University entered into a 50-year agreement to lease the University's utility system to Ohio State Energy Partners LLC (the "Concessionaire"), and granted the Concessionaire the exclusive right to operate, maintain and make capital investments in the utility system and to charge the University a utility fee in connection therewith, which includes fixed, variable and operating and maintenance components. The variable rate portion of the utility fee reflects the University's obligation to reimburse the Concessionaire over time for costs incurred by the Concessionaire in completing approved projects. The University's Board of Trustees approved capital improvement projects to the University's utility system to be commenced in Fiscal Year 2020 in an aggregate amount of $362 million. Certain projects require additional Board and regulatory approval. The variable rate portion of the utility fee for Fiscal Year 2019 was $1.2 million.

As previously reported in the University's prior updates filed with EMMA, after receiving a complaint from a former student-athlete in April 2018, the University initiated an independent investigation into allegations of sexual misconduct by a former University physician, Dr. Richard Strauss. Strauss was employed from 1978-1998 and died in 2005. In May 2019, the University released a report from the independent investigators that detailed acts of sexual abuse against at least 177 former students by Strauss during his employment with the University. A total of 23 civil actions related to this investigation have been filed against the University.

The University and the claimants in the 23 civil actions have been participating in a confidential mediation process overseen by the federal court. The University has recently reached a $40.9 million settlement with the 162 survivors in 12 of the 23 civil actions. Amounts received by survivors will vary by individual as awarded by a special master. The special master, independent of the University and experienced in the area of sexual trauma claim evaluation, will oversee the settlement process. The 12 settled actions will result in resolution of claims that have been brought by nearly half of the individuals who originally brought claims against the University. No taxpayer, tuition or donor funds will be utilized to pay any settlement amounts for the 12 settled actions. All funds to be paid as part of the settlement will be drawn from existing institutional discretionary funding.

The University continues to participate in the mediation process with the claimants involved in the remaining civil actions. It is possible that additional lawsuits could be filed. While litigation is inherently unpredictable and the outcome of the pending and potential litigation cannot be determined at this time, management of the University is of the opinion that the aggregate amount that may ultimately be paid by the University with respect to these legal actions will not have a material adverse effect on the University's ability to meet its obligations to holders of General Receipts Obligations or to satisfy its other financial commitments.

Ohio State University President Michael V. Drake, MD, who has served as president of the University since June 2014, has announced that he will transition out of that role while continuing to serve through at least the end of the academic year. President Drake's career in higher education spans four decades, including the last 15 as a university president or chancellor.

On June 3, 2020 the University announced the appointment of Kristina M. Johnson, PhD to serve as the next president of the University. Dr. Johnson, who has served as chancellor of the State University of New York (SUNY) since 2017, brings more than 30 years of experience as an academic, business and policy leader. Dr. Johnson will begin her tenure as president on September 1, 2020. Dr. Drake's tenure as president will end on June 30, 2020, and for the intervening period the senior leadership of the University will report directly to the Board.

In October 2019, the University launched its most ambitious community-building and fundraising endeavor in history. Known as *Time and Change: The Ohio State Campaign*, the campaign celebrates the University's 150th year and strives to engage a record one million supporters with a financial goal of $4.5 billion. The campaign is centered on three core areas of focus: i) student success; ii) research and discovery; and iii) healthy, vibrant communities.

The University remains committed to protecting and enhancing student affordability and to attracting and retaining outstanding faculty. The University will continue to plan for and budget the amount of its General Receipts required for the payment of debt service. It is the judgment of the University that while there will always be some uncertainty in the level of continued State support it receives, the level of State funding will not materially impair the University's ability to either satisfy its debt service obligations or carry out the educational mission of the University.

COVID-19 Pandemic

The information set forth below is current as of the date of this Supplemental Official Statement. Because of the evolving nature of the circumstances described below, it is very likely those circumstances will continue to change. Although the University may provide additional information to the public from time to time regarding the matters described below, it does not anticipate providing such information in the form of an additional supplement to the Supplemental Official Statement after the date of delivery of the Series 2020 Bonds.

COVID-19 in Ohio

As widely reported, the outbreak of COVID-19, a new strain of coronavirus that can result in severe respiratory disease, was first detected in December of 2019, and has spread across six continents impacting many countries, including the United States. COVID-19 has been declared a pandemic by the World Health Organization. The COVID-19 outbreak is altering the behavior of businesses and people in a manner that is expected to have negative effects on global and local economies, including the State of Ohio. In response to the public health crisis, the Governor of Ohio and the Director of the Ohio Department of Health ("ODH") took certain actions to limit the spread of the virus and its impact on the State's local communities and health care services, including the declaration of a state of emergency in the State and the closure of all non-essential businesses commencing on March 23, 2020.

Commencing on May 1, 2020, the State began a phased-in process of reopening certain businesses. The first phase applied to health care, allowing for non-essential surgeries and procedures that do not require an overnight hospital stay to commence on May 1, 2020, as well as the reopening of dental and veterinary practices. The second phase applied to manufacturing, distribution and construction companies, and allowed such businesses to commence operations, and offices to reopen, on May 4, 2020, as long as social distancing precautions and other safety practices were followed. The final phase allowed for retail businesses to reopen on May 12, 2020 as long as social distancing precautions and other safety practices were followed. Notwithstanding the phased-in reopening of businesses in Ohio, it is not possible to determine at this time whether or when business activities will return to a pre-pandemic level.

The University's Response to Date

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 will extend through the summer semester. With limited exceptions, all University events have been cancelled through July 6, 2020. Nearly all University housing and dining facilities were closed on March 22, 2020 and will remain closed through the summer semester. The University has provided students housing and dining reimbursement and reimbursement of certain fees (i.e., recreational fees) on a pro rata basis from March 16, 2020 through the end of spring semester. The approximate cost of the housing refund and the dining refund are $22 million and $10 million, respectively. The approximate cost of refunding recreational fees is $2.4 million.

In accordance with the policy of the University's Office of Human Resources relating to disaster preparedness, on March 22, 2020 the President of the University declared a "University State of Emergency" that allows flexibility for employees to continue to telework while enabling University senior leadership and college deans to make determinations of who may work on campus to maintain critical services and research. This declaration applies to the Columbus campus, regional campuses and the Wexner Medical Center and is made weekly. As of the date of this Supplemental Official Statement, the University remains in a State of Emergency.

Effective March 20, 2020, the University instituted a hiring freeze for all non-essential positions through June 30, 2020. The University has also completed an assessment of its current and planned capital projects to determine where scope adjustments and pauses are appropriate until the full impact of COVID-19 is known. While certain projects, particularly larger projects well into the construction phase, will continue as planned, a number of projects have been slowed or modified.

The University is continuing to implement certain cost containment measures to address expected and potential revenue losses. These measures include a hiring pause with exceptions for essential services and key faculty and research positions, a pause in merit-based compensation increases, restrictions on University travel, and greater stringency around non-essential procurement and other operating expenditures. While the University is not planning to implement furloughs at this time, the University has authorized senior leadership to develop a furlough policy to allow the University to institute further cost-saving measures if it becomes necessary.

Senior leadership updates representatives of the Board of Trustees periodically regarding the potential impacts of the COVID-19 pandemic (financial and operational) and the measures the University is taking in response.

In addition, the University is engaging in financial contingency planning and has asked all colleges and support units to prepare a range of budget projection scenarios for Fiscal Year 2021. Due to ongoing uncertainty created by the COVID-19 pandemic, the University' senior leadership presented and the Board of Trustees approved an interim operating budget for the first two months of Fiscal Year 2021 (July and August 2020). The interim operating budget contains cost saving measures to be implemented in July and August across all of the University's campuses and the Wexner Medical Center. The Board is expected to consider a complete Fiscal Year 2021 budget at its August 2020 meeting.

The federal government has undertaken an array of actions designed to provide assistance to colleges and universities as well as healthcare systems in dealing with the effects of the COVID-19 pandemic, including a $14 billion allocation in the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") to higher education institutions. The University's share of the CARES Act allocation to higher education institutions is estimated to be $42.9 million (with 50% of such allocation required to be provided to students in the form of emergency financial aid grants) based on analysis prepared by the Association of Public and Land-grant Universities. The CARES Act also established a $100 billion allocation for a health care provider relief fund with distributions to health care systems occurring in two rounds with round 1 based on 6.2% of total Medicare payments received in federal FY 2019 and round 2 based on 2% of prior year net patient revenue. The University Hospital system and the James Cancer Hospital have received total funding for both rounds of $72.3 million. The U.S. Department of Health and Human Services is also providing accelerated advance payments of Medicare reimbursements to health systems that, in effect, provide an interest free loan for 120 days, with repayments set to occur after that period by netting the advanced amount against future Medicare claim amounts. The University has applied for $271.9 million in advance Medicare payments under this program and has received $140.4 million to date. It is not presently possible to estimate the full extent to which the University will benefit from all such federal assistance and the timing of receipt of such assistance.

On June 3, 2020 the University announced that based on guidance from state and local health authorities and recommendations of the Safe Campus and Scientific Advisory Subgroup of the University's COVID-19 Transition Task Force, the University plans to resume in-person classes for the Autumn semester. The Safe Campus and Scientific Advisory Subgroup is developing a Safe and Healthy Playbook that will detail for students, faculty, staff and visitors the measures to be taken and the requirements being put in place to limit the spread of COVID-19 and protect the health and safety of the University community.

The academic year will be adjusted as part of the return plan, with on-campus instruction taking place from August 25 through November 25. The last week of the semester and final exams will be accomplished through distance measures. A teaching and learning approach that combines in-person and distance methods is also being developed. The return plan includes reduced population density in residence halls and dining options that will feature mobile ordering and grab-and-go options. Senior leadership of the University is continuing to develop a plan to enable student-athletes to resume practice and competition. Final plans for all sports will be subject to decisions made by the Big Ten Conference and the NCAA, and directives of state and local health authorities.

Potential Impact of COVID-19 Pandemic on the University's Financial Position

The full impact of COVID-19 and the scope of any adverse impact on University finances and operations cannot be fully determined at this time. Adverse consequences of the COVID-19 pandemic may include, but are not limited to: decline in enrollment (including a disproportional decline in enrollment by international students); decline in demand for University housing; decline in demand for University programs that involve travel or that have international connections; postponement or cancellation of athletic events; a decrease in availability of student loan funds or other student financial aid; reductions in funding support from donors or other external sources; a decline in research funding, including research funding from the U.S. government; a significant decline in the University's investments based on market declines or other external factors; and a decrease in financial support from the State of Ohio whether through decreased appropriations or otherwise.

On March 17, 2020 the Director of the Ohio Department of Health issued an order temporarily recommending that non-essential or elective surgeries and procedures not be conducted at Ohio hospitals. The temporary suspension of performance of elective procedures was recommended to create capacity for a potential increase in COVID-19 patients, but will have a negative effect on the FY 2020 and possibly FY 2021 revenue of the University's Wexner Medical Center (the "Wexner Medical Center"). The recommendation to suspend non-essential or elective surgeries and procedures was withdrawn effective on May 1, 2020, but it is not presently possible to determine whether or when the volume of non-essential or elective surgeries and procedures will return to pre-pandemic levels.

The Wexner Medical Center is currently engaged in a budgetary control and contingency planning initiative. This initiative is intended to address immediate patient care needs during the pandemic as well as plan for the resumption of health care services and procedures that were limited or reduced as a result of the COVID-19 outbreak.

It is not possible at this time to reliably project the direct financial impact of the COVID-19 outbreak on the University's operating revenues and expenses. As a result, the budgets and projections contained in this Appendix A have not been updated to reflect the potential impact of the COVID-19 outbreak. As more accurate information on the impact of COVID-19 becomes available, University budgets and forecasts will be adjusted to take into account current immediate trends to enable the University to anticipate the effects on the University's financial position.

Investments and Liquidity

Financial markets have recently experienced turbulence, attributable to: (i) the potential impact of COVID-19 on world economies; (ii) oil prices; and (iii) the possibility of an economic recession in the United States. This may affect the returns on the University's investment portfolio and therefore it is possible that the University will experience lower returns than the returns reflected in its recent financial statements.

The University regularly reviews its liquidity position and has intensified that focus based on the significant actual and expected effects of the COVID-19 pandemic on the resources of the University. Investment values have declined significantly, particularly during March 2020, and financial markets are exhibiting unusual volatility. As of April 30, 2020, the University had total operating fund cash and investments preliminarily valued at approximately \$5.40 billion, of which \$2.25 billion can be converted to cash on a same day basis, \$1.60 billion can be converted to cash on a next-day basis and \$1.55 billion can be converted to cash in between 2 and 7 days.[1] As of April 30, 2020, and based on Fiscal Year 2020 average daily spending, the University has liquid assets on hand to cover approximately 281 days of spending.

[1] The preliminary financial data included in this Appendix A has been prepared by, and is the responsibility of, the University's management. PricewaterhouseCoopers LLP has not audited, reviewed, compiled, or applied agreed-upon procedures with respect to the preliminary financial data and, accordingly, does not express an opinion or any other form of assurance with respect thereto.

Grants and Contracts

During Fiscal Year 2019, the University's expenditures on research totaled $931 million. Over half of these expenditures ($498 million) came from various federal agencies. The National Institutes of Health ($241 million), the National Science Foundation ($51 million), the Department of Energy ($27 million), the Department of Defense ($40 million), and the Department of Agriculture ($34 million) were the primary federal sponsors. The remaining $433 million came from non-federal sources (industry, state, other non-governmental entities and institutional funds) with institutional funds ($138 million) and industrial sponsors ($158 million) being the primary sources.

The University's total research expenditures, as reported to the National Science Foundation, are managed by a number of administrative units. The primary administrative unit for external funding awarded to the University's investigators in Fiscal Year 2019 was the Ohio State University Office of Sponsored Programs, which managed the majority of the awards to academic units. In addition, some funds (primarily block grants from the U.S. Department of Agriculture) are administered by the OARDC. Research expenditures by the University's investigators at the Research Institute at Nationwide Children's Hospital and the Transportation Research Center are also included in the University's total research expenditures. Institutional funds reflect the University's investment in the research enterprise and include cost-sharing on grants for items such as facilities, equipment and graduate associate tuition.

The following tables show grant and contract expenditures for sponsored projects for Fiscal Years 2015-2019 by administering unit and grant and contract awards for the same time period. Note that total awards and total expenditures will not precisely match, because awards often include multiple years of funding, whereas expenditures reflect activity in a single Fiscal Year. In addition, institutional contributions are not included in the awards table.

Grant and Contract Expenditures by Administering Unit
(dollars in thousands)

	2015	2016	2017	2018	2019
OSU Research Foundation	$539,717	$515,613	$534,629	$539,660	$582,492
Ohio Agricultural R&D Center	31,937	30,719	31,525	30,278	30,178
Research Institute at Nationwide Children's Hospital	66,621	63,873	74,003	74,911	88,887
Transportation Research Center	32,528	39,161	45,515	48,240	38,633
Institutional Funds	236,336	144,158	127,297	128,966	138,213
Other	54,858	53,569	51,358	52,959	52,713
Totals	$961,997	$847,093	$864,327	$875,014	$931,116

Grant and Contract Awards by Administering Unit
(dollars in thousands)

	2015	2016	2017	2018	2019
OSU Research Foundation	$515,775	$549,747	$571,910	$575,470	$621,174
Ohio Agricultural R&D Center	35,026	33,790	35,279	33,723	32,013
Research Institute at Nationwide Children's Hospital	95,160	66,308	72,552	51,480	103,824
Transportation Research Center	32,528	39,161	45,515	48,240	39,125
Other	71,440	72,049	82,623	85,925	94,411
Totals	$749,929	$761,055	$807,879	$794,838	$890,547

The following table shows grant and contract expenditures for Fiscal Years 2015-2019 by source of funds.

Grant and Contract Expenditures by Source
(dollars in thousands)

	2015	2016	2017	2018	2019
Federal Sponsors					
National Institutes of Health	$196,794	$204,530	$217,471	$221,833	$241,206
National Science Foundation	52,197	53,077	50,740	50,971	51,067
Department of Education	36,653	22,124	17,221	13,096	11,912
Department of Defense	34,604	31,672	31,139	34,579	39,550
Department of Energy	18,452	19,104	21,563	25,163	26,718
Department of Labor	3,784	15,369	12,047	12,489	12,600
Department of Agriculture	31,120	31,461	32,136	34,553	33,905
National Aeronautics and Space Administration	6,157	7,330	7,288	8,721	10,014
Other Federal Agencies	87,985	72,186	74,706	73,589	70,740
Total Federal Sources	$467,746	$456,853	$464,311	$474,994	$497,712
Industry	$119,272	$127,738	$146,317	$138,916	$158,151
State of Ohio	70,593	52,637	54,591	58,211	61,167
Other Non-Federal Agencies	68,050	65,706	71,811	73,927	75,873
Institutional funds	236,336	144,159	127,297	128,966	138,213
Total Non-Federal Sources	$494,251	$390,240	$400,016	$400,020	$433,404
Total All Sources	$961,997	$847,093	$864,327	$875,014	$931,116

The following table shows total grant and contract awards for Fiscal Years 2015-2019 by source of funds.

Grant and Contract Awards by Source
(dollars in thousands)

	2015	2016	2017	2018	2019
Federal Sponsors					
National Institutes of Health	$222,706	$217,585	$237,513	$226,048	$298,983
National Science Foundation	62,233	56,925	59,359	54,139	52,607
Department of Education	19,200	20,666	16,105	12,239	11,923
Department of Defense	34,759	31,537	33,149	44,116	50,235
Department of Energy	19,323	25,098	26,685	32,505	30,061
Department of Labor	9,583	9,005	13,926	13,266	12,298
Department of Agriculture	35,291	30,017	34,255	34,020	46,859
National Aeronautics and Space Administration	7,292	8,991	7,095	10,793	9,493
Other Federal Agencies	69,685	77,283	78,663	71,627	81,359
Total Federal Sources	$480,072	$477,107	$506,750	$498,753	$593,818
Industry	$122,616	$128,163	$140,469	$144,421	$136,818
State of Ohio	75,251	76,394	53,241	57,421	46,165
Other Non-Federal Agencies	71,990	79,391	107,419	94,243	113,116
Total Non-Federal Sources	$269,857	$283,948	$301,129	$296,085	$296,099
Total All Sources	$749,929	$761,055	$807,879	$794,838	$889,917

The Office of University Advancement

The Ohio State University Foundation (the "Foundation") is a not-for-profit organization formed in April 1985 which operates exclusively for the benefit of the University. The Ohio State University Foundation is the primary fundraising and gift receipting organization for the University. Through the Foundation and the Office of University Advancement, contributions to the University can be made for current use or to the Endowment Fund. The University will accept gifts and bequests of cash, securities, real estate, tangible and intangible property, life insurance, and life income programs such as pooled income funds, charitable remainder annuity trusts, or charitable remainder unitrusts and gift annuities.

The following table shows gifts and bequests to the University from individuals, businesses and other organizations during each of the Fiscal Years listed below (dollars in thousands):

Fiscal Year	Gifts	Endowment Contributions	Private Capital Gifts	Total
2015	$163,800	$60,792	$1,688	$226,280
2016	$156,737	$64,537	$10,422	$231,696
2017	$181,212	$52,458	$26,761	$260,431
2018	$168,209	$55,579	$15,470	$239,258
2019	$160,102	$45,533	$26,565	$232,200

The University Endowment Fund

The University Endowment Fund is comprised of 2,742 individual funds and contains all endowment funds that were established before April 1985. The Fund is invested in the Long-Term Investment Pool and is comprised of a diversified portfolio consisting of equity, fixed income and alternative investments. The market value of the Fund at June 30 of each of the past five Fiscal Years was:

Fiscal Year	Market Value
2015	$1,047,984,898
2016	$977,172,750
2017	$1,062,320,663
2018	$1,104,235,903
2019	$1,070,008,194

As of April 30, 2020, the preliminary market value of the fund was $1,010,586,995.[2]

The Ohio State University Foundation

The Foundation administers Unrestricted, Restricted, Endowment and Trusts and Pooled Income Funds for the benefit of the University. The market value of the 3,195 endowment funds held by the Foundation that are invested in the Long-Term Investment Pool at June 30 for the past five Fiscal Years was:

Fiscal Year	Market Value
2015	$757,158,186
2016	$763,331,888
2017	$877,261,330
2018	$958,749,667
2019	$969,428,976

As of April 30, 2020, the preliminary market value of the fund was $955,200,167.[2]

[2] The preliminary financial data included in this Appendix A has been prepared by, and is the responsibility of, the University's management. PricewaterhouseCoopers LLP has not audited, reviewed, compiled, or applied agreed-upon procedures with respect to the preliminary financial data and, accordingly, does not express an opinion or any other form of assurance with respect thereto.

The Long-Term Investment Pool

The University's Long-Term Investment Pool (which includes the University Endowment Fund, Foundation Endowments and certain Operating Funds) is the sixth largest endowment fund of any public university or college in the United States based on information from the 2018 National Association of College and University Business Officers endowment study. The market value of the Long-Term Investment Pool at June 30 for the past five Fiscal Years was:

Fiscal Year	Market Value
2015	$3,659,386,806
2016	$3,616,562,386
2017	$4,253,459,135
2018	$5,211,434,116
2019	$5,256,758,783*

* LTIP market value was impacted by a combination of below benchmark performance across asset classes and a $101 million reduction in the fair value of certain natural resources and oil and gas investments.

As of April 30, 2020, the preliminary market value of the LTIP was $5,077,140,048 consisting of the following investment types and market values:[2]

Investment Type	Market Value
Equity	$2,224,371,402
Private Equity	1,215,766,620
Real Assets	541,182,741
Absolute Return/Hedge	304,254,572
Fixed Income	716,197,352
Cash	75,367,361
Total	**$5,077,140,048**

The preliminary total returns on the long-term portfolio net of investment fees for the month ending April 30, 2020 were:[3]

One year	-3.33%
Three year	2.90%
Five year	3.39%

The University distributed approximately $220.0 million and $204.0 million of endowment funds for operations in fiscal years ending June 30, 2019 and 2018, respectively.

The Short and Intermediate-Term Pool

The University's Short and Intermediate-Term Pool represents funds available for operating and capital purposes. The market value of the Short and Intermediate-Term Investment Pool at June 30 for the past five Fiscal Years was:

Fiscal Year	Market Value
2015	$1,949,304,734
2016	$2,621,075,390
2017	$2,695,253,693
2018	$3,354,477,321
2019	$3,552,872,175

As of April 30, 2020, the preliminary market value of the Short and Intermediate-Term Pool was $3,849,375,871 and the pool consisted of the following investment types and market values:[3]

[3] The preliminary financial data included in this Appendix A has been prepared by, and is the responsibility of, the University's management. PricewaterhouseCoopers LLP has not audited, reviewed, compiled, or applied agreed-upon procedures with respect to the preliminary financial data and, accordingly, does not express an opinion or any other form of assurance with respect thereto.

Investment Type	Market Value
Bank Accounts	$1,073,599,600
Money Market Funds	1,178,298,052
U.S. Gov't & Agency Bonds	287,544,823
Asset Backed Securities	279,622,481
Corporate Bonds	990,216,786
Municipal Bonds	15,177,253
Other Fixed Income	24,916,877
Total	$3,849,375,871

Insurance Coverage

All real and business property (buildings and their contents) of the University are insured under a blanket (all risk) insurance policy. The policy insures all buildings and their contents on a replacement cost basis. The policy also includes business interruption, boilers and machinery breakdown. The University self-funds all deductibles. Buildings under construction are insured under Builders Risk policies obtained by the individual contractors or in some cases by Builders Risk policies owned by the University.

With limited exceptions, all owned, leased, rented or borrowed motor vehicles are self-insured for property damage with liability coverage provided by the University's Excess Liability Program, including Auto are subject to a self-insured retention. All owned or leased aircraft are also insured with liability coverage covered under a separate aviation policy.

The University maintains a self-insurance program for potential medical malpractice liabilities arising from operations of the University's Medical Center.

The University has purchased a high deductible Cyber Liability insurance policy, and our property policy includes some cyber coverage. Subject to the deductible and the policy limits, the policies will reimburse costs for corrupted, erased and altered electronic data arising out of cyber peril or other covered loss worldwide. It will pay for covered equipment, electronic devices and storage media that was rendered useless for its intended purpose, due to the introduction of malicious code. Coverage also includes reimbursement from Denial of Service attacks.

Workers' Compensation is self-insured by the University with the purchase of excess insurance for a catastrophic loss.

Capital Programs and Additional Financing

The University has an on-going capital improvement program consisting of new construction and the remodeling/rehabilitation of existing facilities. Capital improvement projects are expected to be funded from a variety of sources, including gifts, state appropriations, debt financing and University funds. As of June 30, 2019, the University had authorization for the following projects:

Project Status	Number	Total Project Cost (dollars in thousands)
In Design	85	$484,500
Under Construction	164	826,100
Emerging Projects*	78	79,400
Total	327	$1,390,000

* Projects not yet hired or designed

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APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

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The Ohio State University

(A Component Unit of the State of Ohio)

Financial Statements

As of and for the Years Ended June 30, 2019 and 2018

And Report of Independent Auditors

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Report of Independent Auditors

To the Board of Trustees of
The Ohio State University

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 June 30, 2019 and 2018, 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.

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 The Ohio State University as of June 30, 2019 and 2018, 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.

PricewaterhouseCoopers LLP, 41 South High Street, Suite 2500, Columbus, OH 43215
T: (614) 225 8700, F: (614) 224 1044, www.pwc.com

Other Matters

Required Supplementary Information

The accompanying management's discussion and analysis on pages 3 through 21, the Required Supplementary Information on GASB 68 Pension Liabilities on page 93 and the Required Supplementary Information on GASB 75 Net OPEB Liabilities on page 94 are required by accounting principles generally accepted in the United States of America to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying other information on the long-term investment pool on pages 95 through 96 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the 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 22, 2019 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, 2019. 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.

PricewaterhouseCoopers LLP

November 22, 2019

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, 2019, with comparative information for the years ended June 30, 2018 and June 30, 2017. We encourage you to read this MD&A section in conjunction with the audited financial statements and footnotes appearing in this report.

About The 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 68,000 students, 7,000 faculty members and 27,000 staff members. Founded in 1870 under the Morrill Land Grant Act, the university – which was originally known as the Ohio Agricultural and Mechanical College -- has grown over the years into a comprehensive public institution of higher learning, with over 200 undergraduate majors, 168 master's degree programs, 114 doctoral programs and nine professional degree programs.

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

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

- ***University Hospital*****:** the Wexner Medical Center's flagship hospital is a leader in minimally invasive surgery, a Level I Trauma Center and one of the busiest kidney and pancreas transplant centers in the world.
- ***Arthur G. James Cancer Hospital and Solove Research Institute ("The James"):*** one of the nation's premier centers for prevention, detection and treatment of cancer.
- ***Richard M. Ross Heart Hospital ("The Ross"):*** a leader in cardiology and heart surgery, the Ross Heart Hospital is the only nationally ranked heart hospital in the area, according to U.S. News & World Report.
- ***OSU Harding Hospital:*** offers the most comprehensive inpatient and outpatient mental health and behavioral health services in central Ohio.
- ***University Hospital East:*** offers renowned Ohio State 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.
- ***Dodd Hall:*** home to Ohio State's nationally recognized and accredited rehabilitation inpatient program, specializing in stroke, brain and spinal cord rehabilitation.

- ***Brain and Spine Hospital:*** home to central Ohio's top-ranked Neurology/Neurosurgery program, according to U.S. News & World Report. Patients benefit from the expertise of a world-renowned team of doctors, nurses and scientists, each specializing in just one disorder.
- ***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 64,500 adult inpatients and 1,915,000 outpatients during fiscal year 2019 and 64,500 adult inpatients and 1,810,000 outpatients during fiscal year 2018.

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

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

- The OSU Foundation (a fundraising foundation operating exclusively for the benefit of the university)
- OSU Health Plan (a non-profit organization – formerly known as OSU Managed Health Care Systems – that administers university health care benefits)
- Oval Limited (captive insurer that provides medical malpractice coverage to university hospitals and physicians)
- Pelotonia (a new fundraising organization operating exclusively for the benefit of the university – operations of the original Pelotonia LLC organization will be transferred to the new Pelotonia organization in FY2020)

The GASB has indicated that, under the amended consolidation standards, the "exclusive benefit" criterion for blending is not met when a component unit provides services to parties external to the primary government.

As a result, the university presents the following component units in a discrete presentation:

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

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

About the Financial Statements

The university presents its financial statements in a "business type activity" format, in accordance with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities – an amendment of GASB Statement No. 34.* In addition to this MD&A section, the financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and 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, 2019, with comparative information as of June 30, 2018. 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 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, 2019, with comparative information for the year ended June 30, 2018. 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.

The **Statement of Cash Flows** details how cash has increased (or decreased) during the year ended June 30, 2019, with comparative information for the year ended June 30, 2018. 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

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. Health System operating revenues grew $328 million, to $3.43 billion in 2019. 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.

Demand for an Ohio State education and outcomes for students remain strong. 68,100 students were enrolled in Autumn 2018, up 1,656 students compared to Autumn 2017. 95% of the freshmen enrolled in Autumn 2017 returned to OSU in Autumn 2018. Over 64% of students graduated within four years, and over 83% graduated within six years.

The following sections provide additional details on the university's 2019 financial results and a look ahead at significant economic conditions that are expected to affect the university in the future.

Statement of Net Position

Summary Statement of Net Position *(in thousands)*	2019	2018	2017
Cash and temporary investments	$ 3,308,174	$ 3,023,554	$ 2,230,609
Receivables, inventories, prepaids and other current assets	872,714	845,332	757,389
Total current assets	4,180,888	3,868,886	2,987,998
Restricted cash	492,033	564,656	666,032
Noncurrent notes and pledges receivable, net	124,901	112,019	108,073
Net other post-employment benefit receivable	74,520	-	-
Long-term investment pool	5,256,759	5,211,434	4,253,459
Other long-term investments	219,455	163,946	143,638
Capital assets, net of accumulated depreciation	5,268,363	5,043,222	4,883,584
Total noncurrent assets	11,436,031	11,095,277	10,054,786
Total assets	15,616,919	14,964,163	13,042,784
Deferred outflows	1,155,735	739,619	1,014,812
Total assets and deferred outflows	$ 16,772,654	$ 15,703,782	$ 14,057,596
Accounts payable and accrued expenses	$ 591,844	$ 579,363	$ 524,754
Deposits and advance payments for goods and services	281,886	274,401	223,880
Current portion of bonds, notes and lease obligations	618,302	640,589	651,984
Other current liabilities	112,259	105,021	87,708
Total current liabilities	1,604,291	1,599,374	1,488,326
Noncurrent portion of bonds, notes and lease obligations	2,543,360	2,582,017	2,640,142
Net pension liability	3,715,058	2,548,009	3,565,362
Net other post-employment benefits liability	1,339,383	1,249,521	-
Advance from concessionaire	1,024,555	1,046,342	-
Other noncurrent liabilities	434,885	383,681	383,394
Total noncurrent liabilities	9,057,241	7,809,570	6,588,898
Total liabilities	10,661,532	9,408,944	8,077,224
Deferred inflows	677,046	972,224	484,007
Net investment in capital assets	2,605,381	2,376,795	2,259,207
Restricted:			
Nonexpendable	1,580,115	1,551,278	1,473,074
Expendable	1,303,269	1,328,793	1,190,162
Unrestricted	(54,689)	65,748	573,922
Total net position	5,434,076	5,322,614	5,496,365
Total liabilities, deferred inflows and net position	$ 16,772,654	$ 15,703,782	$ 14,057,596

During the year ended June 30, 2019, **cash and temporary investment** balances increased $285 million, to $3.31 billion, primarily due to strong healthcare operating cash flows. 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 $73 million, to $492 million at June 30, 2019, reflecting application of bond proceeds to capital projects. The Statement of Cash Flows, which is discussed in more detail below, provides additional information on sources and uses of university cash.

Accounts receivable increased $16 million, to $635 million at June 30, 2019. Increases in Health System patient receivables, tuition receivables and receivables for departmental earnings operations were partially offset by a decrease in receivables related to the federal direct-lending program. **Inventories and prepaid expenses** increased $8 million, to $134 million at June 30, 2019, primarily due to increases in Health System pharmaceutical inventories.

The fair value of the university's **long-term investment pool** (LTIP) increased $45 million, to $5.26 billion at June 30, 2019. The increase is primarily due to $192 million of additions to quasi-endowment funds, $107 million of interest and dividend income and a net $7 million increase in the fair value of LTIP investments. These increases were partially offset by $217 million in distributions. The long-term investment pool operates similar to a mutual fund, in that each named fund is assigned a number of shares in the pool. It includes the gifted endowment funds of the university, gifted endowment funds of the OSU Foundation, and unrestricted funds that have been internally designated to function as endowments. The pool is invested in a diversified portfolio of equity and fixed-income securities, partnerships and hedge funds that is intended to provide the long-term growth necessary to preserve the value of these funds, adjusted for inflation, while making distributions to support the university's mission.

The university has established a **securities lending program** through its custodian bank for the long-term investment pool. Securities loaned by the university are secured by collateral in the form of cash, equity, U.S. government obligations, and foreign government/private debt. The portion of this collateral that was received in cash increased $5 million, to $44 million at June 30, 2019, reflecting an increase in securities lending activity in 2019. 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 $56 million, to $220 million, at June 30, 2019, primarily due to an unrealized gain in funds invested with Drive Capital.

Capital assets, which include the university's land, buildings, improvements, equipment and library books grew $225 million, to $5.27 billion at June 30, 2019. The university depreciates its capital assets on a straight-line basis, using estimated useful lives ranging from 5 years (for computer equipment and software) to 100 years (for certain building components such as foundations). Depreciation expense increased $19 million, to $413 million in 2019.

Health System capital expenditures approximated $232 million for facilities, infrastructure improvement, land, and equipment purchases. The University capitalized $87 million of equipment and library books, and $61million related to the Workday ERP Enterprise project. University capital construction and renovation expenditures were approximately $323 million primarily in Academic buildings, Athletics, maintenance of existing facilities, Student Life and other auxiliary operations.

The \$52 million first phase of the Cannon Drive project elevated and straightened the road between King Avenue and John Herrick Drive. The Health System completed a \$39 million project to build out shelled space of the 10th and 12th floors of the James Cancer Hospital to create 72 ICU beds. The 700 Ackerman facility underwent a \$22 million renovation to house OSU Physicians, Central Scheduling and Customer Service, Corporate Operations and Compliance, and the OSU Health Plan. The \$49 million Covellii Multi-Sport Arena and the \$42 million Schumaker Student-Athlete Development Complex were two major Athletics projects completed during the fiscal year. The Arena houses the men's and women's varsity volleyball, fencing, wrestling, and gymnastics matches and the Student-Athlete facility houses state-of-the-art athletic training programs and cardio equipment. In addition, the \$20 million Airport project to expand and modernize the existing field operations base was completed in the fall of 2018. The \$31 million Schottenstein Center project opened the north concourse, renovated walls and lighting, and constructed Men's and Women's basketball offices. A \$36 million Ohio Stadium project is nearly complete and includes power upgrades, suite box expansion and renovation. The renovation of C-deck and new suite and loge addition is nearing completion.

The OSU Health System has major construction projects currently underway or in advanced planning stages including:

- A new inpatient hospital with up to 840 beds to replace and expand upon the original Rhodes and Doan Halls.
- A \$95 million garage for the new inpatient hospital
- A \$45 million sterile supply building to support the new hospital and ambulatory facilities
- A \$345 million west campus outpatient ambulatory facility
- A \$138 million regional ambulatory facility to the northeast on Hamilton Road
- A regional ambulatory facility to the northwest in Dublin

Major academic facility projects currently underway include:

- The Arts District – Design work is underway on the \$161 million project to be constructed on the west side of High Street between 15th and 18th Avenues. The project includes new learning environments for the School of Music and the Department of Theatre, a Moving Image Production program, student gathering, and support spaces. The project will also extend Annie and John Glenn Avenue from College Road to High Street and is expected to finish in 2021.

- Postle Hall – Construction is underway on the \$98 million project to construct a 130,000 square foot dental facility for student pre-clinical labs and patient clinics, an ambulatory surgery center, a faculty practice, a radiology clinic, and a sterilization facility. The project is slated for completion in the spring of 2020.

- Koffolt and Fontana Labs – This \$59 million project will provide approximately 124,000 square feet of research labs, teaching labs, classrooms, and departmental offices for Biomedical Engineering and Materials Science Engineering. The facilities are slated for completion in the fall of 2019.

- Wooster Laboratory building – Construction is underway on a $34 million Entomology research facility at the Wooster campus. The project is slated for completion in the spring of 2020.

- Health Sciences Faculty Office and Optometry clinic – Construction has begun for a new $36 million facility at the corner of 11th and Neil Avenues.

The university's estimated future capital commitments, based on contracts and purchase orders, total approximately $327 million at June 30, 2019.

Accounts payable and accrued expenses were up $12 million, to $592 million at June 30, 2019, reflecting increases in accrued compensation and benefits and retirement contributions payable, which were partially offset by a decrease in payables to vendors for supplies and services. **Deposits and advance payments for goods and services** increased $7 million, to $282 million, primarily due to increases in unearned tuition revenues and advance payments from sponsors of research projects.

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

Under the agreement, OSEP operates, maintains and makes capital investments in the utility system and charges the university a Utility Fee, which includes fixed, variable and operating and maintenance (O&M) components. OSEP capital investments in the utility system are recognized as capital assets and a related **long-term payable to the concessionaire**. The fixed and O&M components of the Utility Fee are recognized as operating expense. The variable component of the Utility Fee will be recognized as a reduction in the long-term payable to the concessionaire and interest expense. For the years ended June 30, 2019 and 2018, the university recognized fixed and O&M utility fees totaling $56 million and $53 million, respectively. The carrying amount of OSEP capital investments and related payable to the concessionaire at June 30, 2019 and June 30, 2018 were $42 million and $10 million, respectively.

University debt, in the form of **bonds, notes and capital lease obligations**, decreased $61 million, to $3.16 billion at June 30, 2019, reflecting repayments of bond principal. There were no bond issuances in 2019.

The university's plant debt includes variable rate demand bonds that mature at various dates through 2044. GASB Interpretation 1, *Demand Bonds Issued by State and Local Governmental Entities*, provides guidance on the statement of net position classification of these bonds.

Under GASB Interpretation 1, outstanding principal balances on variable rate demand bonds may be classified as noncurrent liabilities if the issuer has entered into a "take-out agreement" to convert bonds "put" but not resold into some other form of long-term obligation. In the absence of such an agreement, the total outstanding principal balances for these bonds are required to be classified as current liabilities.

Although it is the university's intent to repay its variable rate demand bonds in accordance with the maturities set forth in the bond offering circulars, the university does not have "take-out agreements" in place per the GASB Interpretation 1 requirements. Accordingly, the university has classified the total outstanding principal balances on its variable rate demand bonds as current liabilities. These obligations totaled $575 million and $588 million at June 30, 2019 and 2018, respectively.

GASB Statement No. 68 requires governmental employers participating in defined benefit pension plans to recognize liabilities for plans whose actuarial liabilities exceed the plan's net assets. These liabilities are referred to as net pension liabilities. 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 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. The increase relates primarily to OPERS net pension liabilities. In calendar year 2018, OPERS reduced its long-term assumed rate of return on pension plan investments from 7.5% to 7.2%, increasing total pension liabilities for the system. In addition, OPERS realized a 2.99% negative return on defined benefit plan investments for the period. STRS net pension liabilities were relatively stable in 2019. Deferred outflows related to pensions increased $386 million, to $1.02 billion at June 30, 2019, and deferred inflows related to pensions decreased $302 million, to $110 million at June 30, 2019. The swing in deferrals relates primarily to OPERS projected vs actual investment returns. These deferrals will be recognized as pension expense in future periods.

In 2019, the university also saw significant changes in its share of OPERS and STRS-Ohio net OPEB assets and liabilities. OPERS net OPEB liabilities increased $266 million, to $1.34 billion at June 30, 2019, primarily due to a negative 5.76% return OPERS health care investments in calendar 2018. The university's share of STRS-Ohio OPEB liabilities swung from a $178 million net OPEB liability to a $75 million net OPEB asset at June 30, 2019, reflecting a combination of reductions in retiree health care benefits, an increase in the discount rate used to calculate total OPEB liabilities and a 9.57% positive investment return in fiscal 2018. Deferrals related to OPEB were relatively stable in 2019.

Total pension and OPEB expense recognized by the university was $841 million in 2019. Total pension and OPEB expense includes $358 million of employer contributions and $483 million of expense accruals related to the net increase in pension and OPEB liabilities year over year.

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

Deferred inflows primarily consist of changes to OPEB and pension liabilities as explained in the previous paragraphs. Other deferred inflows consist primarily of the unamortized proceeds of the parking service concession arrangement. The parking deferred inflows, which totaled $417 million at June 30, 2019, are being amortized to operating revenue on a straight-line basis over the 50-year life of the agreement. The remaining balance of deferred inflows relates to deferred gains on debt-related transactions and deferrals for irrevocable split-interest agreements.

Prior-Year Highlights: In 2017, the university entered into a 50-year comprehensive energy management agreement with Ohio State Energy Partners (OSEP) and received a $1.09 billion upfront payment. $820 million of the upfront proceeds have been invested in the university's Long Term Investment Pool. The remainder of the upfront proceeds will be used to finance capital projects. On July 1, 2017, the university implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The adoption of the new standard – which requires employers participating in cost-sharing multi-employer retirement plans to recognize a share of the retirement plans' unfunded other postemployment benefit (OPEB) liabilities – resulted in a $1.22 billion reduction in the university's opening unrestricted net position. The net OPEB liability recognized by the university at June 30, 2018 was $1.25 billion. ***In 2017*,** the fair value of the university's long-term investment pool increased $637 million, to $4.25 billion, primarily due to a combination of $494 million in net investment income and a $250 million investment of Wexner Medical Center Health System cash in the pool. Net pension liabilities increased $771 million, to $3.57 billion, reflecting a reduction in the discount rate used by OPERS to calculate the pension liability and lower-than-projected investment returns for STRS-Ohio.

Statement of Revenues, Expenses and Changes in Net Position

Summary of Revenues, Expenses and Changes in Net Position *(in thousands)*

	2019	2018	2017
Operating Revenues:			
Tuition and fees, net	$ 969,633	$ 935,893	$ 927,317
Grants and contracts	732,253	698,847	677,361
Auxiliary enterprises sales and services, net	339,615	328,692	309,497
OSU Health System sales and services, net	3,432,271	3,103,891	2,853,177
Departmental sales and other operating revenues	201,783	183,823	204,091
Total operating revenues	5,675,555	5,251,146	4,971,443
Operating Expenses:			
Educational and general	2,665,355	1,998,165	2,432,201
Auxiliary enterprises	361,346	322,149	313,185
OSU Health System	3,109,070	2,720,988	2,595,797
Depreciation	413,039	394,461	374,615
Total operating expenses	6,548,810	5,435,763	5,715,798
Net operating loss	(873,255)	(184,617)	(744,355)
Non-operating revenues (expenses):			
State share of instruction and line-item appropriations	469,679	475,593	473,061
Gifts - current use	160,102	168,209	181,212
Net investment income (loss)	229,663	439,154	542,819
Grants, interest expense and other non-operating	(14,961)	(7,614)	(38,131)
Net non-operating revenue	844,483	1,075,342	1,158,961
Income (loss) before other changes in net position	(28,772)	890,725	414,606
State capital appropriations	64,900	83,217	68,270
Private capital gifts	26,565	15,470	26,762
Additions to permanent endowments	45,533	55,579	52,458
Capital contributions and other changes in net position	3,236	6,129	7,719
Total other changes in net position	140,234	160,395	155,209
Increase in net position	111,462	1,051,120	569,815
Net position - beginning of year	5,322,614	5,496,365	4,941,790
Cumulative effect of accounting change	-	(1,224,871)	(15,240)
Net position - end of year	$ 5,434,076	$ 5,322,614	$ 5,496,365

Net **tuition and fees** increased $34 million, to $970 million in 2019, primarily due to a combination of enrollment and rate increases. New first year student enrollment was up 10%, and instructional and non-resident tuition rates were up 1.4% and 4.8%, respectively. The overall increase in gross tuition, which totaled $54 million, was partially offset by a $20 million increase in scholarship allowances. In 2018, the university introduced the Ohio State Tuition Guarantee for new first-year students, which provides incoming undergraduates with more certainty about college costs by setting rates for in-state tuition, mandatory fees, room and board for four years. Total enrollment for the 2018-2019 academic year was up 0.9% over the prior academic year.

Operating **grant and contract revenues** increased $33 million, to $732 million in 2019. The increase relates primarily to a $30 million increase in federal research grants managed by the Office of Sponsored Programs.

Local grants and contracts decreased $13 million, primarily due to the $15 million in one-time funding received in 2018 from the City of Columbus for the Cannon Drive relocation project. Private grants and contracts were up $16 million, primarily due to increases in research grants from private sponsors.

Total **auxiliary revenues** increased $11 million, to $340 million in 2019, primarily due to two concerts held in Ohio Stadium in summer 2018 and increases in Student Life housing and dining revenues. **Auxiliary expenses** increased $39 million, to $361 million, due primarily to expenses associated with the Stadium concerts, Athletics salaries, cost of sales, and travel, and Student Life housing and dining costs.

Educational and general expenses increased $667 million, or 33%, to $2.67 billion in 2019. Additional details are provided below.

Educational and General Expenses *(in thousands)*	**2019**	**2018**	**2017**
Instruction and departmental research	$ 1,038,290	$ 1,006,057	$ 952,038
Separately budgeted research	492,816	473,463	462,514
Public service	176,384	177,325	162,807
Academic support	223,172	217,086	202,375
Student services	93,405	99,032	100,221
Institutional support	246,307	188,735	158,761
Operation and maintenance of plant	123,128	118,556	89,473
Scholarships and fellowships	127,769	130,363	129,267
Non-cash accruals for pensions and other postemployment benefits	144,084	(412,452)	174,745
Total educational and general expense	$ 2,665,355	$ 1,998,165	$ 2,432,201

The overall increase in educational and general expense is primarily due to pension and OPEB accruals. These accruals are allocated to functional expense lines in the Statement of Revenues, Expenses and Changes in Net Position, based on pension-eligible salaries. Excluding the $557 million swing in expenses related to pension and OPEB accruals, total educational and general expenses increased $111 million, or 4.6%, in 2019. **Instruction and departmental research** expenses increased $32 million, reflecting increases in salaries. **Separately budgeted research** expenses increased $19 million, reflecting growth in sponsored programs administered by the Office of Sponsored Programs. **Institutional support** expenses increased $58 million, primarily due to increased central expenses for employee benefits. Other educational and general expense categories were relatively stable in 2019.

Health System operating revenues grew $328 million, to $3.43 billion in 2019. Operating expenses (excluding depreciation, interest and transfers) increased $388 million, to $3.11 billion. An in-depth look at the Health System, as presented in their stand-alone financial statements, is provided below.

The Health System operates nearly 1,450 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 27 consecutive years as one of "America's Best Hospitals." Eleven specialties have been in the top 10% nationally, and the Medical Center received the highest possible rating for eight common procedures and conditions. In 2019, Becker Hospital Review selected the Medical Center for its list of "100 Great Hospitals in America" in innovation, top-notch patient care and leadership in clinical advancement backed by forward-thinking research.

The Health System is proud to be the first health system in central Ohio to have a hospital achieve Magnet Recognition, one of the highest honors awarded for nursing excellence. The Ross Heart Hospital, University Hospital, and The James are all designated Magnet hospitals. The Health System has more "Top Doctors" than any other central Ohio hospital. Our physicians were selected by Castle Connolly because they are among the very best in their specialties.

In 2019, the Health System was leading the way with the Medical Center strategy of being "future-focused and driven to improve health in Ohio and across the world through innovation in research, education and patient care" and continued its financial excellence due to increased demand for our services combined with the persistent focus on improving efficiency. Inpatient admissions continued with a strong patient mix while inpatient beds increased 3.8% compared to the prior year.

Outpatient visits increased by 5.8% over 2018 primarily due to growth in Ambulatory Care volumes and growth in outpatient infusion services. Continued success in Ambulatory Services programs at The Jameson Crane Sports Medicine Institute and Upper Arlington outpatient facilities experienced 11.9% growth over the prior year.

The Health System experienced higher surgical volumes in 2018 with 4.0% growth over the prior year. Service lines contributing to growth in surgical volumes in 2019 were Cancer, Neurosurgery, Orthopedic, Thoracic, Trauma/Critical Care/Burn, and Vascular. The growth in surgical volumes contributed to a strong patient mix in admissions, revenues, and outpatient volumes.

Solid organ transplants grew by 9.5% over prior year. The Wexner Medical Center is leading the way in organ transplantation, celebrating 10,000 solid organ transplants since its first transplant, a kidney, 52 years ago. Less than 10% of adult transplant centers in the United States have achieved this milestone.

The Wexner Medical Center experienced a 9.3% growth in Chemotherapy infusion sessions as James Cancer Hospital provided new and advanced treatments of cancer.

In 2019, total operating revenues grew $274.4 million, or 8.8% over the prior fiscal year. Growth in surgical cases, increased chemotherapy and pharmaceutical volumes and increased bed capacity contributed to the growth in operating revenue.

Approximately 92% 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 Retail Pharmacy dedicated to improving patient care by easing the challenges of managing medications. The Retail Pharmacy contributed $127.6 million of operating revenues in 2019 and $98.8 million in 2018. Other Operating Revenues also includes a portion of the margin shared with Nationwide Children's Hospital for the management of the Neonatal Intensive Care Unit located at the 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 $15.9 million of operating revenues in 2019 and $16.6 million in 2018.

Operating expenses increased $407.1 million or 14.5% from 2018 to 2019. Operating expenses correlate with the increases experienced with patient volumes and occupancy levels. The growth in salaries and benefits from 2018 to 2019 is reflective of increased salaries and a larger workforce due to the growth in patient volumes. Strong surgical and transplant volumes as well as increase in chemotherapy treatments contributed to the increase in supplies and drugs. The increase in volumes at the Specialty Retail Pharmacy contributed to the increase in drugs expense in 2019. Purchased services also grew in 2019 reflecting higher information technology and medical equipment general repairs costs, increased franchise fees, and advertising expense.

Income Before Other Changes in Net Position was $186.6 million in 2019 compared to $270.9 million in 2018. Impacts to Income Before Other Changes in Net Position include pension expense of $225.8 million in 2019 compared to $117.3 million in 2018. This reflects the annual accounting for GASB 68. OPEB expense was $77.5 million in 2019 compared to $40.9 million in 2018, reflecting annual accounting for GASB 75. Income Before Other Changes in Net Position for clinical activities grew $61.3 million from 2018 to 2019, an increase of 14.3%. The increase in Income Before Other Changes in Net Position for clinical activities can be attributed to expanded bed capacity, growth in surgical volumes, strong pharmaceutical activity, and expense control initiatives implemented throughout the Health System.

The Health System's other changes in net position for fiscal year 2019 includes Medical Center Investments of $150.0 million invested into research, education, and programs at the Medical Center. Medical Center Investments totaled $150.4 million in 2018. Other changes in net position include capital contributions of $8.7 million in 2019 and $16.5 million in 2018 for hospital projects and capital acquisitions.

The Health System will continue to respond to the challenges and opportunities of the healthcare environment. The healthcare industry is witnessing a transformation toward a value-based system that will require The Health System to continue to provide high quality care and superior outcomes. The Health System has aggressively implemented cutting edge healthcare delivery strategies and continues to enhance tertiary and quaternary care delivery across a broader geographic area.

The Health System is continuing its mission to provide world-class patient care and meet anticipated future growth, embarking on a plan to expand its primary and preventive care presence with the construction of new state-of-the-art outpatient centers. In 2019, the Health System committed to building two new facilities, including a 244,000 square foot center in Northeast Columbus that will include primary care, oncology, heart and vascular, orthopedic and neuroscience care along with four ambulatory surgery operating rooms and four endoscopy rooms. The second specialty center will be located in Dublin, Ohio. The Health System will continue creating an innovative healthcare delivery model to deliver high value care with an unparalleled patient experience and access.

Revenues and operating expenses of **OSU Physicians, Inc.** (OSUP), the University's central practice group for physician faculty members of the College of Medicine and Public Health, continued to grow in 2019. Total consolidated operating revenues increased $34 million, to $560 million, reflecting increases in patient volumes. Total consolidated OSUP expenses (excluding depreciation and interest) increased $23 million to $507 million in 2019. These figures are included in the Discretely Presented Component Units columns of the university's financial statements.

Total state operating support was relatively stable in 2019, decreasing $6 million, to $470 million. **State share of instruction** decreased $6 million, to $383 million due to a one-time appropriation in fiscal year 2018 of $5 million for the John Glenn College of Public Affair's State of Ohio Leadership Institute. **State line-item appropriations** were flat at $86 million.

State capital appropriations decreased $18 million, to $65 million in 2019, primarily due to a decline in capital expenditures for Pomerene Oxley Hall renovation and various repair and replacement projects, offset by increases in capital expenditures for the Koffolt/Fontana lab renovation and Postle Hall replacement.

Total **gifts** to the university decreased $7 million, to $232 million in 2019. Increases in capital gifts were offset by decreases in current use and endowment gifts. Several colleges and support units received gifts in excess of $1 million in 2019, including Veterinary Medicine, the Cancer Hospital and Research Institute, the College of Medicine, Neuroscience, the College of Arts and Sciences, the College of Engineering, the College of Food, Agricultural and Enviro Sciences, WOSU Public Media, Fisher College of Business, General University Scholarships and the Department of Athletics. Over 272,000 alumni and friends made gifts to the University, up from 270,000 in 2018.

University investments yielded $230 million of **net investment income** in 2019, compared with $439 million in 2018, primarily due to lower investment returns in the university's long-term investment pool (LTIP). The LTIP returned 1.2% in 2019, down from 7.7% in 2018. The decrease in LTIP returns was primarily due to a combination of below-benchmark performance across asset classes and a $101 million reduction in the fair value of certain natural resources and oil and gas investments.

Prior-Year Highlights: ***In 2018*****,** OSU Health System operating revenues grew $251 million, to $3.10 billion. Health System operating expenses (excluding depreciation, interest and transfers) increased $125 million, to $2.72 billion. University investments yielded $439 million of net investment income, reflecting LTIP returns of +7.7%. Educational and general expenses decreased $434 million, to $2.00 billion, primarily due to pension and OPEB accruals. ***In 2017*****,** OSU Health System consolidated operating revenues increased $228 million, to $2.85 billion, reflecting continued volume growth for both inpatient and outpatient services. Auxiliary revenues increased $48 million, to $309 million, primarily due to increases in the number of beds in the North Residential District and additional meal plans sold to second-year students, who are now required to live in the campus dorms. Educational and general expenses increased $129 million, to $2.49 billion, primarily due to GASB 68 pension accruals.

Statement of Cash Flows

University Cash Flows Summary *(in thousands)*	**2019**	**2018**	**2017**
Net cash flows from (used in) operating activities	$ (7,757)	$ 1,053,673	$ (45,720)
Net cash flows from noncapital financing activities	779,439	764,223	787,986
Capital appropriations and gifts for capital projects	99,114	94,627	82,982
Proceeds from capital debt	-	73,885	6,430
Payments for purchase or construction of capital assets	(604,717)	(497,962)	(414,606)
Principal and interest payments on capital debt and leases, net of federal Build America Bond interest subsidies	(180,138)	(256,514)	(192,914)
Net cash flows provided (used) in investing activities	(1,128)	(505,508)	(238,980)
Net increase (decrease) in cash and cash equivalents	$ 84,813	$ 726,424	$ (14,822)

University cash and cash equivalents increased $85 million in 2019. Net cash flows from operating and non-capital financing activities decreased $1.05 billion, to $772 million, primarily due to the receipt of the $1.09 billion upfront payment from OSEP in 2018. Total cash used by capital financing activities was $686 million, reflecting capital expenditures and payments for debt service. Total cash used by investing activities was $1 million, reflecting net purchases of long-term investments.

Economic Factors That Will Affect the Future

To make the next bold leap in Ohio State's 150-year history, the university continues to invest in initiatives that advance its land-grant mission as a flagship public research university.

Guided by the strategic plan, the university's focus on operational excellence and resource stewardship has produced dedicated funding sources that support new affordability measures, teaching programs and other commitments to bolster academic excellence.

To that end, Ohio State expects to generate more than $200 million in efficiency savings from fiscal 2015 through fiscal 2020 for academic initiatives, and the university invested $800 million in proceeds from the Comprehensive Energy Management partnership into endowments that provide ongoing support for strategic academic priorities.

At the Wexner Medical Center, revenues continue to outpace budget and surgeries in high-demand areas continue to grow. The university plans to reinvest these funds in patient care and in capital planning to support growing demand, including through a new inpatient hospital, expanded ambulatory facilities and an integrated health sciences facility.

Three programs in fiscal year 2020 highlight the university's academic priorities:

- **Access and Affordability.** Ohio State is controlling costs and providing unprecedented aid for students demonstrating financial need. In total, the university has increased financial assistance committing more than $150 million and supporting more than 5,000 low- to moderate-income Ohio students. These unprecedented affordability efforts are funded with efficiency initiatives and proceeds from innovative funding.

- **Teaching and Learning.** Ohio State's comprehensive digital learning initiative, Digital Flagship, is providing more than 24,000 first- and second-year students with an iPad and related tools for the 2019-2020 academic year. The program includes support for faculty interested in utilizing technology in the classroom, the development of new university apps and economic development opportunities. The university is funding the program using efficiency savings.

- **Operational Excellence and Resource Stewardship.** In a continued effort to control costs and provide unprecedented aid to students, the university prioritized strategic procurement to reduce costs. Since fiscal 2013, the university has produced $324 million in cumulative savings while negotiating 960 university contracts.

Ohio State is also continuing cost transparency for families with the third year of the Ohio State Tuition Guarantee, which offers incoming in-state undergraduate students certainty about the cost of their college education by freezing tuition rates, mandatory fees, room and board for the duration of their four years at Ohio State.

Now in the third year of a 50-year comprehensive partnership, Ohio State continues to see tangible improvement in its energy management and sustainability. To date, 107,000 indoor and 1,700 outdoor light fixtures have been converted to energy-efficient technology and energy systems are being upgraded in 14 buildings. Future improvements, including a Combined Heat and Power plant, promise to reduce the campus carbon footprint by 35%.

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, 2019 and June 30, 2018
(in thousands)

	Primary Institution		Discretely Presented Component Units		Total University	
	2019	2018	2019	2018	2019	2018
ASSETS AND DEFERRED OUTFLOWS:						
Current Assets:						
Cash and cash equivalents	$ 1,570,164	$ 1,412,728	$ 138,936	$ 136,098	$ 1,709,100	$ 1,548,826
Temporary investments	1,738,010	1,610,826	16,510	4,845	1,754,520	1,615,671
Accounts receivable, net	635,324	619,310	63,003	53,277	698,327	672,587
Notes receivable - current portion, net	25,231	25,231	87	86	25,318	25,317
Pledges receivable - current portion, net	31,540	29,524	-	-	31,540	29,524
Accrued interest receivable	25,050	23,454	-	-	25,050	23,454
Inventories and prepaid expenses	133,524	125,289	4,597	4,592	138,121	129,881
Investments held under securities lending program	44,391	39,510	-	-	44,391	39,510
Amounts due from (to) primary institution	(22,346)	(16,986)	22,346	16,986	-	-
Total Current Assets	4,180,888	3,868,886	245,479	215,884	4,426,367	4,084,770
Noncurrent Assets:						
Restricted cash	492,033	564,656	-	-	492,033	564,656
Notes receivable, net	60,750	41,118	2,461	2,548	63,211	43,666
Pledges receivable, net	64,151	70,901	-	-	64,151	70,901
Net other post-employment benefit asset	74,520	-	-	-	74,520	-
Long-term investment pool	5,256,759	5,211,434	-	-	5,256,759	5,211,434
Other long-term investments	219,455	163,946	-	1,481	219,455	165,427
Capital assets, net	5,268,363	5,043,222	164,152	134,559	5,410,355	5,154,803
Total Noncurrent Assets	11,436,031	11,095,277	166,613	138,588	11,580,484	11,210,887
Total Assets	15,616,919	14,964,163	412,092	354,472	16,006,851	15,295,657
Deferred Outflows:						
Pension	1,017,370	631,606	18	45	1,017,388	631,651
Other post-employment benefits	116,167	87,904	6	11	116,173	87,915
Other deferred outflows	22,198	20,109	-	-	22,198	20,109
Total Deferred Outflows	1,155,735	739,619	24	56	1,155,759	739,675
Total Assets and Deferred Outflows	$ 16,772,654	$ 15,703,782	$ 412,116	$ 354,528	$ 17,162,610	$ 16,035,332
LIABILITIES, DEFERRED INFLOWS AND NET POSITION:						
Current Liabilities:						
Accounts payable and accrued expenses	$ 591,844	$ 579,363	$ 20,047	$ 24,049	$ 611,891	$ 603,411
Deposits and advance payments for goods and services	281,886	274,401	2,111	2,094	283,997	276,495
Current portion of bonds, notes and leases payable	43,627	52,229	1,343	1,322	44,970	53,551
Long-term bonds payable, subject to remarketing	574,675	588,360	-	-	574,675	588,360
Liability under securities lending program	44,391	39,510	-	-	44,391	39,510
Other current liabilities	89,752	88,850	5,797	-	95,549	88,850
Amounts due to (from) primary institution - current	(21,884)	(23,339)	21,884	23,339	-	-
Total Current Liabilities	1,604,291	1,599,374	51,182	50,804	1,655,473	1,650,177
Noncurrent Liabilities:						
Bonds, notes and leases payable	2,543,360	2,582,017	18,161	21,042	2,561,521	2,603,059
Concessionaire payable	39,121	10,316	-	-	39,121	10,316
Net pension liability	3,715,058	2,548,009	136	236	3,715,194	2,548,245
Net other post-employment benefit liability	1,339,383	1,249,521	60	153	1,339,443	1,249,674
Compensated absences	177,672	170,225	-	-	177,672	170,225
Self-insurance accruals	82,507	74,139	-	-	82,507	74,139
Amounts due to third-party payors - Health System	49,374	44,909	-	-	49,374	44,909
Irrevocable split-interest agreements	28,463	29,378	-	-	28,463	29,378
Refundable advances for Federal Perkins loans	33,478	32,638	-	-	33,478	32,638
Advance from concessionaire	1,024,555	1,046,342	-	-	1,024,555	1,046,342
Other noncurrent liabilities	122,292	109,281	24,603	23,019	124,735	109,324
Amounts due to (from) primary institution - noncurrent	(98,022)	(87,205)	98,022	87,205	-	-
Total Noncurrent Liabilities	9,057,241	7,809,570	140,982	131,655	9,176,063	7,918,249
Total Liabilities	10,661,532	9,408,944	192,164	182,459	10,831,536	9,568,426
Deferred Inflows:						
Parking service concession arrangement	416,545	426,176	-	-	416,545	426,176
Pension	109,993	411,768	10	41	110,003	411,809
Other post-employment benefits	117,979	100,500	3	11	117,982	100,511
Other deferred inflows	32,529	33,780	-	-	32,529	33,779
Total Deferred Inflows	677,046	972,224	13	52	677,059	972,275
Net Position:						
Net investment in capital assets	2,605,381	2,376,795	143,730	111,779	2,749,111	2,488,574
Restricted:			-	-		-
Nonexpendable	1,580,115	1,551,278	-	-	1,580,115	1,551,278
Expendable	1,303,269	1,328,793	-	-	1,303,269	1,328,793
Unrestricted	(54,689)	65,748	76,209	60,238	21,520	125,986
Total Net Position	5,434,076	5,322,614	219,939	172,017	5,654,015	5,494,631
Total Liabilities, Deferred Inflows and Net Position	$ 16,772,654	$ 15,703,782	$ 412,116	$ 354,528	$ 17,162,610	$ 16,035,332

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, 2019 and June 30, 2018
(in thousands)

	Primary Institution		Discretely Presented Component Units		Total University	
	2019	2018	2019	2018	2019	2018
Operating Revenues:						
Student tuition and fees (net of scholarship allowances of $218,936 and $199,405, respectively)	$ 969,633	$ 935,893	$ -	$ -	$ 969,633	$ 935,893
Federal grants and contracts	354,214	328,410	13,534	13,612	367,748	342,022
State grants and contracts	83,651	78,676	-	-	83,651	78,676
Local grants and contracts	25,608	38,929	-	-	25,608	38,929
Private grants and contracts	268,780	252,832	36,447	44,577	305,227	297,409
Sales and services of educational departments	156,921	152,495	9,440	9,469	166,361	161,964
Sales and services of auxiliary enterprises (net of scholarship allowances of $37.284 and $34,274, respectively)	339,615	328,692	-	-	339,615	328,692
Sales and services of the OSU Health System, net	3,432,271	3,103,891	-	-	3,432,271	3,103,891
Sales and services of OSU Physicians, Inc., net	-	-	560,322	525,796	560,322	525,796
Other operating revenues	44,862	31,328	-	-	44,862	31,328
Total Operating Revenues	5,675,555	5,251,146	619,743	593,454	6,295,298	5,844,600
Operating Expenses:						
Educational and General:						
Instruction and departmental research	1,070,292	811,123	9,403	8,934	1,079,695	820,057
Separately budgeted research	487,327	300,952	15,798	19,331	503,125	320,283
Public service	183,228	137,120	9,153	9,891	192,381	147,011
Academic support	242,960	182,452	-	-	242,960	182,452
Student services	109,166	105,760	-	-	109,166	105,760
Institutional support	309,691	210,691	20,636	22,789	330,327	233,480
Operation and maintenance of plant	135,307	123,783	699	3,101	136,006	126,884
Scholarships and fellowships	127,384	126,284	-	-	127,384	126,284
Auxiliary enterprises	361,346	322,149	-	-	361,346	322,149
OSU Health System	3,109,070	2,720,988	-	-	3,109,070	2,720,988
OSU Physicians, Inc.	-	-	507,366	484,132	507,366	484,132
Depreciation	413,039	394,461	7,467	7,674	420,506	402,135
Total Operating Expenses	6,548,810	5,435,763	570,522	555,852	7,119,332	5,991,615
Net Operating Income (Loss)	(873,255)	(184,617)	49,221	37,602	(824,034)	(147,015)
Non-operating Revenues (Expenses):						
State share of instruction and line-item appropriations	469,679	475,593	-	-	469,679	475,593
Federal subsidies for Build America Bonds interest	10,619	10,574	-	-	10,619	10,574
Federal non-exchange grants	63,042	59,272	-	-	63,042	59,272
State non-exchange grants	11,119	11,422	-	-	11,119	11,422
Gifts	160,102	168,209	-	-	160,102	168,209
Net investment income	229,663	439,154	2,624	1,239	232,287	440,393
Interest expense on plant debt	(115,084)	(116,489)	(960)	(891)	(116,044)	(117,380)
Other non-operating revenues (expenses)	15,343	27,607	(22,890)	(20,522)	(7,547)	7,085
Net Non-operating Revenue	844,483	1,075,342	(21,226)	(20,174)	823,257	1,055,168
Income (Loss) before Changes in Net Position	(28,772)	890,725	27,995	17,428	(777)	908,153
Changes in Net Position:						
State capital appropriations	64,900	83,217	-	-	64,900	83,217
Private capital gifts	26,565	15,470	-	-	26,565	15,470
Additions to permanent endowments	45,533	55,579	-	-	45,533	55,579
Capital contributions and changes in net position	3,236	6,129	19,927	-	23,163	6,129
Total Changes in Net Position	140,234	160,395	19,927	-	160,161	160,395
Increase in Net Position	111,462	1,051,120	47,922	17,428	159,384	1,068,548
Net Position - Beginning of Year:						
Beginning of year, as previously reported	5,322,614	5,511,827	172,017	154,731	5,494,631	5,666,558
Cumulative effect of accounting changes	-	(1,240,333)	-	(142)	-	(1,240,475)
Beginning of Year, as restated	5,322,614	4,271,494	172,017	154,589	5,494,631	4,426,083
Net Position - End of Year	$ 5,434,076	$ 5,322,614	$ 219,939	$ 172,017	$ 5,654,015	$ 5,494,631

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

THE OHIO STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2019 and June 30, 2018
(in thousands)

	Primary Institution		Discretely Presented Component Units		Total University	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Cash Flows from Operating Activities:						
Tuition and fee receipts	$ 848,524	$ 824,050	$ -	$ -	$ 848,524	$ 824,050
Grant and contract receipts	732,383	707,591	51,383	59,288	783,766	766,879
Receipts for sales and services	3,894,191	3,551,804	558,634	524,443	4,452,825	4,076,247
Receipt from energy concessionaire	-	1,089,914	-	-	-	1,089,914
Payments to or on behalf of employees	(2,533,272)	(2,379,815)	(374,538)	(353,956)	(2,907,810)	(2,733,771)
University employee benefit payments	(663,084)	(600,854)	(85,463)	(84,429)	(748,547)	(685,283)
Payments to vendors for supplies and services	(2,196,722)	(2,056,435)	(104,119)	(105,265)	(2,300,841)	(2,161,700)
Payments to students and fellows	(118,803)	(121,853)	-	-	(118,803)	(121,853)
Student loans issued	(4,001)	(9,979)	-	-	(4,001)	(9,979)
Student loans collected	8,848	8,804	-	-	8,848	8,804
Student loan interest and fees collected	2,184	1,848	-	-	2,184	1,848
Other receipts	21,995	38,598	-	-	21,995	38,598
Net cash provided (used) by operating activities	(7,757)	1,053,673	45,897	40,081	38,140	1,093,754
Cash Flows from Noncapital Financing Activities:						
State share of instruction and line-item appropriations	469,679	475,593	-	-	469,679	475,593
Non-exchange grant receipts	74,161	70,694	-	-	74,161	70,694
Gift receipts for current use	173,649	172,973	-	-	173,649	172,973
Additions to permanent endowments	45,533	55,579	-	-	45,533	55,579
Drawdowns of federal direct loan proceeds	353,493	328,892	-	-	353,493	328,892
Disbursements of federal direct loans to students	(339,227)	(343,209)	-	-	(339,227)	(343,209)
Repayment of loans from related organization	691	880	-	-	691	880
Amounts received from irrevocable split-interest agreements	734	153	-	-	734	153
Amounts paid to annuitants and life beneficiaries	(1,735)	(1,733)	-	-	(1,735)	(1,733)
Agency funds receipts	5,566	5,386	-	-	5,566	5,386
Agency funds disbursements	(5,387)	(4,894)	-	-	(5,387)	(4,894)
Other receipts (payments)	2,282	3,909	(6,578)	(14,388)	(4,296)	(10,479)
Net cash provided (used) by noncapital financing activities	779,439	764,223	(6,578)	(14,388)	772,861	749,835
Cash Flows from Capital Financing Activities:						
Proceeds from capital debt	-	73,885	7,806	6,854	7,806	80,739
State capital appropriations	64,788	80,238	-	-	64,788	80,238
Gift receipts for capital projects	34,326	14,389	-	-	34,326	14,389
Payments for purchase or construction of capital assets	(604,717)	(497,962)	(34,848)	(26,160)	(639,565)	(524,122)
Principal payments on capital debt and leases	(67,092)	(145,060)	(894)	(796)	(67,986)	(145,856)
Interest payments on capital debt and leases	(123,666)	(122,376)	(968)	(897)	(124,634)	(123,273)
Federal subsidies for Build America Bonds interest	10,620	10,922	-	-	10,620	10,922
Net cash (used) by capital financing activities	(685,741)	(585,964)	(28,904)	(20,999)	(714,645)	(606,963)
Cash Flows from Investing Activities:						
Net (purchases) sales of temporary investments	(102,981)	26,067	(13,343)	4,371	(116,324)	30,438
Proceeds from sales and maturities of long-term investments	3,556,262	2,361,342	3,220	69	3,559,482	2,361,411
Investment income, net of related expenses	142,775	96,521	2,546	1,239	145,321	97,760
Purchases of long-term investments	(3,597,184)	(2,989,438)	-	-	(3,597,184)	(2,989,438)
Net cash provided (used) by investing activities	(1,128)	(505,508)	(7,577)	5,679	(8,705)	(499,829)
Net Increase in Cash	84,813	726,424	2,838	10,373	87,651	736,797
Cash and Cash Equivalents - Beginning of Year	1,977,384	1,250,960	136,098	125,725	2,113,482	1,376,685
Cash and Cash Equivalents - End of Year	$ 2,062,197	$ 1,977,384	$ 138,936	$ 136,098	$ 2,201,133	$ 2,113,482

THE OHIO STATE UNIVERSITY
STATEMENTS OF CASH FLOWS, Cont'd
Years Ended June 30, 2019 and June 30, 2018
(in thousands)

	Primary Institution		Discretely Presented Component Units		Total University	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Reconciliation of Net Operating Income (Loss) to Net Cash Used by Operating Activities:						
Operating income (loss)	$ (873,255)	$ (184,617)	$ 49,221	$ 37,602	$ (824,034)	$ (147,015)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	413,039	394,461	7,467	7,674	420,506	402,135
Changes in assets and liabilities:						
Accounts receivable, net	(30,166)	(26,424)	(6,188)	(5,541)	(36,354)	(31,965)
Notes receivable, net	(19,447)	(4,055)	86	114	(19,361)	(3,941)
Accrued interest receivable	131	(39)	-	-	131	(39)
Inventories and prepaid expenses	(8,235)	(26,066)	(5)	(964)	(8,240)	(27,030)
Amounts due to/from primary institution	(3,924)	(2,928)	(5,943)	(3,581)	(9,867)	(6,509)
Net other post-employment benefit asset	(74,520)	-	-	-	(74,520)	-
Deferred outflows	(413,871)	272,207	31	99	(413,840)	272,306
Accounts payable and accrued liabilities	36,319	47,859	(6,214)	4,939	30,105	52,798
Self-insurance accruals	8,368	(7,100)	-	-	8,368	(7,100)
Amounts due to third-party payors - Health System	4,465	6,877	-	-	4,465	6,877
Deposits and advanced payments	5,609	49,077	17	375	5,626	49,452
Compensated absences	7,447	5,631	-	-	7,447	5,631
Refundable advances for Federal Perkins loans	840	924	-	-	840	924
Advance from concessionaire	(21,787)	1,046,342	-	-	(21,787)	1,046,342
Net pension liability	1,167,049	(1,017,353)	(100)	(146)	1,166,949	(1,017,499)
Net other post-employment benefit liability	89,862	24,651	(93)	11.00	89,769	24,662
Deferred inflows	(293,927)	486,295	(38)	42	(293,965)	486,337
Other liabilities	(1,754)	(12,069)	7,656	(543)	5,902	(12,612)
Net cash provided (used) by operating activities	$ (7,757)	$ 1,053,673	$ 45,897	$ 40,081	$ 38,140	$ 1,093,754
Non Cash Transactions:						
Construction in process in accounts payable	$ 32,180	$ 43,852	$ 3,925	$ 1,494	$ 36,105	$ 45,346
Construction in process in concessionaire payable	31,878	10,316	-	-	31,878	10,316
Capital lease	10,958	10,508	-	-	10,958	10,508
Stock gifts	14,104	18,238	-	-	14,104	18,238
Net increase (decrease) in fair value of investments	84,113	341,400	(203)	77	83,910	341,477
Forgiveness of debt	-	-	2,000	-	2,000	-

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.

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.

Summary financial statement information for the university's blended and discretely presented component units is provided in Notes 20 and 21. Audited financial statements for the discretely presented component units considered to be material to the university may be obtained from the Office of the Controller. A total university column in the financial statements is provided as memorandum only for purposes of additional analysis by users. The total university column reflects eliminations of transactions between the primary institution and the discretely component units. These transactions consist primarily of (a) discretionary subsidies and contributions which are presented as either non-operating activities or capital additions at the component unit level and (b) exchange-based goods and services that support the operations of the entity, which are presented as operating revenues and expenses at the component unit level. The impact of these transactions on the statement of revenues, expenses and changes in net position was $0 for the years ended June 30, 2019 and 2018.

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, cash restricted for capital projects and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

- **Restricted - nonexpendable:** Amounts subject to externally-imposed stipulations that they be maintained in perpetuity and invested for the purpose of generating present and future income, which may either be expended or added to the principal by the university. These assets primarily consist of the university's permanent endowments.

- **Restricted - expendable:** Amounts whose use is subject to externally-imposed stipulations that can be fulfilled by actions of the university pursuant to those stipulations or that expire by the passage of time.

- **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, 2019, the university has made commitments to limited partnerships totaling $1,319,760 that have not yet been funded. These commitments may extend for a maximum of ten years.

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

Endowment Policy

All endowments are invested in the university's Long Term Investment Pool, which consists of 6,603 Board authorized funds and 284 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, 2019, the fair value of the university and Foundation gifted endowments is $2,039,437, which is $315,252 above the historical dollar value of $1,724,185. Although the fair value of the gifted endowments in total exceeds the historical cost at June 30, 2019, there are 1,704 named funds that remain underwater. The fair value of these underwater funds at June 30, 2019 is $563,140, which is $51,189 below the historical dollar value of $614,329.

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

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

Gift Pledges Receivable

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

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

Inventories

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

Capital Assets and Collections

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

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

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

Advance Payments for Goods and Services

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

Derivative Instruments

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

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.

Tuition, Room and Board

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

State Support

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

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

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

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

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

Government Grants and Contracts

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

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

OSU Health System Revenue

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

OSU Physicians Revenue

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

Charity Care and Community Benefit

Care is provided to patients regardless of their ability to pay. A patient is classified as charity care in accordance with policies established by the OSU Health System and OSUP. Because 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, 2019 and 2018 are $50,336 and $50,909, respectively, after applying an decrease of $3,443 and a increase of $6,776, 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, 2019 and 2018 are $7,856 and $7,169, respectively.

Management Estimates

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

Implementation of GASB Statement No. 75

In fiscal year 2018, the university implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement requires employers in cost-sharing, multi-employer plans to recognize a proportionate share of the net other post-employment benefit (OPEB) assets and liabilities of the plans. The university participates in two cost-sharing multiple-employer pension plans, the State Teachers Retirement System of Ohio and the Ohio Public Employees Retirement System, which provide post-retirement healthcare benefits. A proportionate share of the net OPEB assets and liabilities of the retirement systems has been allocated to the university, based on retirement plan contributions for university employees. The cumulative effect of adopting GASB Statement No. 75 was a $1,224,870 reduction in the university's net position as of July 1, 2017. Additional information regarding net OPEB assets and liabilities, related deferrals and OPEB expense is provided in Note 15.

Implementation of GASB Statement No. 83

In fiscal year 2019, the university implemented GASB Statement No. 83, *Certain Asset Retirement Obligations*. This standard establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations (AROs). ARO liabilities and related deferred outflows are recognized based on the existence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities.

(dollars in thousands)

The cumulative effect of adopting GASB Statement No. 83 was a $15,462 reduction in the university's net position as of July 1, 2017. The effects of adopting Statement No. 83 in the university's financial statements for the year ended June 30, 2018 were as follows:

Statement of Net Position - Primary Institution	**As Previously Reported**	**Effect of Adoption of Statement No. 83**	**As Restated**
Other deferred outflows	$ 18,393	$ 1,716	$ 20,109
Total deferred outflows	737,903	1,716	739,619
Other noncurrent liabilities	91,944	17,337	109,281
Total noncurrent liabilities	7,792,233	17,337	7,809,570
Total liabilities	9,391,607	17,337	9,408,944
Unrestricted net position	81,369	(15,621)	65,748
Total net position	5,338,235	(15,621)	5,322,614

Statement of Revenues, Expenses and Changes in Net Position - Primary Institution	**As Previously Reported**	**Effect of Adoption of Statement No. 83**	**As Restated**
Operation and maintenance of plant	$ 123,625	$ 158	$ 123,783
Total operating expenses	5,435,605	158	5,435,763
Net operating income (loss)	(184,459)	(158)	(184,617)
Income (loss) before changes in net position	890,883	(158)	890,725
Increase in net position	1,051,278	(158)	1,051,120

Implementation of GASB Statement No. 88

GASB Statement No. 88, *Certain Disclosures Related to Debt*, including Direct Borrowings and Direct Placements, was implemented by the University as of July 1, 2018. This Statement defines debt for purposes of disclosures in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires additional disclosures related to debt including providing additional information for direct borrowings and direct placements of debt separately from other debt. Implementation of Statement No. 88 had no impact on the financial statements.

Newly Issued Accounting Pronouncements

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

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

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

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*. This standard establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. The standard is effective for periods beginning after December 15, 2018 (FY2020).

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. This standard clarifies the definition of a conduit debt obligation, establishes the third-party obligor's responsibility for the liability and modifies disclosure requirements for these arrangements. The standard is effective for periods beginning after December 15, 2020 (FY2022).

University management is currently assessing the impact that implementation of GASB Statements No. 84, 87, 89, 90 and 91 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, 2019, the carrying amount of the primary institution's cash, cash equivalents and restricted cash is $2,062,197 as compared to bank balances of $2,073,030. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, $180,099 is covered by federal deposit insurance and $1,892,931 is uninsured but collateralized by pools of securities pledged by the depository banks and held in the name of the respective banks.

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

At June 30, 2019, the carrying amount of the discretely presented component units' cash, cash equivalents and restricted cash is $138,936 as compared to bank balances of $142,401. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, $4,548 is covered by federal deposit insurance and $137,853 is uninsured but collateralized by pools of securities pledged by the depository banks and held in the name of the respective banks.

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

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.

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.

(dollars in thousands)

Total university investments by major category for the primary institution at June 30, 2019 and 2018 are as follows:

	Primary Institution	
	2019	**2018**
Temporary Investments	$ 1,738,010	$ 1,610,826
Long-Term Investment Pool:		
Gifted Endowment - University	1,070,008	1,104,236
Gifted Endowment - OSU Foundation	969,429	958,750
Quasi Endowment - Operating	1,289,534	1,208,769
Quasi Endowment - Designated	1,927,788	1,939,679
Total Long-Term Investment Pool	5,256,759	5,211,434
Securities Lending Collateral Investments	44,391	39,510
Other Long-Term Investments	219,455	163,946
Total Investments	$ 7,258,615	$ 7,025,716

(dollars in thousands)

Total university investments by investment type for the primary institution at June 30, 2019 are as follows:

	Primary Institution				
	Temporary Investments	Long-Term Investment Pool	Other Long-Term Investments	Securities Lending Collateral Investments	Total
U.S. equity	$ 309	$ 533,091	$ -	$ -	$ 533,400
International equity	-	391,301	-	-	391,301
Equity mutual funds	86,616	1,024,535	22,284	-	1,133,435
U.S. government obligations	157,044	554,889	471	-	712,404
U.S. government agency obligations	129,502	-	-	-	129,502
Corporate bonds and notes	1,223,091	-	-	-	1,223,091
Bond mutual funds	92,439	-	16,103	-	108,542
Foreign government bonds	12,380	-	-	-	12,380
Real assets	9,578	525,966	24,884	-	560,428
Hedge funds	-	829,151	-	-	829,151
Private equity	-	903,311	138,625	-	1,041,936
Commercial paper	18,068	-	-	-	18,068
Cash and cash equivalents	-	494,515	-	-	494,515
Other	8,983	-	17,088	-	26,071
Securities Lending Collateral Assets:					
Repurchase agreements	-	-	-	18,703	18,703
Variable rate notes	-	-	-	950	950
Certificates of deposit	-	-	-	24,772	24,772
Cash and other adjustments	-	-	-	(34)	(34)
	$ 1,738,010	$ 5,256,759	$ 219,455	$ 44,391	$ 7,258,615

(dollars in thousands)

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

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

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

	2019	2018
Interest and dividends	$ 197,877	$ 162,059
Net increase in fair value of investments	84,112	341,400
Investment expenses	(52,326)	(64,305)
Total	$ 229,663	$ 439,154

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.

(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 $37,109 and $19,733 at June 30, 2019 and 2018, respectively.

Investments by fair value category for the primary institution at June 30, 2019 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	$ 533,400	$ -	$ -	$ -	$ 533,400
International equity	391,301	-	-	-	391,301
Equity mutual funds	188,590	-	-	944,845	1,133,435
U.S. government obligations	8,311	704,093	-	-	712,404
U.S. government agency obligations	-	129,502	-	-	129,502
Corporate bonds and notes	-	1,220,966	2,125	-	1,223,091
Bond mutual funds	108,542	-	-	-	108,542
Foreign government bonds	-	12,380	-	-	12,380
Real assets	19,719	-	313,986	226,723	560,428
Hedge funds	-	-	-	829,151	829,151
Private equity	-	-	187,790	854,146	1,041,936
Commercial paper	-	18,068	-	-	18,068
Cash equivalents	457,406	-	-	-	457,406
Other	-	8,551	17,520	-	26,071
Securities Lending Collateral Assets:					
Repurchase agreements	-	18,703	-	-	18,703
Variable rate notes	-	950	-	-	950
Commercial paper	-	-	-	-	-
Certificates of deposit	-	24,772	-	-	24,772
Other adjustments	-	(34)	-	-	(34)
	$ 1,707,269	$ 2,137,951	$ 521,421	$ 2,854,865	$ 7,221,506

(dollars in thousands)

Investments by fair value category for the primary institution at June 30, 2018 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	$ 319,135	$ -	$ -	$ -	$ 319,135
International equity	348,018	-	-	-	348,018
Equity mutual funds	196,170	-	-	662,679	858,849
U.S. government obligations	3,313	522,779	-	-	526,092
U.S. government agency obligations	-	118,198	-	-	118,198
Corporate bonds and notes	-	1,097,801	1,101	-	1,098,902
Bond mutual funds	109,278	-	-	-	109,278
Foreign government bonds	-	11,960	-	-	11,960
Real assets	9,927	-	144,843	536,025	690,795
Hedge funds	-	-	-	1,377,733	1,377,733
Private equity	-	-	122,338	726,164	848,502
Commercial paper	-	39,501		-	39,501
Cash equivalents	587,391	-	-	-	587,391
Other	-	13,813	18,306	-	32,119
Securities Lending Collateral Assets:					
Repurchase agreements	-	19,014	-	-	19,014
Variable rate notes	-	19,268	-	-	19,268
Commercial paper	-	-	-	-	-
Certificates of deposit	-	1,258	-	-	1,258
Other adjustments	-	(30)	-	-	(30)
	$ 1,573,232	$ 1,843,562	$ 286,588	$ 3,302,601	$ 7,005,983

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, 2019 is as follows:

	Fair Value	Unfunded Commitments	Remaining Life	Redemption Notice Period	Redemption Restrictions
Equity mutual funds - non-public international	$ 944,845	$ -	No limit	1 to 30 days	None
Hedge funds - absolute return, credit, long/short equities	829,151	-	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	854,146	785,128	1-12 years	Partnerships ineligible for redemption	Not redeemable
Real assets - natural resources, real estate, intrastructure	226,723	165,257	1-12 years	Partnerships ineligible for redemption	Not redeemable
	$ 2,854,865	$ 950,385			

(dollars in thousands)

At June 30, 2019, university management identified several partnership investments measured at NAV whose sale is probable for an amount different from NAV. The fair value of these investments – based on bids provided by third parties – is $243,182. The university is continuing to consider the sale of these investments.

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, 2019 are as follows:

	Primary Institution				
		Investment Maturities (in years)			
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U.S. government obligations	$ 712,404	$ 583,306	$ 111,097	$ 18,001	$ -
U.S. government agency	-				
obligations	129,502	21,127	12,463	17,203	78,709
Commercial paper	18,068	18,068	-	-	-
Corporate bonds	1,223,091	242,552	828,631	65,590	86,318
Bond mutual funds	108,542	(135)	60,981	32,353	15,343
Other governmental bonds	8,550	1,857	4,226	1,163	1,304
Foreign governmental bonds	12,380	6,014	6,366	-	-
Securities Lending Collateral:					
Repurchase agreements	18,703	18,703	-	-	-
Certificates of deposit	950	950	-	-	-
Commercial paper	-	-	-	-	-
Variable rate notes	24,772	24,772	-	-	-
Total	$ 2,256,962	$ 917,214	$ 1,023,764	$ 134,310	$ 181,674

(dollars in thousands)

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

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

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.

(dollars in thousands)

The credit ratings of the university's interest-bearing investments for the primary institution at June 30, 2019 are as follows:

	Primary Institution										
	Total	AAA	AA	A	BBB	BB	B	CCC	CC	C	Not Rated
U.S. government											
and agency obligations	$ 841,906	$ 4,746	$ 778,923	$ 55,899	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,338
Corporate bonds	1,223,091	76,957	191,993	440,442	358,615	21,993	652	-	-	-	132,439
Bond mutual funds	108,542	20,337	60,937	11,802	12,155	1,915	653	721	-	-	22
Foreign government bonds	12,380	2,715	201	6,359	-	-	-	-	-	-	3,105
Commercial paper	18,068	-	-	4,985	-	-	-	-	-	-	13,083
Other government bonds	8,550	-	5,110	3,440	-	-	-	-	-	-	-
Securities Lending Collateral:											
Repurchase agreements	18,703	-	-	-	-	-	-	-	-	-	18,703
Certificates of deposit	950	-	-	950	-	-	-	-	-	-	-
Commercial paper	-	-	-	-	-	-	-	-	-	-	-
Variable rate notes	24,772	-	7,855	16,917	-	-	-	-	-	-	-
Total	$ 2,256,962	$ 104,755	$ 1,045,019	$ 540,794	$ 370,770	$ 23,908	$ 1,305	$ 721	$ -	$ -	$ 169,690

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

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

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, 2019 and June 30, 2018.

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.

(dollars in thousands)

At June 30, 2019, 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	$ -	$ -	$ 34	$ -	$ -	$ -
Australian dollar	5,969	31,351	98	-	-	-
Bangladeshi taka	-	-	-	-	-	-
Brazilian real	9,032	7,322	144	-	-	-
Canadian dollar	17,890	10,414	62	627	-	-
Chilean peso	435	196	54	-	-	-
Chinese yuan	663	57,495	5	-	-	-
Columbian peso	181	62	90	-	-	-
Czech Republic koruna	67	670	-	-	-	-
Danish krone	1,236	5,027	3	-	-	-
Egyptian pound	80	274	-	-	-	-
Euro	111,377	83,394	(854)	798	990	89,635
Great Britain pound sterling	40,376	74,112	91	3,545	-	104,324
Hong Kong dollar	24,286	39,176	(320)	-	-	-
Hungarian forint	122	63	-	-	-	-
Iceland Krona	-	-	36	-	-	-
Indian rupee	4,237	2,247	(4)	-	-	-
Indonesian rupiah	952	3,127	186	-	-	-
Israeli shekel	198	134	7	-	-	-
Japanese yen	104,304	51,414	393	-	5,513	-
Kenyan Shilling	-	377	-	-	-	-
Kuwaiti dinar	-	148	-	-	-	-
Malaysian ringgit	987	1,919	(2)	-	-	-
Mexican peso	1,136	2,117	155	-	-	-
New Taiwan dollar	5,141	9,020	(2)	-	-	-
New Turkish lira	253	761	-	-	-	-
New Zealand dollar	288	106	46	-	-	-
Norwegian krone	4,760	3,294	67	-	-	-
Pakistan rupee	33	23	-	-	-	-
Peruvian nuevo sol	-	7	146	-	-	-
Philippine peso	490	722	-	-	-	-
Polish zloty	602	135	122	-	-	-
Qatarian rial	441	241	-	-	-	-
Romanian new leu	-	-	-	-	-	-
Russian ruble	1,435	625	254	-	-	-
Saudi Riyal	616	287	-	-	-	-
Singapore dollar	1,143	7,940	-	-	-	-
South African rand	2,622	6,396	86	-	-	-
South Korean Won	9,700	9,769	(129)	-	-	-
Sri Lanka rupee	-	-	-	-	-	-
Swedish krona	3,916	14,000	126	-	-	-
Swiss franc	34,631	17,664	(114)	-	-	29,825
Thailand bhat	1,416	1,186	(1)	-	-	-
UAE dirham	286	154	-	-	-	-
Total	$ 391,301	$ 443,369	$ 779	$ 4,970	$ 6,503	$ 223,784

(dollars in thousands)

At June 30, 2018, 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	$ -	$ -	$ 88	$ -	$ -	$ -
Australian dollar	2,933	16,426	(5)	-	-	-
Bangladeshi taka	-	12	-	-	-	-
Brazilian real	4,477	4,966	23	-	-	-
Canadian dollar	10,755	5,805	177	-	-	-
Chilean peso	287	1,592	-	-	-	-
Chinese yuan	77	5,344	607	-	-	-
Columbian peso	116	782	56	-	-	-
Czech Republic koruna	42	1,484	-	-	-	-
Danish krone	3,433	3,930	5	-	-	-
Egyptian pound	46	17	(117)	-	-	-
Euro	104,881	63,019	(568)	-	1,672	98,131
Great Britain pound sterling	60,906	88,214	9	2,509	-	75,012
Hong Kong dollar	17,917	22,857	-	-	-	-
Hungarian forint	62	71	-	-	-	-
Iceland Krona	-	-	32	-	-	-
Indian rupee	2,318	4,896	191	-	-	-
Indonesian rupiah	487	785	-	-	-	-
Israeli shekel	166	160	-	-	-	-
Japanese yen	81,496	67,162	(95)	-	-	-
Kuwaiti dinar	-	1,707	-	-	-	-
Malaysian ringgit	609	3,584	-	-	-	-
Mexican peso	723	2,430	485	-	-	-
New Taiwan dollar	3,149	6,670	(306)	-	-	-
New Turkish lira	197	2,002	-	-	-	-
New Zealand dollar	129	79	80	-	-	-
Norwegian krone	5,380	3,614	54	-	-	-
Pakistan rupee	41	2,275	-	-	-	-
Peruvian nuevo sol	-	6	-	-	-	-
Philippine peso	233	1,367	-	-	-	-
Polish zloty	268	244	-	-	-	-
Qatarian rial	196	69	-	-	-	-
Romanian new leu	-	822	(120)	-	-	-
Russian ruble	447	436	263	-	-	-
Singapore dollar	548	10,186	(303)	-	-	-
South African rand	1,602	6,178	2	-	-	-
South Korean won	4,846	7,561	(247)	-	-	-
Sri Lanka rupee	-	38	-	-	-	-
Swedish krona	3,028	5,308	78	-	-	-
Swiss franc	31,142	18,485	-	-	-	24,863
Thailand bhat	576	3,503	(1)	-	-	-
UAE dirham	139	3,229	-	-	-	-
Total	$ 343,652	$ 367,315	$ 388	$ 2,509	$ 1,672	$ 198,006

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, 2019 and 2018 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, 2019, 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, 2019, securities loaned by the university amounted to a fair value of $69,375 and were secured by collateral in the amount of $80,012. The portion of this collateral that was received in cash amounted to $44,387 and is reflected within the university's statement of net position as a current asset and a corresponding current liability.

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

(dollars in thousands)

NOTE 4 — ACCOUNTS, NOTES AND PLEDGES RECEIVABLE

Accounts receivable for the primary institution at June 30, 2019 and 2018 consist of the following:

	Primary Institution	
	2019	**2018**
Gross receivables - OSU Health System	$ 1,171,862	$ 1,165,740
Grant and contract receivables	94,218	92,973
Tuition and fees receivable	21,970	19,519
Receivables for departmental and auxiliary sales and services	51,667	44,280
State and federal receivables	12,382	26,535
Other receivables	28	32
Total receivables	1,352,127	1,349,079
Less: Allowances	716,803	729,769
Total receivables, net	$ 635,324	$ 619,310

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

Notes receivable consist primarily of Perkins and health professions loans and are net of an allowance for doubtful accounts of $18,149 and $18,709 at June 30, 2019 and 2018, 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 $101,478 in non-endowment pledges receivable and a related allowance for doubtful accounts of $5,787 at June 30, 2019. The university recorded $104,041 in non-endowment pledges receivable and a related allowance for doubtful accounts of $3,616 at June 30, 2018.

Accounts receivable for the discretely presented component units at June 30, 2019 and 2018 consist of the following:

	Discretely Presented Component Units	
	2019	**2018**
Gross receivables - OSU Physicians	$ 129,817	$ 115,796
Other receivables	13,304	9,358
Total receivables	143,121	125,154
Less: Allowances for doubtful accounts	80,118	71,877
Total receivables, net	$ 63,003	$ 53,277

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

(dollars in thousands)

NOTE 5 — CAPITAL ASSETS

Capital assets activity for the primary institution for the year ended June 30, 2019 is summarized as follows:

	Primary Institution			
	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land	$ 89,492	$ 3,317	$ -	$ 92,809
Intangibles	18,413	-	-	18,413
Construction in progress	378,859	16,925	-	395,784
Total non depreciable assets	486,764	20,242	-	507,006
Capital assets being depreciated:				
Improvements other than buildings	833,855	88,659	15	922,499
Buildings and fixed equipment	6,375,994	363,809	4,196	6,735,607
Movable equipment, furniture and software	1,547,854	165,277	64,473	1,648,658
Library books	191,275	3,890	834	194,331
Total	8,948,978	621,635	69,518	9,501,095
Less: Accumulated depreciation	4,392,520	413,039	65,821	4,739,738
Total depreciable assets, net	4,556,458	208,596	3,697	4,761,357
Capital assets, net	$ 5,043,222	$ 228,838	$ 3,697	$ 5,268,363

The increase in construction in progress of $16,925 in fiscal year 2019 represents the amount of capital expenditures for new projects of $573,711, net of assets placed in service of $556,786.

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

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

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

(dollars in thousands)

Capital assets activity for the discretely presented component units for the year ended June 30, 2019 is summarized as follows:

	Discretely Presented Component Units			
	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land	$ 25,731	$ 3,741	$ 34	$ 29,438
Intangibles	46	16	-	62
Construction in progress	19,758	21,704	-	41,462
Total non depreciable assets	45,535	25,461	34	70,962
Capital assets being depreciated:				
Improvements other than buildings	14,360	3,705	634	17,431
Buildings and fixed equipment	111,918	4,993	17,516	99,395
Movable equipment, furniture and software	33,434	9,839	252	43,021
Total	159,712	18,537	18,402	159,847
Less: Accumulated depreciation	70,688	7,467	11,498	66,657
Total depreciable assets, net	89,024	11,070	6,904	93,190
Capital assets, net	$ 134,559	$ 36,531	$ 6,938	$ 164,152

The increase in construction in progress of $21,704 in fiscal year 2019 represents the amount of capital expenditures for new projects of $27,858, net of assets placed in service of $6,154.

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

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

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

(dollars in thousands)

The university recognized asset retirement obligations (AROs) of $17,337 at June 30, 2019 and 2018, 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, 2019 and 2018 consist of the following:

	Primary Institution	
	2019	**2018**
Payables to vendors for supplies and services	$ 326,794	$ 330,538
Accrued compensation and benefits	141,433	131,639
Retirement system contributions payable	84,622	80,066
Other accrued expenses	38,995	37,120
Total payables and accrued expenses	$ 591,844	$ 579,363

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, 2019 and 2018 consist of the following:

	Primary Institution	
	2019	**2018**
Current deposits and advance payments:		
Tuition and fees	$ 45,827	$ 42,585
Departmental and auxiliary sales and services	82,509	81,541
Affinity agreements	3,087	2,915
Advance from concessionaire	21,786	21,786
Grant and contract advances	113,290	111,091
Other deposits and advance payments	15,387	14,483
Total current deposits and advance payments	$ 281,886	$ 274,401
Advance from concessionaire	$ 1,024,555	$ 1,046,342
Other non-current deposits and advance payments:	101,089	68,018

(dollars in thousands)

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, 2017, Oval Limited provides coverage with limits of $85,000 per occurrence and in the aggregate.

Previous coverage levels for Oval Limited are as follows:

Accident Period for Oval	Gross Oval Limit (Occurrence and Annual Aggregate)
7/1/16 – 6/30/19	$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

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, 2019, Oval reinsured, in excess of the self-insured retention, 100% of the first $25,000 of risk to Berkley Insurance Company. The next $20,000 was fully ceded to Endurance Specialty Insurance Ltd, then $20,000 ceded to The Medical Protective Company, with the next $10,000 ceded to Berkshire Hathaway Specialty Insurance and above that Oval ceded the remaining $10,000 of the risk to Ironshore Insurance Ltd.

The estimated liability and the related contributions to the trustee fund are based upon an independent actuarial determination as of June 30, 2019. 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, 2019 of the anticipated future payments on gross claims is estimated at its present value of $51,092 discounted at an estimated rate of 3% (university funds) and an additional $19,247 discounted at an estimated rate of 3% (Oval Limited).

(dollars in thousands)

Although actual experience upon the ultimate disposition of the claims may vary from this estimate, the self-insurance fund assets of $205,510 (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, 2019, and the surplus of $135,136 is included in unrestricted net position.

At June 30, 2018, the anticipated future payments on gross claims was estimated at its present value of $51,042 discounted at an estimated rate of 3% (university funds) and an additional $19,286 discounted at an estimated rate of 3% (Oval Limited). The self-insurance fund assets of $203,611 (which primarily consist of bond and equity mutual funds, money market funds and U.S. treasury notes) were more than the recorded liability at June 30, 2018, and the surplus of $133,283 was included in unrestricted net position.

Employee Health Insurance

The university is also self-insured for employee health insurance. As of June 30, 2019 and 2018, $37,016 and $32,997, 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, 2019 and 2018, respectively, $19,276 and $20,112 are recorded as a liability relating to both claims received but not paid and estimates of claims incurred but not yet reported.

Changes in reported self-insurance liabilities for the primary institution since June 30, 2017 result from the following activities:

	Malpractice		Health		Workers' Compensation	
	2019	2018	2019	2018	2019	2018
Liability at beginning of fiscal year	$ 70,328	$ 73,523	$ 32,997	$ 35,849	$ 20,112	$ 20,498
Current year provision for losses	5,381	865	348,520	335,534	6,273	15,914
Claim payments	(5,370)	(4,060)	(344,501)	(338,386)	(7,109)	(16,300)
Balance at fiscal year end	$ 70,339	$ 70,328	$ 37,016	$ 32,997	$ 19,276	$ 20,112

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.

(dollars in thousands)

Debt activity for the primary institution for the year ended June 30, 2019 is as follows:

	Primary Institution				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Direct Borrowings and Direct Placements - Notes:					
WOSU	$ 1,985	$ -	$ 159	$ 1,826	$ 159
OH Air Quality Note Series A	2,618	-	420	2,198	426
OH Air Quality Note Series B	2,340	-	-	2,340	-
St. Stephens Church Note	2,653	-	80	2,573	84
Direct Borrowings and Direct Placements - Other:					
Capital Lease Obligations	15,329	10,958	5,286	21,001	7,262
Ohio State Energy Partners	10,316	31,877	521	41,672	2,551
General Receipts Bonds - Fixed Rate:					
2008A, due serially through 2028	7,570	-	7,570	-	-
2010A, due serially through 2020	40,460	-	24,135	16,325	10,200
2010C, due 2040	654,785	-	-	654,785	-
2010D, due serially through 2032	84,625	-	-	84,625	-
2011, due 2111	500,000	-	-	500,000	-
2012A, due 2030	66,750	-	8,530	58,220	8,910
2012B, due 2033	13,515	-	1,480	12,035	1,510
2014A, due serially through 2044	129,245	-	2,435	126,810	2,560
2016A, due serially through 2111	600,000	-	-	600,000	-
2016B, due serially through 2030	23,255	-	2,790	20,465	2,930
2017, due serially through 2028	69,950	-	-	69,950	7,035
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	-	-	17,160	17,160
1999B1, due serially through 2029	10,765	-	-	10,765	10,765
2001, due serially through 2032	53,035	-	-	53,035	53,035
2003C, due serially through 2031	49,800	-	4,840	44,960	44,960
2005B, due serially through 2035	71,575	-	8,845	62,730	62,730
2008B, due serially through 2028	86,025	-	-	86,025	86,025
2010E, due serially through 2035	150,000	-	-	150,000	150,000
2014B, due serially through 2044	150,000	-	-	150,000	150,000
	3,151,711	42,835	67,091	3,127,455	618,302
Unamortized Bond Premiums	81,211	-	7,883	73,328	-
Total outstanding debt	$ 3,232,922	$ 42,835	$ 74,974	$ 3,200,783	$ 618,302

(dollars in thousands)

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

	Primary Institution				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Direct Borrowings and Direct Placements - Notes:					
WOSU	$ 2,144	$ -	$ 159	$ 1,985	$ 159
OH Air Quality Note Series A	3,031	-	413	2,618	420
OH Air Quality Note Series B	2,340	-	-	2,340	-
St. Stephens Church Note	2,729	-	76	2,653	80
Direct Borrowings and Direct Placements - Other:					
Capital Lease Obligations	8,548	10,508	3,727	15,329	4,630
Ohio State Energy Partners	-	10,316	-	10,316	-
General Receipts Bonds - Fixed Rate:					
2008A, due serially through 2028	94,510	-	86,940	7,570	7,570
2010A, due serially through 2020	79,160	-	38,700	40,460	24,135
2010C, due 2040	654,785	-	-	654,785	-
2010D, due serially through 2032	84,625	-	-	84,625	-
2011, due 2111	500,000	-	-	500,000	-
2012A, due 2030	74,980	-	8,230	66,750	8,530
2012B, due 2033	15,335	-	1,820	13,515	1,480
2014A, due serially through 2044	131,560	-	2,315	129,245	2,435
2016A, due serially through 2111	600,000	-	-	600,000	-
2016B, due serially through 2030	25,935	-	2,680	23,255	2,790
2017, due serially through 2028	-	69,950	-	69,950	-
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	-	-	17,160	17,160
1999B1, due serially through 2029	10,765	-	-	10,765	10,765
2001, due serially through 2032	53,035	-	-	53,035	53,035
2003C, due serially through 2031	49,800	-	-	49,800	49,800
2005B, due serially through 2035	71,575	-	-	71,575	71,575
2008B, due serially through 2028	86,025	-	-	86,025	86,025
2010E, due serially through 2035	150,000	-	-	150,000	150,000
2014B, due serially through 2044	150,000	-	-	150,000	150,000
	3,205,997	90,774	145,060	3,151,711	640,589
Unamortized Bond Premiums	86,129	12,719	17,637	81,211	-
Total outstanding debt	$ 3,292,126	$ 103,493	$ 162,697	$ 3,232,922	$ 640,589

(dollars in thousands)

Debt activity for the discretely presented component units for the year ended June 30, 2019 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	$ 12,437	$ 47	$ 811	$ 11,673	$ 895
OSU Physicians - Term Loan Payable, due 2023	1,347	-	-	1,347	-
TRC Ohio Development Service Agency Note Payable	5,000	-	309	4,691	314
Campus Partners - Columbus Foundation Note Payable	1,833	-	86	1,747	88
Campus Partners - Edwards TIF Note Payable	1,650	350	2,000	-	-
Capital Lease Obligations	97	4	55	46	46
Total outstanding debt	$ 22,364	$ 401	$ 3,261	$ 19,504	$ 1,343

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

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

(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		
	Principal	Interest	Principal	Interest	Total
2020	$ 607,820	$ 133,140	$ 10,482	$ 3,314	$ 754,756
2021	31,585	121,620	10,341	3,285	166,831
2022	33,370	120,135	7,054	2,863	163,422
2023	42,345	118,693	6,072	2,553	169,663
2024	38,020	116,726	3,266	2,405	160,417
2025-2029	166,425	558,392	16,276	9,116	750,209
2030-2034	127,385	526,364	8,452	4,999	667,200
2035-2039	120,340	502,333	6,683	2,381	631,737
2040-2044	780,515	298,880	2,984	604	1,082,983
2045-2049	358,040	204,576	-	-	562,616
2050-2054	-	170,600	-	-	170,600
2055-2059	250,000	145,300	-	-	395,300
2060-2064	-	120,000	-	-	120,000
2065-2069	-	120,000	-	-	120,000
2070-2074	-	120,000	-	-	120,000
2075-2079	-	120,000	-	-	120,000
2080-2084	-	120,000	-	-	120,000
2085-2089	-	120,000	-	-	120,000
2090-2094	-	120,000	-	-	120,000
2095-2099	-	120,000	-	-	120,000
2100-2104	-	120,000	-	-	120,000
2105-2109	-	120,000	-	-	120,000
2110-2111	500,000	48,000	-	-	548,000
	$ 3,055,845	$ 4,264,759	$ 71,610	$ 31,520	$ 7,423,734

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
2020	$ 1,343	$ 348	$ 1,691
2021	2,893	586	3,479
2022	1,256	267	1,523
2023	1,256	243	1,499
2024	1,006	222	1,228
2025-2029	5,304	835	6,139
2030-2034	5,430	350	5,780
2035-2039	1,016	12	1,028
	$ 19,504	$ 2,863	$ 22,367

(dollars in thousands)

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.

The outstanding bond indentures do not require mandatory reserves for future payment of principal and interest. However, the university has set aside $342,397 for future debt service which is included in unrestricted net position.

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

	Amount Defeased	Amount Outstanding at June 30, 2019
General Receipts Bonds:		
Series 2010A	$ 13,050	$ 991
Series 2010D	4,376	4,376
	$ 17,426	$ 5,367

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

(dollars in thousands)

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, 2019, the university is in compliance with this covenant. Condensed financial information for the Special Purpose Revenue Facilities is provided in Note 22.

Variable Rate Demand Bonds

Series 1997, 1999B1, 2001, 2003C, 2005B, 2008B, 2010E and 2014B variable rate demand bonds bear interest at rates based upon yield evaluations at par of comparable securities. The maximum interest rate allowable and the effective average interest rate from issue date to June 30, 2019 are as follows:

Series:	Interest Rate Not to Exceed	Effective Average Interest Rate
1997	12%	1.477%
1999B1	12%	1.282%
2001	12%	1.095%
2003C	12%	1.425%
2005B	12%	1.022%
2008B	12%	0.497%
2010E	8%	0.436%
2014B	not specified	0.721%

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 $574,675 and $588,360 at June 30, 2019 and 2018, respectively.

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, 2019 are $33,708 and $21,000, respectively. The original cost and lease obligations related to these capital leases as of June 30, 2018 are $22,750 and $15,328, respectively.

Capitalization of Interest

Interest incurred during the construction of capital assets is included in the cost of the asset when capitalized. Total interest costs incurred for the years ended June 30, 2019 and 2018 for the primary institution were $123,584 and $122,281. Of these amounts, interest of $8,500 and $5,792 were capitalized. The remaining amounts of $115,084 and $116,489 for the years ended June 30, 2019 and 2018, respectively, are reported as interest expense in the statement of revenues, expenses and changes in net position.

NOTE 10 — OPERATING LEASES

The university leases various buildings, office space, and equipment under operating lease agreements. These facilities and equipment are not recorded as assets on the statement of net position. The total rental expense under these agreements was $19,692 and $23,638 for the years ended June 30, 2019 and 2018, respectively.

(dollars in thousands)

Future minimum payments for all significant operating leases with initial or remaining terms in excess of one year as of June 30, 2019 are as follows:

Year Ending June 30,	Primary Institution	Discretely Presented Component Units
2020	$ 15,916	$ 8,148
2021	14,808	7,177
2022	14,764	6,292
2023	13,350	5,683
2024	9,673	4,812
2025-2029	46,393	16,440
2030-2034	12,199	6,794
2035-2039	275	84
2040-2044	-	54
2045-2049	-	-
2050-2054	-	-
2055-2059	-	-
2060-2064	-	-
2064 and beyond	-	-
Total minimum lease payments	$ 127,378	$ 55,484

NOTE 11 — COMPENSATED ABSENCES

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

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

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

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

(dollars in thousands)

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

NOTE 12 — OTHER LIABILITIES

Other liability activity for the primary institution for the year ended June 30, 2019 is as follows:

	Primary Institution				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	$ 185,004	$ 23,204	$ 15,268	$ 192,940	$ 15,268
Self-insurance accruals	123,436	353,066	349,871	126,631	44,124
Amounts due to third party payors	66,333	61,054	50,917	76,470	27,096
Irrevocable split-interest agreements	32,728	-	1,001	31,727	3,264
Refundable advances for Federal Perkins loans	32,638	840	-	33,478	-
Other noncurrent liabilities	91,944	30,348	-	122,292	-
	$ 532,083	$ 468,512	$ 417,057	$ 583,538	$ 89,752

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

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

(dollars in thousands)

NOTE 13 — RENTALS UNDER OPERATING LEASES

The university is the lessor of certain land, buildings, office and retail space under operating lease agreements. Future minimum rental income from non-cancelable operating leases for the primary institution as of June 30, 2019 is as follows:

Year Ending June 30,		
2020	$	4,150
2021		3,201
2022		2,928
2023		2,804
2024		2,256
2025-2029		5,148
2030-2034		2,412
2035-2039		300
2040-2044		10
2045-2049		10
2050-2054		10
Total minimum future rentals	$	23,229

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, 2019 is as follows:

Year Ending June 30,		
2020	$	23,782
2021		9,835
2022		2,732
2023		2,508
2024		2,387
2025-2029		5,700
2030-2034		245
Total minimum future rentals	$	47,189

(dollars in thousands)

NOTE 14 — OPERATING EXPENSES BY OBJECT

In accordance with requirements set forth by the Ohio Board of Regents, the university reports operating expenses by functional classification on the Statement of Revenues, Expenses and Changes in Net Position. Operating expenses by object for the primary institution for the years ended June 30, 2019 and 2018 are summarized as follows:

Year Ended June 30, 2019

	Primary Institution				
	Compensation and Benefits	Supplies and Services	Scholarships and Fellowships	Depreciation	Total
Instruction	$ 937,736	$ 132,556	$ -	$ -	$ 1,070,292
Separately budgeted research	305,772	181,555	-	-	487,327
Public service	101,633	81,595	-	-	183,228
Academic support	202,555	40,405	-	-	242,960
Student services	86,559	22,607	-	-	109,166
Institutional support	227,931	81,760	-	-	309,691
Operation and maintenance of plant	37,166	98,141	-	-	135,307
Scholarships and fellowships	6,265	2,317	118,802	-	127,384
Auxiliary enterprises	211,868	149,478	-	-	361,346
OSU Health System	1,699,285	1,409,785	-	-	3,109,070
Depreciation	-	-	-	413,039	413,039
Total operating expenses	$ 3,816,770	$ 2,200,199	$ 118,802	$ 413,039	$ 6,548,810

Year Ended June 30, 2018

	Primary Institution				
	Compensation and Benefits	Supplies and Services	Scholarships and Fellowships	Depreciation	Total
Instruction	$ 680,084	$ 131,039	$ -	$ -	$ 811,123
Separately budgeted research	129,233	171,719	-	-	300,952
Public service	53,990	83,130	-	-	137,120
Academic support	138,079	44,373	-	-	182,452
Student services	81,649	24,111	-	-	105,760
Institutional support	129,178	81,513	-	-	210,691
Operation and maintenance of plant	30,761	93,022	-	-	123,783
Scholarships and fellowships	2,337	2,093	121,854	-	126,284
Auxiliary enterprises	182,760	139,389	-	-	322,149
OSU Health System	1,469,851	1,251,137	-	-	2,720,988
Depreciation	-	-	-	394,461	394,461
Total operating expenses	$ 2,897,922	$ 2,021,526	$ 121,854	$ 394,461	$ 5,435,763

(dollars in thousands)

NOTE 15 — RETIREMENT PLANS

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

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

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

The collective net pension liabilities of the retirement systems and the university's proportionate share of these liabilities as of June 30, 2019 are as follows:

	STRS-Ohio	OPERS	Total
Net pension liability - all employers	$ 21,987,755	$ 27,273,872	
Proportion of the net pension liability - university	4.6%	9.9%	
Proportionate share of net pension liability	$ 1,019,690	$ 2,695,368	$ 3,715,058

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

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

(dollars in thousands)

The collective net OPEB liabilities of the retirement systems and the university's proportionate share of these liabilities as of June 30, 2019 are as follows:

	STRS-Ohio	OPERS	Total
Net OPEB (asset) liability - all employers	$ (1,606,898)	$ 13,037,639	
Proportion of the net OPEB (asset) liability - university	4.6%	10.1%	
Proportionate share of net OPEB (asset) liability	$ (74,520)	$ 1,321,019	$ 1,246,499

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

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

Deferred outflows of resources and deferred inflows of resources for pensions were related to the following sources as of June 30, 2019:

	STRS-Ohio	OPERS	Total
Deferred Outflows of Resources:			
Differences between expected and actual experience	$ 23,538	$ 1,288	$ 24,826
Changes in assumptions	180,708	238,382	419,090
Net difference between projected and actual earnings on pension plan investments	-	380,743	380,743
Changes in proportion of university contributions	1,246	6,478	7,724
University contributions subsequent to the measurement date	77,702	107,284	184,986
Total	**$ 283,194**	**$ 734,175**	**$ 1,017,369**
Deferred Inflows of Resources:			
Differences between expected and actual experience	$ 6,659	$ 41,458	$ 48,117
Net difference between projected and actual earnings on pension plan investments	61,833	-	61,833
Changes in proportion of university contributions	-	43	43
Total	**$ 68,492**	**$ 41,501**	**$ 109,993**

(dollars in thousands)

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

	STRS-Ohio	OPERS	Total
Deferred Outflows of Resources:			
Differences between expected and actual experience	$ 41,745	$ 2,277	$ 44,022
Changes in assumptions	236,438	171,962	408,400
Changes in proportion of university contributions	1,036	4,061	5,097
University contributions subsequent to the measurement date	74,173	99,914	174,087
Total	**$ 353,392**	**$ 278,214**	**$ 631,606**
Deferred Inflows of Resources:			
Differences between expected and actual experience	$ 8,713	$ 34,978	$ 43,691
Net difference between projected and actual earnings on pension plan investments	35,676	332,347	368,023
Changes in proportion of university contributions	-	54	54
Total	**$ 44,389**	**$ 367,379**	**$ 411,768**

Deferred outflows of resources and deferred inflows of resources for OPEB were related to the following sources as of June 30, 2019:

	STRS-Ohio	OPERS	Total
Deferred Outflows of Resources:			
Differences between expected and actual experience	$ 8,704	$ 429	$ 9,133
Changes in assumptions	-	40,879	40,879
Net difference between projected and actual earnings on OPEB plan investments	-	63,078	63,078
Changes in proportion of university contributions	141	2,936	3,077
University contributions subsequent to the measurement date	-	-	-
Total	**$ 8,845**	**$ 107,322**	**$ 116,167**
Deferred Inflows of Resources:			
Differences between expected and actual experience	$ 4,342	$ 3,584	$ 7,926
Changes in assumptions	101,540	-	101,540
Net difference between projected and actual earnings on pension plan investments	8,513	-	8,513
Changes in proportion of university contributions	-	-	-
Total	**$ 114,395**	**$ 3,584**	**$ 117,979**

(dollars in thousands)

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

	STRS-Ohio	OPERS	Total
Deferred Outflows of Resources:			
Differences between expected and actual experience	$ 10,250	$ 822	$ 11,072
Changes in assumptions	-	76,832	76,832
Total	**$ 10,250**	**$ 77,654**	**$ 87,904**
Deferred Inflows of Resources:			
Changes in assumptions	14,303	-	14,303
Net difference between projected and actual earnings on OPEB plan investments	7,589	78,608	86,197
Total	**$ 21,892**	**$ 78,608**	**$ 100,500**

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
2020	162,189	352,878	515,067
2021	57,227	127,618	184,845
2022	7,345	40,118	47,463
2023	(12,059)	172,315	160,256
2024	-	(259)	(259)
2025 and Thereafer	-	4	4
Total	**$ 214,702**	**$ 692,674**	**$ 907,376**

The amounts above include university contributions subsequent to the measurement date.

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
2020	(18,888)	48,049	29,161
2021	(18,888)	14,323	(4,565)
2022	(18,888)	10,859	(8,029)
2023	(16,991)	30,507	13,516
2024	(16,285)	-	(16,285)
2025 and Thereafer	(15,610)	-	(15,610)
Total	**$ (105,550)**	**$ 103,738**	**$ (1,812)**

(dollars in thousands)

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

	STRS-Ohio	OPERS
Statutory Authority	Ohio Revised Code Chapter 3307	Ohio Revised Code Chapter 145
Benefit Formula	**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. Members are eligible to retire at age 60 with five years of qualifying service credit, or at age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60. **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, 2020. 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 $329.3 million or 64% of the total health care costs in fiscal 2018 (excluding deductibles, coinsurance and copayments).	**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 final average salary multiplied by the actual years of service for the first 30 years of service credit and 2.5% for years of service in excess of 30 years. For Group C, the annual benefit applies a factor of 2.2% for the first 35 years and a factor of 2.5% for the years of service in excess of 35. FAS represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of annual cost-of-living adjustment. **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.

(dollars in thousands)

	STRS-Ohio	OPERS
	Medicare Part D is a federal program to help cover the costs of prescription drugs for Medicare beneficiaries. This program allows STRS Ohio to recover part of the cost for providing prescription coverage since all eligible STRS Ohio health care plans include creditable prescription drug coverage. For the year ended June 30, 2018, STRS Ohio received $107.2 million in Medicare Part D reimbursements.	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 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 2018 CAFR. OPERS no longer participates in the Medicare Part D program as of December 31, 2016. In 2018, OPERS received the final distribution of funds from the Medicare Part D program for calendar year 2016 of $378,007.
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%.

(dollars in thousands)

	STRS-Ohio	OPERS
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, 2018, 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 2018, 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, 2018	December 31, 2018 (OPEB is rolled forward from December 31, 2017 actuarial valuation date)
Actuarial Assumptions	**Valuation Date:** July 1, 2018 for pensions; June 30, 2018 for 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:** -5.2% to 9.6% initial; 4% ultimate	**Valuation Date:** December 31, 2018 for pensions; December 31, 2017 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:** 3.00% Simple – for those retiring after January 7, 2013, 3.00% Simple through 2018, then 2.15% Simple. **Health Care Cost Trends:** 10.0% initial; 3.25% ultimate
Mortality Rates	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 Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.	Pre-retirement mortality rates are based on 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.

(dollars in thousands)

<table>
<tr><th></th><th>STRS-Ohio</th><th>OPERS</th></tr>
<tr><td></td><td></td><td>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.</td></tr>
<tr><td>Date of Last Experience Study</td><td>June 30, 2016</td><td>December 31, 2015</td></tr>
<tr><td>Investment Return Assumptions</td><td>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:
<table>
<tr><th>Asset Class</th><th>Target Allocation</th><th>Long Term Expected Return*</th></tr>
<tr><td>Domestic Equity</td><td>28.0%</td><td>7.35%</td></tr>
<tr><td>International Equity</td><td>23.0%</td><td>7.55%</td></tr>
<tr><td>Alternatives</td><td>17.0%</td><td>7.09%</td></tr>
<tr><td>Fixed Income</td><td>21.0%</td><td>3.00%</td></tr>
<tr><td>Real Estate</td><td>10.0%</td><td>6.00%</td></tr>
<tr><td>Liquidity Reserves</td><td>1.0%</td><td>2.25%</td></tr>
<tr><td>Total</td><td>100%</td><td></td></tr>
</table>
* Returns presented as geometric means</td><td>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.

The following table displays the Board-approved asset allocation policy for defined benefit pension assets for 2018 and the long-term expected real rates of return:
<table>
<tr><th>Asset Class</th><th>Target Allocation</th><th>Long Term Expected Return*</th></tr>
<tr><td>Fixed Income</td><td>23.0%</td><td>2.79%</td></tr>
<tr><td>Domestic Equity</td><td>19.0%</td><td>6.21%</td></tr>
<tr><td>Real Estate</td><td>10.0%</td><td>4.90%</td></tr>
<tr><td>Private Equity</td><td>10.0%</td><td>10.81%</td></tr>
<tr><td>International Equity</td><td>20.0%</td><td>7.83%</td></tr>
<tr><td>Other Investments</td><td>18.0%</td><td>5.50%</td></tr>
<tr><td>Total</td><td>100.0%</td><td></td></tr>
</table>
* Returns presented as arithmetic means</td></tr>
</table>

(dollars in thousands)

<table>
<tr><th></th><th>STRS-Ohio</th><th>OPERS</th></tr>
<tr><td></td><td></td><td>The following table displays the Board-approved asset allocation policy for health care assets for 2018 and the long-term expected real rates of return:

<table>
<tr><th>Asset Class</th><th>Target Allocation</th><th>Long Term Expected Return*</th></tr>
<tr><td>Fixed Income</td><td>34.0%</td><td>2.42%</td></tr>
<tr><td>Domestic Equities</td><td>21.0%</td><td>6.21%</td></tr>
<tr><td>REITs</td><td>6.0%</td><td>5.98%</td></tr>
<tr><td>International Equities</td><td>22.0%</td><td>7.83%</td></tr>
<tr><td>Other Investments</td><td>17.0%</td><td>5.57%</td></tr>
<tr><td>Total</td><td>100.0%</td><td></td></tr>
</table>

* Returns presented as arithmetic means</td></tr>
<tr><td>**Discount Rate**</td><td>**Pensions** -- The discount rate used to measure the total pension liability was 7.45% as of June 30, 2018. 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, 2018. 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, 2018.

OPEB -- The discount rate used to measure the total OPEB liability was 7.45% as of June 30, 2018. 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.</td><td>**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.

OPEB – A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. 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).</td></tr>
</table>

(dollars in thousands)

	STRS-Ohio	OPERS
	Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB liability as of June 30, 2018.	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 3.71%. 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 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.
Changes in Assumptions Since the Prior Measurement Date	**Pensions** – There were no changes in assumptions since the prior measurement date of June 30, 2017. **OPEB** -- The discount rate was increased from the blended rate of 4.13% to the long term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*. Valuation year per capita health care costs were updated.	There has been no change in assumptions compared to prior year.
Benefit Term Changes Since the Prior Measurement Date	**Pensions** – There were no changes in benefit terms since the prior measurement date of June 30, 2017. **OPEB** -- The subsidy multiplier for non-Medicare benefit recipients was increased from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.	**Pensions** -- For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA adjustment will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

(dollars in thousands)

Sensitivity of Net Pension Liability to Changes in Discount Rate	1% Decrease (6.45%)	Current Rate (7.45%)	1% Increase (8.45%)	1% Decrease (6.2%)	Current Rate (7.2%)	1% Increase (8.3%)
	$ 1,489,123	$ 1,019,690	$ 622,379	$ 3,994,727	$ 2,695,368	$ 1,616,292
Sensitivity of Net OPEB Liability to Changes in Discount Rate	1% Decrease (6.45%)	Current Rate (7.45%)	1% Increase (8.45%)	1% Decrease (2.96%)	Current Rate (3.96%)	1% Increase (4.96%)
	$ (63,871)	$ (74,520)	$ (83,471)	$ 1,690,029	$ 1,321,019	$ 1,027,493
Sensitivity of Net OPEB Liability to Changes in Medical Trend Rate	1% Decrease in Trend Rate	Current Trend Rate	1% Increase in Trend Rate	1% Decrease in Trend Rate	Current Trend Rate	1% Increase in Trend Rate
	$ (82,966)	$ (74,520)	$ (65,944)	$ 1,269,751	$ 1,321,019	$ 1,379,988

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.

(dollars in thousands)

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, 2019, including employer contributions and accruals associated with recognition of net pension liabilities, net OPEB liabilities and related deferrals, is presented below.

	STRS-Ohio	OPERS	ARP	Total
Employer Contributions	$ 77,781	$ 220,062	$ 60,390	$ 358,233
GASB 68 Pension Accruals	32,939	446,571		479,510
GASB 75 OPEB Accruals	(158,168)	161,088		2,920
Total Pension and OPEB Expense	**$ (47,448)**	**$ 827,721**	**$ 60,390**	**$ 840,663**

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

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

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

(dollars in thousands)

OSU Physicians Retirement Plan

Retirement benefits are provided for the employees of OSUP through a tax-sheltered 403(b) and 401(a) program administered by an insurance company. OSUP is required to make nondiscretionary contributions of no less than 7.5% under the Interim Retirement Plan; however, some subsidiaries make an additional discretionary contribution of up to 17.5%, for a range of total employer contributions of 7.5% to 25%. Employees are allowed, but not required, to make contributions to the 403(b) plan. OSUP's share of the cost of these benefits was $5,780 and $5,191 for the years ended June 30, 2019 and 2018, respectively.

Employee contributions were $2,129 and $1,893 for the years ended June 30, 2019 and 2018.

NOTE 16 — CAPITAL PROJECT COMMITMENTS

At June 30, 2019, the university is committed to future contractual obligations for capital expenditures of approximately $326,824 for the primary institution and $17,500 for discretely presented component units.

These projects are funded by the following sources:

	Primary Institution	Discretely Presented Component Units
State appropriations	$ 102,081	$ -
Internal and other sources	224,743	17,500
Total	$ 326,824	$ 17,500

NOTE 17 — CONTINGENCIES AND RISK MANAGEMENT

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

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

In April 2018, after receiving a complaint from a former OSU wrestler, the university initiated an independent investigation into allegations of sexual misconduct by former OSU physician Dr. Richard Strauss. Strauss was employed from 1978-1998 and died in 2005. In May 2019, the university released a report from the independent investigators that detailed acts of sexual abuse against at least 177 former students by Dr. Richard Strauss during his employment with the university. Civil actions relating to this investigation allege Title IX violations by the university. It is possible that additional lawsuits could be filed. The case is in mediation. The outcome of the pending and potential litigation is unknown at June 30, 2019, and, therefore, no accruals for future costs have been recorded in the 2019 financial statements.

NOTE 18 — PARKING LEASE AND CONCESSION AGREEMENT

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

The lump-sum payment under this service concession arrangement is reported as a deferred inflow of resources and is being amortized to operating revenue over the life of the agreement. Deferred inflows related to the parking agreement were $416,545 and $426,176 at June 30, 2019 and 2018, respectively. The university reports the parking lots and garages as capital assets with a carrying amount of $124,508 at June 30, 2019 and 2018.

NOTE 19 — UTILITY SYSTEM LEASE AND CONCESSION AGREEMENT

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

Under the agreement, OSEP operates, maintains and makes capital investments in the utility system and charges the university a Utility Fee, which includes fixed, variable and operating and maintenance (O&M) components. OSEP capital investments in the utility system are recognized as capital assets and a related long-term payable to the concessionaire. The fixed and O&M components of the Utility Fee are recognized as operating expense. The variable component of the Utility Fee will be recognized as a reduction in the long-term payable to the concessionaire and interest expense.

The university recognized fixed and O&M utility fees totaling $56,140 and $53,309, respectively for the years ended June 30, 2019 and 2018. The carrying amounts of OSEP capital investments and related payable to the concessionaire at June 30, 2019 and 2018 were $41,672 and $10,316, respectively.

(dollars in thousands)

NOTE 20 — COMBINING INFORMATION FOR BLENDED COMPONENT UNITS

As indicated in the Basis of Presentation in Note 1, the university consolidates certain component units in a blended presentation. Condensed combining financial information for the years ended June 30, 2019 and 2018 is presented below.

Condensed Combining Information – Year Ended June 30, 2019

	OSU Foundation	OSU Health Plan	Oval Limited	Pelotonia	Eliminations
Condensed statements of net position:					
Current assets	$ 84,921	$ 5,229	$ 51,461	$ -	$ -
Capital assets, net	2,953	112	-	-	-
Other assets	1,182,732	681	-	-	(102,265)
Total assets	$ 1,270,606	$ 6,022	$ 51,461	$ -	$ (102,265)
Current liabilities	$ 3,323	$ 1,545	$ 34	$ -	$ -
Noncurrent liabilities	60,554	494	19,247	102,265	(102,265)
Amounts payable to the university	40,025	-	-	-	-
Deferred inflows	13,795	-	-	-	-
Total liabilities and deferred inflows	117,697	2,039	19,281	102,265	(102,265)
Net investment in capital assets	2,953	-	-	-	-
Restricted:					
Nonexpendable	910,296	-	-	-	-
Expendable	225,537	-	-	-	(102,265)
Unrestricted	14,123	3,983	32,180	(102,265)	102,265
Total net position	1,152,909	3,983	32,180	(102,265)	-
Total liabilities, deferred inflows and net position	$ 1,270,606	$ 6,022	$ 51,461	$ -	$ (102,265)

(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	$ 1,583	$ 12,432	$ (344)	$ -	$ -
Total operating revenues	1,583	12,432	(344)	-	-
Operating expenses, excluding depreciation	14,164	12,483	(236)	-	-
Depreciation expense	184	48	-	-	-
Total operating expenses	14,348	12,531	(236)	-	-
Net operating income (loss)	(12,765)	(99)	(108)	-	-
Non-operating revenues and expenses:					
Gifts for current use	262,406	-	-	-	(102,265)
Net investment income (loss)	10,008	-	1,537	-	-
Other non-operating revenue (expense)	1,774	(6)	-	(102,265)	102,265
Net non-operating revenue (expense)	274,188	(6)	1,537	(102,265)	-
Capital contributions and additions to permanent endowments	71,009	-	-	-	-
Transfers from (to) the university	(244,284)	-	-	-	-
Change in net position	88,148	(105)	1,429	(102,265)	-
Beginning net position	1,064,761	4,088	30,751	-	-
Ending net position	$ 1,152,909	$ 3,983	$ 32,180	$ (102,265)	$ -
Condensed statements of cash flows:					
Net cash provided (used) by:					
Operating activities	$ (10,507)	$ 245	$ (1,591)	$ -	$ -
Noncapital financing activities	(2,256)	-	-	-	-
Capital and related financing activities	25,476	(52)	-	-	-
Investing activities	8,063	(44)	1,511	-	-
Net increase (decrease) in cash	20,776	149	(80)	-	-
Beginning cash and cash equivalents	22,859	4,315	1,290	-	-
Ending cash and cash equivalents	$ 43,635	$ 4,464	$ 1,210	$ -	$ -

(dollars in thousands)

Condensed Combining Information – Year Ended June 30, 2018

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

(dollars in thousands)

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

(dollars in thousands)

NOTE 21 — COMBINING INFORMATION FOR DISCRETELY PRESENTED COMPONENT UNITS

As indicated in the Basis of Presentation in Note 1, the university consolidates certain component units in a discrete presentation. Condensed combining financial information for the years ended June 30, 2019 and 2018 is presented below.

Condensed Combining Information – Year Ended June 30, 2019

	OSU Physicians	Campus Partners	Transportation Research Center	Dental Faculty Practice Plan
Condensed statements of net position:				
Current assets	$ 200,538	$ 8,646	$ 12,236	$ 1,713
Capital assets, net	26,809	105,505	31,610	228
Other assets	-	2,461	-	-
Amounts receivable from the university	18,355	-	3,991	-
Deferred outflows	-	-	24	-
Total assets and deferred outflows	$ 245,702	$ 116,612	$ 47,861	$ 1,941
Current liabilities	$ 16,645	$ 5,525	$ 6,851	$ 277
Noncurrent liabilities	12,124	26,264	4,572	-
Amounts payable to the university	19,569	90,602	9,451	284
Deferred inflows	-	-	13	-
Total liabilities and deferred inflows	48,338	122,391	20,887	561
Net investment in capital assets	13,682	103,184	26,920	(56)
Unrestricted	183,682	(108,963)	54	1,436
Total net position	197,364	(5,779)	26,974	1,380
Total liabilities, deferred inflows and net position	$ 245,702	$ 116,612	$ 47,861	$ 1,941

(dollars in thousands)

	OSU Physicians	Campus Partners	Transportation Research Center	Dental Faculty Practice Plan
Condensed statements of revenues, expenses and changes in net position:				
Operating revenues:				
Grants and contracts	$ -	$ 10,857	$ 39,124	$ -
Sales and services of OSU Physicians	560,322	-	-	-
Other sales, services and rental income	-	-	-	9,440
Total operating revenues	560,322	10,857	39,124	9,440
Operating expenses, excluding depreciation	507,366	9,153	37,133	9,403
Depreciation expense	3,581	2,920	892	74
Total operating expenses	510,947	12,073	38,025	9,477
Net operating income (loss)	49,375	(1,216)	1,099	(37)
Non-operating revenues and expenses:				
Net investment income	2,373	222	29	-
Interest expense	(376)	(138)	(446)	-
Other non-operating revenue (expense)	(23,384)	605	21	(132)
Net non-operating revenue (expense)	(21,387)	689	(396)	(132)
Changes in net position				
Capital contributions and changes in net position	-	5,250	14,677	-
Change in net position	27,988	4,723	15,380	(169)
Beginning net position, as previously reported	169,376	(10,502)	11,594	1,549
Cumulative effect of accounting change	-	-	-	-
Ending net position	$ 197,364	$ (5,779)	$ 26,974	$ 1,380
Condensed statements of cash flows:				
Net cash provided (used) by:				
Operating activities	$ 39,180	$ 3,964	$ 2,536	$ 217
Noncapital financing activities	(23,473)	9,366	7,662	(133)
Capital and related financing activities	(4,372)	(12,415)	(12,027)	(90)
Investing activities	(7,716)	36	199	(96)
Net increase (decrease) in cash	3,619	951	(1,630)	(102)
Beginning cash and cash equivalents	128,332	2,444	4,779	543
Ending cash and cash equivalents	$ 131,951	$ 3,395	$ 3,149	$ 441

(dollars in thousands)

Condensed Combining Information – Year Ended June 30, 2018

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

(dollars in thousands)

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

NOTE 22 — SEGMENT INFORMATION

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

The Office of Student Life operates student housing, dining and recreational sports facilities on the university's main and regional campuses. In January 2013, the university issued $337,955 of Special Purpose General Receipts Bonds, Series 2013A. These bonds are solely payable from, and secured by, a pledge of the gross revenues of Special Purpose Revenue Facilities. Special Purpose Revenue Facilities are defined in the Series 2013 Supplement as all housing and dining facilities and such auxiliary facilities as shall constitute recreation facilities owned by the university. Special Purpose Pledged Revenues include all revenues, fees, rentals, rates, charges, insurance proceeds and other moneys derived from the ownership or operation of these facilities. Special Purpose Pledged Revenues totaled $221,757 and $214,631 for the years ended June 30, 2019 and 2018, 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, 2019 and 2018 is as follows:

(dollars in thousands)

Segment Disclosure Information – Year Ended June 30, 2019 and June 30, 2018

	2019	2018
Condensed Statement of Net Position		
Assets and deferred outflows:		
Current assets	$ 27,489	$ 26,645
Capital assets	715,499	724,651
Total assets	$ 742,988	$ 751,296
Liabilities and deferred inflows:		
Current liabilities	$ 7,279	$ 7,751
Amounts payable to the university	721,238	738,540
Total liabilities	728,517	746,291
Net position:		
Net investment in capital assets	(5,739)	(13,889)
Unrestricted	20,210	18,894
Total net position	14,471	5,005
Total liabilities and net position	$ 742,988	$ 751,296

	2019	2018
Condensed Statement of Revenues, Expenses and Changes in Net Position		
Special-purpose pledged revenues - operating	$ 221,757	$ 214,631
Operating expenses, excluding depreciation	(150,933)	(145,243)
Depreciation expense	(35,021)	(34,103)
Operating income	35,803	35,285
Nonoperating revenues, net	(30,478)	(39,618)
Net income (loss) before transfers	5,325	(4,333)
Transfers from (to) other university units, net	4,141	18,375
Increase (decrease) in net position	9,466	14,042
Beginning net position	5,005	(9,037)
Ending net position	$ 14,471	$ 5,005
Condensed Statement of Cash Flows		
Net cash provided (used) by:		
Operating activities	$ 103,485	$ 85,641
Capital and related financing activities	(103,296)	(87,477)
Investing activities	645	278
Net increase (decrease) in cash	834	(1,558)
Beginning cash and cash equivalents	25,603	27,161
Ending cash and cash equivalents	$ 26,437	$ 25,603

NOTE 23 – EVENTS SUBSEQUENT TO ORIGINAL ISSUANCE OF FINANCIAL STATEMENTS (UNAUDITED)

Effective March 22, 2020, the university is under a state of emergency due to the COVID-19 outbreak. To comply with the restrictions from the Ohio Governor, the university transitioned to virtual learning for the remainder of spring and for summer semester. Students moved out of the residence halls and were refunded housing, dining and recreation fees for the remainder of spring term. All university employees who can do so are required to work from home. Major facilities on campus are closed, and all campus events have been canceled through July 6.

The COVID-19 outbreak also has significantly impacted OSU Wexner Medical Center operations. On March 17, 2020, the Director of the Ohio Department of Health issued an order temporarily recommending that non-essential or elective surgeries and procedures not be conducted at Ohio hospitals. The temporary suspension of performance of elective procedures was recommended to create capacity for a potential increase in COVID-19 patients.

The university has instituted a hiring freeze for all non-essential positions through June 30, 2020, has slowed or modified certain capital projects and is engaged in financial contingency planning. The Wexner Medical Center is currently engaged in a budgetary control and contingency planning initiative. The recommendation from the Ohio Department of Health to suspend non-essential or elective surgeries and procedures was withdrawn effective on May 1, 2020, but it is not presently possible to determine whether or when the volume of non-essential or elective surgeries and procedures will return to pre-pandemic levels.

The university has launched a post-pandemic operations task force to develop a plan to transition back to on-campus operations. On June 3, 2020, the university announced that it will resume in-person classes for the autumn semester.

The COVID-19 outbreak has caused domestic and global disruption in operations for institutions of higher education. The impact (i) may materially affect the ability of the university to conduct its operations and/or the cost of operations and (ii) has negatively impacted the financial markets and has and may continue to materially affect the returns on and value of the university's investments.

Other adverse consequences of COVID-19 or any other similar outbreaks in the future may include, but are not limited to, decline in enrollment, decline in demand for campus housing and decline in philanthropic donations. The full impact of COVID-19 and the scope of any adverse impact on the university's finances and operations cannot be fully determined at this time.

The Ohio State University
Required Supplementary Information on GASB 68 Pension Liabilities (Unaudited)
Year Ended June 30, 2019

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

	2019		2018		2017		2016		2015	
(dollars in thousands)	STRS-Ohio	OPERS	STRS-Ohio	OPERS	STRS-Ohio	OPERS	STRS-Ohio	OPERS	STRS-Ohio	OPERS
University's proportion of the net pension liability	4.6%	9.9%	4.6%	9.4%	4.5%	9.1%	4.5%	9.0%	4.4%	8.8%
University's proportionate share of the net pension liability	$ 1,019,690	$ 2,695,368	$ 1,081,053	$ 1,466,955	$ 1,510,814	$ 2,054,548	$ 1,238,470	$ 1,556,156	$ 1,070,914	$ 1,059,519
University's covered payroll	$ 434,106	$ 1,521,447	$ 412,149	$ 1,381,054	$ 392,797	$ 1,289,346	$ 388,309	$ 1,236,914	$ 381,669	$ 1,188,828
University's proportionate share of the net pension liability as a percentage of its covered payroll	235%	177%	262%	106%	385%	159%	319%	126%	281%	89%
Plan fiduciary net position as a percentage of the total pension liability	77.3%	74.9%	75.3%	84.9%	66.8%	77.4%	72.1%	81.2%	74.7%	86.5%

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

	2019		2018		2017		2016		2015	
(dollars in thousands)	STRS-Ohio	OPERS	STRS-Ohio	OPERS	STRS-Ohio	OPERS	STRS-Ohio	OPERS	STRS-Ohio	OPERS
Contractually required contribution	$ 77,781	$ 220,062	$ 74,356	$ 201,072	$ 70,373	$ 188,762	$ 66,975	$ 178,293	$ 65,738	$ 170,979
Contributions in relation to the contractually required contribution	$ 77,781	$ 220,062	$ 74,356	$ 201,072	$ 70,373	$ 188,762	$ 66,975	$ 178,293	$ 65,738	$ 170,979
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
University's covered payroll	$ 452,084	$ 1,525,502	$ 434,106	$ 1,421,367	$ 412,149	$ 1,334,350	$ 392,797	$ 1,260,366	$ 388,309	$ 1,208,710
Contributions as a percentage of covered payroll	17.2%	14.4%	17.1%	14.1%	17.1%	14.1%	17.1%	14.1%	16.9%	14.1%

The Ohio State University
Required Supplementary Information on GASB 75 Net OPEB Liabilities (Unaudited)
Year Ended June 30, 2019

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

	2019		2018	
(dollars in thousands)	STRS-Ohio	OPERS	STRS-Ohio	OPERS
University's proportion of the net OPEB liability	4.6%	10.1%	4.6%	9.7%
University's proportionate share of the net OPEB liability	$ (74,520)	$ 1,321,019	$ 177,556	$ 1,055,239
University's covered payroll	$ 434,106	$ 1,521,447	$ 412,149	$ 1,381,054
University's proportionate share of the net OPEB liability as a percentage of its covered payroll	-17%	87%	43%	76%
Plan fiduciary net position as a percentage of the total OPEB liability	176.0%	46.3%	47.1%	54.1%

The Ohio State University
Supplementary Information on the Long-Term Investment Pool (Unaudited)
Year Ended June 30, 2019

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 2019, the fair 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 $45 million, to $5.26 billion at June 30, 2019. The Long-Term Investment Pool activity for 2019 is summarized below:

Long-Term Investment Pool Activity (in thousands)

	Gifted Endowments		Quasi-Endowments		
	University	Foundation	Operating	Designated	Total
Balance at June 30, 2018	**$ 1,104,236**	**$ 958,750**	**$ 1,208,769**	**$ 1,939,679**	**$ 5,211,434**
Net Principal Additions (Withdrawals)	3,367	43,443	121,770	54,768	223,348
Change in Fair Value	1,218	1,533	2,781	1,530	7,062
Income Earned	22,239	19,705	25,237	39,454	106,635
Distributions	(46,093)	(40,747)	(52,062)	(81,114)	(220,016)
Expenses	(14,959)	(13,255)	(16,961)	(26,529)	(71,704)
Balance at June 30, 2019	**$ 1,070,008**	**$ 969,429**	**$ 1,289,534**	**$ 1,927,788**	**$ 5,256,759**

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, 2019. **Income earned** includes interest and dividends and is used primarily to fund **distributions**. **Expenses** include investment management expenses ($52 million), University Development related expenses ($19 million) and other investment related expenses ($1 million).

Investment Returns and Expenses:

The investment return for the Long-Term Investment Pool was 1.2% for fiscal year 2019. The annualized investment returns for the three-year and five-year periods were 7.7% and 4.6%, 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 $52 million of investment management expenses, which reduced the pool by 1.0% in fiscal year 2019, the $19 million of University Development expenses and $1 million of other investment related expenses further reduced the pool by 0.4%.

Additional Information:

For more information on how the Long-Term Investment Pool is invested, please visit the Office of Investments website 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 of the statements of net position as of June 30, 2019, 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 22, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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Purpose of this Report

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

PricewaterhouseCoopers LLP

November 22, 2019

Acknowledgements

The 2019 Financial Report and the included financial statements are prepared by the staff of the Office of the Controller.

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Timothy A. Thibodeau

Mary J. Wehner

Michael Papadakis – Senior Vice President and Chief Financial Officer

Kristine G. Devine – Vice President for Operations and Deputy Chief Financial Officer

Board of Trustees

The expiration date of each trustee's term is given in parentheses.

APPENDIX C

BOOK ENTRY ONLY SYSTEM

Book-Entry Only System—The Depository Trust Company

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2020 A Bonds. The Series 2020 A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2020 A Bond certificate will be issued for each maturity in each series in the aggregate principal amount of the Series 2020 A Bonds for that maturity and series and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has S&P's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2020 A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020 A Bonds on DTC's records. The ownership interest of each actual purchaser of each of the Series 2020 A Bonds (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owners entered into the transaction. Transfers of ownership interests in the Series 2020 A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in Series 2020 A Bonds, except in the event that use of the Book Entry Only System for the Series 2020 A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2020 A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co, or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2020 A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee does not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020 A Bonds;

DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2020 A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2020 A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2020 A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2020 A Bond documents. For example, Beneficial Owners of Series 2020 A Bonds may wish to ascertain that the nominee holding the Series 2020 A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2020 A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2020 A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the University as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2020 A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Series 2020 A Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the University or its agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participants and not of DTC (or its nominee), or the University or its agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the University or its agent, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

Discontinuation of the Book Entry Only System

DTC may discontinue providing its service with respect to the Series 2020 A Bonds at any time by giving reasonable notice to the University or its agent. Under such circumstances, in the event a successor securities depository is not obtained, the Series 2020 A Bond certificates are required to be printed and delivered.

Revision of Book Entry Only System - Replacement Bonds

The Program Resolution provides for issuance of fully registered Bonds (the "Replacement Bonds") directly to owners other than DTC or its nominee only if DTC determines not to continue to act as security depository of the Series 2020 A Bonds. In such event, the University may in its discretion establish a securities depository/book entry relationship with another qualified securities depository. If the University does not or is unable to do so, and after appropriate notice to DTC, the University's Bond Registrar will authenticate and deliver fully registered Replacement Bonds, in the denominations of $5,000 or any integral multiple thereof, to or at the direction of and, if the event is not the result of University action or inaction, at the expense (including printing costs) of, any persons requesting such issuance. The Replacement Bonds may be transferred, registered and assigned only in the registration books of the University's Bond Registrar.

DTC Letter of Representations

Certain duties of DTC and procedures to be followed by DTC and the Trustee are set forth in DTC's operational arrangements (the "Operational Arrangements"). In the event of any conflict between the provisions of the Indenture and the provisions of the Operational Arrangements relating to delivery of Bonds to the Trustee, the provisions of the Operational Arrangements shall control. The University has executed a blanket letter of representations enabling the Series 2020 A Bonds to be eligible for DTC's book entry only system.

Disclaimer by University, Trustee and Underwriter

Neither the University nor the Trustee has any responsibility or liability for any aspect of the records relating to, or payments made on account of book entry interest ownership, or for maintaining, supervising or reviewing any records relating to that ownership.

The University, the Trustee, and the Underwriters cannot and do not give any assurances that DTC, DTC Participants or others will distribute to the Beneficial Owners (i) payments of Debt Service Charges on the Series 2020 A Bonds paid or (ii) notices sent to DTC as the Holder or that they will do so on a timely basis, or that DTC or DTC Participants will serve and act in the manner described in this Supplemental Official Statement.

THE UNIVERSITY, UNDERWRITERS AND THE TRUSTEE CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2020 A BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE SERIES 2020 A BONDS; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE SERIES 2020 A BONDS; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE SERIES 2020 A BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS SUPPLEMENTAL OFFICIAL STATEMENT.

THE UNIVERSITY, THE UNDERWRITERS AND TRUSTEE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC, (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC, OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE SERIES 2020 A BONDS; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS UNDER

THE TERMS OF THE CERTIFICATE; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE SERIES 2020 A BONDS.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK ENTRY SYSTEMS HAS BEEN OBTAINED FROM DTC, AND THE UNIVERSITY MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Procedures May Change

Although DTC has agreed to these procedures in order to facilitate transfers of securities among DTC and its participants, they are under no obligation to perform or continue to perform these procedures and these procedures may be discontinued and may be changed at any time by any of them.

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

June 25, 2020

Goldman Sachs & Co. LLC,
as Representative of the Underwriters
identified in the Official Statement
New York, New York

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance of the General Receipts Bonds (Multiyear Debt Issuance Program), Series 2020 A (the “Bonds”) by The Ohio State University, Columbus, Ohio (the “University”), a state university and a body corporate and politic of the State of Ohio. We have examined the transcript of proceedings (the “Transcript”), which includes, among others, the following documents: (i) a copy of the Amended and Restated Trust Indenture (the “Original Indenture”), dated as of December 1, 1999, between the University and The Bank of New York Mellon Trust Company, N.A. as successor trustee to The Huntington National Bank (the “Trustee”), as supplemented by a Multiyear Debt Issuance Program Supplement to the Amended and Restated Trust Indenture dated as of March 1, 2016, as amended by the First Amendment to Multiyear Debt Issuance Program Supplement to Amended and Restated Trust Indenture, dated as of December 1, 2017 and the Second Amendment to Multiyear Debt Issuance Program Supplement to Amended and Restated Trust Indenture, dated as of June 1, 2020, each between the University and the Trustee (together, the “Program Supplement” and together with the Original Indenture, the “Indenture”), (ii) the 1999 General Bond Resolution (the “1999 General Bond Resolution”) adopted by the Board of Trustees of the University on November 5, 1999, as supplemented by the resolutions adopted by the Board of Trustees of the University on June 5, 2015, June 9, 2017 and June 8, 2018 (together, the “Program Bond Resolution”) authorizing the issuance and sale of the Series 2020 A Bonds, (iii) a specimen of the form of the Series 2020 A Bonds and (iv) the Tax Certificate of the University (the “Tax Certificate”), dated of even date herewith. We have also examined Section 2i of Article VIII of the Ohio Constitution, Sections 3345.11 and 3345.12 of the Revised Code (the “Act”) and such other law, as we deemed relevant and necessary to render this opinion. Terms used in this opinion with initial capitalization when the rules of grammar would not otherwise so require have the respective meanings given to them in the Indenture unless the context requires a different meaning.

Except to the extent set forth in our supplemental opinion addressed to you and dated the date hereof, we have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or the Supplemental Official Statement for the Series 2020 A Bonds dated June 10, 2020 or other offering material relating to the Series 2020 A Bonds and we express no opinion herein relating thereto.

As to questions of fact material to our opinion, we have relied on the representations of the University contained in the Program Bond Resolution and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing and in reliance upon this examination, we are of the opinion that, under the law in effect on the date of this opinion:

1. The Program Bond Resolution has been duly adopted by the Board of Trustees of the University and constitutes a valid and binding obligation of the University enforceable against the University in accordance with its terms.

2. The Series 2020 A Bonds have been duly authorized, executed and delivered by the University and are valid and legally binding special obligations of the University payable solely from the sources provided therefor in the Program Bond Resolution.

3. The Debt Service Charges on the Series 2020 A Bonds, along with the Debt Service Charges on other Obligations, are payable solely from and are equally and ratably secured by a first pledge of the gross amount of General Receipts and, except to the extent provided in the Original Indenture or any supplement thereto, including without limitation the Program Supplement, by the Special Funds and accounts therein. The Series 2020 A Bonds are not otherwise secured and the owners and holders of the Series 2020 A Bonds are given no right to have any excises or taxes levied by the General Assembly of Ohio for the payment of Debt Service Charges on the Series 2020 A Bonds. General Receipts do not include appropriations by the General Assembly of Ohio.

4. Based on existing law and assuming that the Series 2020 A Bonds are issued in accordance with the Tax Certificate, the interest on the Series 2020 A Bonds is excluded from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Series 2020 A Bonds is not an item of tax preference for purposes of the alternative minimum tax. We express no opinion regarding other federal tax consequences arising with respect to the Series 2020 A Bonds.

5. The interest on the Series 2020 A Bonds, and any profits made on their sale, exchange or other disposition, are exempt from Ohio personal income tax, the Ohio commercial activities tax, the net income base of the Ohio corporate franchise tax and income taxes imposed by the Ohio Revised Code. We express no opinion regarding other state and local tax consequences arising with respect to the Series 2020 A Bonds.

In giving the opinions contained in this letter, we have assumed compliance with and the accuracy of, and have relied upon, the covenants, representations and certifications in the Transcript. We have not independently verified the accuracy of those representations and certifications. The accuracy of those representations and certifications, and the University's compliance with those covenants, may be necessary for the interest on the Series 2020 A Bonds to be and remain excluded from gross income for federal income tax purposes and for other tax effects stated above. Failure to comply with certain requirements subsequent to issuance of the Series 2020 A Bonds could cause the interest on the Series 2020 A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2020 A Bonds.

The opinions hereinabove expressed are qualified to the extent that the binding effect and enforceability of any of the provisions of the Series 2020 A Bonds and the Program Bond Resolution, or of any rights pursuant thereto, are subject to applicable bankruptcy, insolvency, reorganization, moratorium, or other laws in effect from time to time affecting the rights of creditors heretofore or hereinafter enacted, and also to the extent that the enforceability thereof may be limited by application of general principles of equity or public policy.

We bring to your attention the fact that our legal opinions are an expression of professional judgment and are not a guarantee of a result.

We do not undertake to advise you of matters which might come to our attention subsequent to the date hereof which may affect our legal opinions expressed herein.

Very truly yours,

Bricker & Eckler LLP

OFFICIAL STATEMENT

Relating to

$1,000,000,000
In maximum principal amount of
THE OHIO STATE UNIVERSITY
General Receipts Bonds
(Multiyear Debt Issuance Program)

The Ohio State University (the "University") has authorized the issuance of its General Receipts Bonds (Multiyear Debt Issuance Program) (the "Program Bonds") up to a maximum principal amount of $1,000,000,000 between the date of this Official Statement and June 30, 2018* (the "Offering Period"). The Program Bonds may be issued in one or more series from time to time during the Offering Period. The specific terms of each series of Program Bonds issued during the Offering Period will be set forth in supplements to this Official Statement (each a "Supplemental Official Statement"). The Program Bonds will be special obligations of The Ohio State University (the "University") issued to pay costs of capital facilities, refund General Receipts Bonds previously issued and to pay costs of issuance of the Program Bonds.

Each series of the Program Bonds is to be issued pursuant to an Amended and Restated Trust Indenture dated as of December 1, 1999 between the University and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), as amended and supplemented to date, including by the Multiyear Debt Issuance Program Supplement to Amended and Restated Trust Indenture dated as of March 1, 2016. Principal of, and interest and any premium on, the Program Bonds, and any other parity obligations, are payable solely from the General Receipts of the University and the Debt Service Fund. See **SECURITY AND SOURCES OF PAYMENT** herein.

The Program Bonds are not obligations of the State of Ohio, are not general obligations of the University, and the full faith and credit of the University is not pledged to their payment. The owners of the Program Bonds have no right to have any excises or taxes levied by the Ohio General Assembly for the payment of the principal, interest and redemption premium.

This cover page contains certain information for quick reference only. Investors must read the entire Official Statement and the applicable Supplemental Official Statement to obtain information essential to the making of an informed investment decision. This Official Statement may not be used to offer and sell Program Bonds unless accompanied by a Supplemental Official Statement.

This Official Statement is dated February 23, 2016.

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* By Resolution adopted on June 8, 2018, the Board of Trustees of the University extended the Offering Period for the Multi-Year Debt Issuance to June 30, 2020.

REGARDING THIS OFFICIAL STATEMENT

This Official Statement is delivered in connection with the proposed issuance from time to time of Program Bonds authorized by the University to pay costs of University Facilities, refund General Receipts Bonds previously issued, and to pay costs of issuance of the Program Bonds. During a period commencing on the date of this Official Statement and terminating on June 30, 2018* (the "Offering Period"), the University may issue one or more series of General Receipts Bonds in the form of Program Bonds including:

- Fixed Rate Senior Lien Obligations;
- Variable Rate Senior Lien Obligations; and
- Special Purpose General Receipts Obligations.

Program Bonds may be issued as either taxable or tax-exempt Program Bonds, as specified in the applicable Supplemental Official Statement (as defined below).

This Official Statement provides a general description of the University and the various types of Program Bonds that may be offered. For each issuance of Program Bonds during the Offering Period, the University will prepare a supplement to this Official Statement (each a "Supplemental Official Statement") with specific information about the terms of the series of Program Bonds being offered, including the price, interest rate, payment dates, priority of lien, maturity date, redemption terms, tax status and other terms specific to the series of Program Bonds being offered. Each Supplemental Official Statement will also describe the use of proceeds, the names and compensation of the underwriters of the Program Bonds and other important considerations for investors. Each Supplemental Official Statement may also add, update or change information contained in this Official Statement. Investors must read this Official Statement and the applicable Supplemental Official Statement before making an investment decision. This Official Statement may not be used to offer and sell Program Bonds unless it is accompanied by a Supplemental Official Statement that more fully describes the Program Bonds being offered and the terms of the offering.

AVAILABLE INFORMATION

Beginning with the period ending March 31, 2016, the University will file quarterly reports for quarterly periods ending September 30, December 31 and March 31 of each year with the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access System ("EMMA") which will update some of the information contained in this Official Statement and the applicable Supplemental Official Statement, including certain operating data and financial information included in Appendix A attached to each Supplemental Official Statement. Such quarterly reports can be inspected electronically at http://www.emma.msrb.org. Such quarterly reports do not constitute a part of this Official Statement or the applicable Supplemental Official Statement and should not be relied upon in making a decision to purchase Program Bonds. The University's plan to file quarterly reports does not constitute an obligation of the University under its continuing disclosure agreement. See **CONTINUING DISCLOSURE** herein.

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* By Resolution adopted on June 8, 2018, the Board of Trustees of the University extended the Offering Period for the Multi-Year Debt Issuance to June 30, 2020.

$1,000,000,000
THE OHIO STATE UNIVERSITY
General Receipts Bonds
(Multiyear Debt Issuance Program)

INTRODUCTORY STATEMENT

General

This Official Statement has been prepared by The Ohio State University (the "University"), a state university of the State of Ohio, in connection with the issuance and sale by the University of up to a maximum of $1,000,000,000 in aggregate principal amount of its Program Bonds in one or more series during the Offering Period described herein. The specific terms of each series of Program Bonds issued during the Offering Period will be set forth in one or more supplements to this Official Statement (each a "Supplemental Official Statement"). Each series of Program Bonds will be special obligations of the University issued for the purpose of paying costs of capital facilities, refunding General Receipts Bonds previously issued by the University and paying costs of the issuance of the Program Bonds, each as described in the applicable Supplemental Official Statement and will constitute an issue of Obligations under the Indenture described below.

Each series of Program Bonds will be issued pursuant to Sections 3345.11 and 3345.12 of the Ohio Revised Code (the "Act"), the General Bond Resolution adopted by the Board on November 5, 1999 (the "1999 General Bond Resolution") and the Multiyear Debt Issuance Program Bond Resolution (the "Program Resolution"), adopted by the Board of Trustees of the University (the "Board") on June 5, 2015, an Amended and Restated Trust Indenture (the "Amended and Restated Trust Indenture") dated as of December 1, 1999, as amended and supplemented to date, including by the Multiyear Debt Issuance Program Supplement to Amended and Restated Trust Indenture (the "Program Supplement"), dated as of March 1, 2016, both between the University and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee") and a Certificate of Award to be dated the date of issuance of the applicable series of Program Bonds (each a "Certificate of Award"). The Program Resolution, the Amended and Restated Trust Indenture and the Program Supplement are collectively referred to in this Official Statement as the "Indenture." Capitalized terms used herein which are not defined herein shall have the meanings described in the Indenture. See **THE INDENTURE** for a summary of certain terms and provisions of the Indenture.

Pursuant to the Act, the University is authorized, among other things, to acquire, construct, improve and furnish certain "facilities" as defined in the Act, and to pay costs of those facilities by the issuance of obligations payable from the General Receipts of the University. The Indenture authorizes the issuance of obligations (as defined in the Indenture, the "Obligations") of the University to finance the costs of those authorized facilities (as defined in the Indenture, the "University Facilities"). The Program Supplement specifically authorizes the issuance of $1,000,000,000 maximum principal amount of General Receipts Bonds (to be denominated "Program Bonds") in one or more series, during the Offering Period.

The University has previously authorized and issued Obligations secured by the Indenture, including Senior Lien Obligations and Special Purpose General Receipts Obligations. Senior Lien Obligations are secured by General Receipts of the University. Special Purpose General Receipts Obligations are subordinated obligations of the University payable solely from Special Purpose Pledged Revenues, as described herein (Senior Lien Obligations and Special Purpose General Receipts Obligations are collectively referred to herein as "Obligations"). See **GENERAL RECEIPTS OBLIGATIONS** herein. The University may designate a series of the Program Bonds upon its issuance as either Senior Lien Obligations or Special Purpose General Receipts Obligations.

References to provisions of Ohio law, whether codified in the Ohio Revised Code or uncodified, or the Ohio Constitution are references to those current provisions. Those provisions may be amended, repealed or supplemented.

As used in this Official Statement, "Debt Service Charges" means principal (including any mandatory sinking fund requirements), interest and any redemption premium required to be paid by the University on the Obligations, and "Fiscal Year" means the University's fiscal year, currently the 12-month period from July 1 to June 30. Reference to a particular fiscal year (such as "Fiscal Year 2016") means the Fiscal Year that ends on June 30 in the indicated year.

The Program

The University has established its Multiyear Debt Issuance Program (the "Program") in order to streamline its debt issuance process. The Board of Trustees adopted the Program Resolution on June 5, 2015 to authorize the issuance of $1,000,000,000 maximum principal amount of Program Bonds, in one or more series, from time to time. Proceeds of the Program Bonds are authorized to be used to finance University Facilities as well as refund, either currently or in advance of their respective maturities, General Receipts Bonds of the University previously issued to finance University Facilities.

The University may establish one or more additional Multiyear Debt Issuance Programs in the future. Bonds to be issued under any such additional program will be offered pursuant to a separate official statement and a supplement or supplements thereto.

All Program Bonds will be General Receipts Bonds of the University. They may be issued as Senior Lien Obligations or Special Purpose General Receipts Obligations, bear interest at fixed interest rates or variable interest rates, and be tax-exempt or federally taxable. The attributes of each series of Program Bonds will be identified in the Certificate of Award for such series executed by the University at the time of issuance of such series.

GENERAL RECEIPTS OBLIGATIONS

General

The 1999 General Bond Resolution and the Amended and Restated Trust Indenture are the basic documents pertaining to all Obligations and prescribe the conditions for the issuance of additional Obligations, such as the Program Bonds. For each issue of Obligations, a Series Resolution, such as the Program Resolution, setting forth detailed provisions for that issue, is usually adopted. The Program Resolution authorized the issuance of not to exceed $1,000,000,000 in General Receipts Bonds in one or more series for the purpose of paying the costs of certain University Facilities, refunding outstanding Obligations previously issued by the University and paying the costs of issuance of such Program Bonds. The specifications of each series of Program Bonds issued pursuant to the Program Resolution and the Program Supplement will be set forth in the Certificate of Award for that series.

The proceeds of all Obligations, including the Program Bonds, are to be applied solely to pay costs of University Facilities, including capitalized interest, to refund, fund or retire obligations previously issued for that purpose, as specifically provided and allocated in the applicable Certificate of Award, and to pay issuance costs associated with the issuance of such Obligations.

University Facilities are defined in the Indenture as buildings, structures and other improvements, and equipment, real estate and interests in real estate therefor, all or any part of the costs of which are at any time authorized by the Act to be financed by the issuance of obligations. The Act authorizes the financing of "facilities," defined in the Act to include "auxiliary facilities" (student activity or student service facilities, housing and dining facilities, dining halls or other food service and preparation facilities, vehicular parking facilities, bookstores, athletic and recreational facilities, faculty centers, auditoriums, assembly and exhibition halls, hospitals, infirmaries and other medical and health facilities, research and continuing education facilities); "educational facilities" (classrooms, or other instructional facilities, libraries, administrative and office facilities, and other facilities, other than auxiliary facilities, to be used directly or indirectly for or in connection with the conduct of the institution of higher education); "housing and dining facilities" (dormitories or other living quarters and accommodations, or related dining halls or other food service and preparation facilities, for students, members of the faculty, officers, or employees of the institution of higher education, and their spouses and families); and any one, part of or any combination of those facilities.

The Program Bonds are not obligations of the State of Ohio, are not general obligations of the University, and the full faith and credit of the University is not pledged to their payment. The owners of the Program Bonds have no right to have any excises or taxes levied by the Ohio General Assembly for the payment of the principal, interest and redemption premium.

Senior Lien Obligations

Program Bonds to be issued under this Official Statement may be issued as Senior Lien Obligations. The University has previously issued Senior Lien Obligations and may at any time incur additional Senior Lien Obligations secured by a pledge and lien on all General Receipts of the University (which includes all Special Purpose Pledged Revenues, described below) and such pledge is senior in priority to the pledge and lien securing the Special Purpose General Receipts Obligations described below.

Senior Lien Obligations secured by General Receipts of the University represent a type of financing of facilities by state universities of Ohio authorized by an amendment to the Ohio Constitution as implemented by the Act. Significant elements of this financing are the broad scope and gross pledge character of the security afforded to the Senior Lien Obligations, and the simplicity and flexibility provided by permitting all authorized types of facilities to be financed under one open end trust indenture.

Security provisions include the pledge to secure the Senior Lien Obligations with a gross pledge and first lien on all General Receipts of the University. See **SECURITY AND SOURCES OF PAYMENT – General Receipts Pledged to Senior Lien Obligations** herein.

Special Purpose General Receipts Obligations

In 2013, the University issued a series of Special Purpose General Receipts Bonds (the "Series 2013 A Bonds") as subordinated obligations of the University, payable solely from the Special Purpose Pledged Revenues, as hereinafter described. Under the Indenture, the pledge and lien on Special Purpose Pledged Revenues is junior to the pledge and lien of Senior Lien Obligations issued by the University. See **SECURITY AND SOURCES OF PAYMENT – Special Purpose Pledged Revenue Pledged to Special Purpose General Receipts Obligations** herein. The Indenture permits the University to issue additional obligations secured by a pledge and lien on Special Purpose Pledged Revenues (collectively, the "Special Purpose General Receipts Obligations"), on a parity with, or subordinate in priority to, the pledge and lien securing the Series 2013 A Bonds.

The proceeds of any obligations issued by the University as Special Purpose General Receipts Obligations are required to be applied solely to pay costs of acquisition, construction, improvement and renovation of certain student housing, dining and student recreation facilities of the University, including capitalized interest, as specifically provided and allocated in the applicable Bond proceedings, and to pay issuance costs associated with the issuance of such Obligations.

Special Purpose Revenue Facilities are defined 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 by the University from the ownership or operation of Special Purpose Revenue Facilities, subject and subordinate to the lien on General Receipts securing any Senior Lien Obligation.

Constitutional and Statutory Authorization

The University's General Receipts Bonds, and consequently the Program Bonds, are authorized pursuant to the Act, enacted under authority of the Ohio Constitution, and particularly Section 2i of Article VIII thereof, which provides that the General Assembly may authorize the issuance of revenue obligations and other obligations for capital improvements for state-supported and state-assisted institutions of higher education, which obligations may be secured by a pledge under law of all or such portion of receipts of those institutions as the General Assembly authorizes. Section 2i further provides that **the owners or holders of those obligations are not given the right to have excises or taxes levied by the General Assembly for the payment of principal or interest**.

The Act implements the constitutional authority and authorizes the issuance by the University of obligations to pay all or part of the cost of "facilities" (as defined in the Indenture, the "University Facilities") and to refund, fund or retire obligations previously issued for the purpose; authorizes the pledge to the obligations of all or such part of the "available receipts" of the University as the University determines in the General Receipts Bond proceedings (being the General Receipts); and provides that the pledge of and lien on General Receipts may, as provided for in the Indenture, be made prior to all other expenses, claims or payments.

SECURITY AND SOURCES OF PAYMENT

General Receipts Pledged to Senior Lien Obligations

All Senior Lien Obligations, including any outstanding Senior Lien Obligations, each series of Program Bonds designated Senior Lien Obligations and any additional Senior Lien Obligations, are and will be payable from and secured by a first pledge of and lien on the General Receipts of the University and the Debt Service Fund.

The University covenants in the Indenture to fix, make, adjust and collect fees, rates, rentals and charges as will produce at all times General Receipts sufficient to pay (i) Debt Service Charges, when due, and (ii) together with other monies lawfully available therefor, to pay all costs and expenses required to be paid under the applicable Bond proceedings for each series of General Receipts Bonds, and all other costs and expenses necessary for the proper maintenance and successful and continuous operation of the University.

The Indenture establishes the Debt Service Fund, a special fund held by the Trustee, for the payment of Debt Service Charges on the Obligations. The University is to make payments to the Debt Service Fund in time and amount sufficient to pay Debt Service Charges when due.

The University may provide for bond insurance or other types of credit support, or a reserve fund or account, with respect to any one or more Obligations or series of Obligations and not with respect to any other Obligations or series of Obligations.

General Receipts pledged to the security of all Senior Lien Obligations include virtually all the receipts of the University, excepting only receipts expressly excluded by the Indenture.

The General Receipts are defined in the Indenture and consist of all moneys received by the University including but not limited to all gross fees, deposits, charges, receipts and income from all or any part of the students of the University, whether designated as tuition, instructional fees, tuition surcharges, general fees, activity fees, health fees or other special purpose fees or otherwise designated; all gross income, revenues and receipts from the operation, ownership, or control of University Facilities; all grants, gifts, donations and pledges and receipts therefrom; and the proceeds of the sale of Obligations, including proceeds of Obligations issued to refund Obligations previously issued, to the extent and as allocated to the payment of Debt Service Charges under the proceedings authorizing those Obligations.

The exclusions from the General Receipts consist of moneys raised by taxation and State appropriations until and unless their pledge to Debt Service Charges is authorized by law and is made by a supplemental trust agreement approved by the Board; any grants, gifts, donations and pledges, and receipts therefrom, which under restrictions imposed in the grant or promise or as a condition of the receipt are not available for payment of Debt Service Charges; moneys received in connection with branch campus operations; any special fee charged pursuant to Section 154.21(D) of the Ohio Revised Code and receipts therefrom (that fee, relating to General Receipts Bonds of the State issued by the Ohio Public Facilities Commission, has never been required to be imposed and is not anticipated to be required to be imposed).

Pursuant to the Act, upon their receipt by the University, the General Receipts are immediately subject to the lien of the pledge made by the Indenture, and the lien of that pledge is valid against all parties having claims of any kind, regardless of notice, and creates a perfected security interest without necessity for prior separation, physical delivery, filing or recording or further act by the University.

Special Purpose Pledged Revenues Pledged to Special Purpose General Receipts Obligations

Special Purpose General Receipts Obligations are secured by a pledge of Special Purpose Pledged Revenues. Special Purpose Pledged Revenues consist of all revenues, fees, rentals, rates, charges, insurance proceeds and other moneys derived by the University from the ownership or operation of Special Purpose Revenue Facilities, subject and subordinate in each case to the lien securing any Senior Lien Obligations issued pursuant to the Indenture.

The pledge of Special Purpose Pledged Revenues is subordinate to the pledge and lien of present and future Senior Lien Obligations issued under the Indenture, which are secured by all General Receipts of the University including all of the Special Purpose Pledged Revenues.

Subject to the terms and conditions of the Indenture, no payment on account of debt service charges on Special Purpose General Receipts Obligations shall be made, nor shall any property or assets be applied to the purchase or other acquisition or retirement of Special Purpose General Receipts Obligations, unless full payment of amounts then due and payable for principal, purchase price, premium, if any, sinking funds, reserve funds and interest on Senior Lien Obligations has been made or duly provided for in accordance with the terms of the Indenture and such Senior Lien Obligations. No payment on account of debt service charges on Special Purpose General Receipts Obligations shall be made, nor shall any property or assets be applied to the purchase or other acquisition or retirement of Special Purpose General Receipts Obligations, if, at the time of such payment or application or immediately after giving effect thereto, (i) there shall exist a default in the payment of principal, purchase price, premium, if any, sinking funds or interest with respect to any Senior Lien Obligations, or (ii) there shall have occurred and be continuing an Event of Default (other than a default in the payment of principal, premium, if any, sinking funds or interest) with respect to any Senior Lien Obligations or in the Indenture, permitting the holders thereof to accelerate the maturity thereof.

So long as any Special Purpose General Receipts Obligations are outstanding, the University shall 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 the aggregate debt service for the then-current Fiscal Year on all Special Purpose General Receipts Obligations.

The amount of Special Purpose Pledged Revenues in each year will change based upon various factors affecting the Special Purpose Revenue Facilities and the other income constituting Housing, Dining and Recreation Pledged Revenues, including usage, occupancy levels and the rates, fees and charges attributable to the Special Purpose Revenue Facilities and the other activities producing income constituting Special Purpose Pledged Revenues.

The University has undertaken to furnish to the Trustee the annual financial report of the University, including the audit opinion from an Independent Certified Public Accountant, and such financial report shall include the amount of Special Purpose Pledged Revenues for such Fiscal Year.

Covenant as to Sufficiency of General Receipts

Each Series of General Receipts Bonds, including the Program Bonds, are further secured by the University's covenants in the Indenture that the University will fix, make, adjust and collect fees, rates, rentals and charges and other items of General Receipts as will produce at all times General Receipts sufficient to pay (i) Debt Service Charges on the Obligations when due and all other costs and expenses required to be paid under the Indenture and (ii) all other costs and expenses necessary for the proper maintenance and successful and continuous operation of the University.

State Legislation Relative to University Fiscal Difficulties

The Ohio General Assembly has enacted Sections 3345.70 to .78 of the Ohio Revised Code (hereinafter in this section the "Fiscal Watch Act") providing methods for dealing with fiscal difficulties of state-supported universities and colleges in Ohio.

Under the Fiscal Watch Act, a board of trustees of a state university may declare that the university is in a state of fiscal exigency. So long as such a state exists, the board (i) shall file minutes of their meetings and fiscal performance reports with the State Board of Regents, (ii) shall not use state funds to provide grants or scholarships to out-of-state students or subsidize off-campus housing or subsidize transportation to and from off-campus housing, and (iii) subject to any applicable Bond proceedings and pledges, shall place all residence hall and meal fees in a rotary account dedicated to the upkeep and maintenance of dormitory buildings and to fund meal programs and place moneys for the operation of residence halls and meal programs in separately maintained auxiliary funds in the university accounting system.

The Fiscal Watch Act also requires the State's Office of Budget and Management to prepare rules for financial reporting by State-supported colleges and universities, establishing criteria for the State Board of Regents to determine when such a college or university is under a "fiscal watch," and specifying actions which must be taken by a college or university under a fiscal watch.

If the State Board of Regents determines that a fiscal watch exists, then the Governor of the State may, after consulting legislative leaders, appoint a conservator for the institution. Upon the making of such an appointment, all duties, responsibilities and powers of the institution's board of trustees are suspended and the management and control of the institution are assumed by the conservator, who also assumes custody of all property of the institution and the duties of the institution's president or chief executive officer. The conservator also conducts a preliminary performance evaluation of the institution's president or chief executive officer.

Within 30 days after the appointment of a conservator for such a college or university, the Governor must appoint, with the advice and consent of the State Senate, a five-member governance authority (the "Authority"). The Authority appoints an executive director and conducts a final evaluation of the institution's president or chief executive officer, who may be reinstated or terminated by the Authority. The Authority assumes management and control of the institution and its property from the conservator. The Authority also must prepare periodic reports about the institution including any progress in implementing reforms at the institution.

At least annually, the Authority must apply the fiscal watch criteria to the institution to determine whether sufficient fiscal stability has been achieved to warrant terminating the Authority's governance of the institution, and if so, the Authority must certify such finding to the Governor. The Governor may then issue an order terminating the Authority and fill vacancies on the board of trustees of such institution, which board assumes management and control of the institution and its property from the Authority.

The University's administration has reviewed applicable portions of the Fiscal Watch Act and the applicable rules of the State Office of Budget and Management, as well as records pertaining to the University's circumstances with respect to the Fiscal Watch Act, and is of the opinion that, with respect to the University, no circumstances or conditions exist that will cause a fiscal watch condition to be determined to exist under the Fiscal Watch Act.

THE INDENTURE

Each Series of Program Bonds issued pursuant to this Official Statement and a Supplemental Official Statement will be issued under the 1999 General Bond Resolution, the Program Resolution, the Amended and Restated Trust Indenture, the Program Supplement and the applicable Certificate of Award. Reference is made to the Program Resolution, the Amended and Restated Trust Indenture, the Program Supplement and the form of Program Bonds for each applicable series of Program Bonds for complete details of the terms of such series of Program Bonds and security therefor. The following is a summary of certain provisions of the Indenture and should not be considered a full statement thereof.

Debt Service Fund

Monies in the Debt Service Fund are used for the payment of current Debt Service Charges. Payments sufficient in time and amount to pay the Debt Service Charges on each series of General Receipts Bonds as they become due are to be paid by the University directly to the Trustee and deposited in the Debt Service Fund to the extent monies in the Debt Service Fund are not otherwise available therefor.

If the University determines to direct the redemption of all or a part of each series of General Receipts Bonds, the University must deliver to the Trustee, for deposit in the Debt Service Fund, to be credited to the Special Bond Service Account, prepayments in an amount equal to the redemption price to effect such redemption.

Moneys in the Debt Service Fund shall be invested and reinvested by the Trustee, to the extent permitted by applicable law, in: (i) (a) direct obligations of the United States of America for the payment of which the full faith and credit of the United States of America is pledged, (b) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the payment of the principal of, premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (a) or (b) issued or held in book-entry form on the books of the Department of Treasury of the United States of America or Federal Reserve Bank), and (c) securities which represent an interest in the obligations described in (a) and (b) above; (ii) any bonds, participation certificates or other obligations of any agency or instrumentality of the United States, including obligations of the Federal Farm Credit Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Land Banks, Federal Home Loan Mortgage Corporation, Federal Home Loan Banks, Federal National Mortgage Association, Government National Mortgage Association and Student Loan Marketing Association; (iii) certificates of deposit of banks or trust companies, including the Trustee, organized under the laws of the United States or any state thereof, having a capital and surplus of $50,000,000 or more and which are members of the Federal Reserve System; (iv) repurchase agreements with banks or other financial institutions, including the Trustee, which are fully collateralized by obligations described in clauses (i) or (ii) above based upon market value, which obligations are in the possession of the Trustee or its agent and are free and clear of all security interests, liens or other rights of any third party, and in which obligations the Trustee has a first, perfected security interest; provided that any financial institution which is a broker-dealer must be a member of the Securities Investor Protection Corporation; (v) any no front end load money market mutual fund or collective investment fund, as defined in Section 1111.01(A) of the Ohio Revised Code, established by a bank, including the Trustee, in either case consisting exclusively of obligations of the United States or any agency thereof; (vi) the Ohio Subdivision’s Fund created by Section 135.45 of the Ohio Revised Code; and (vii) general or full faith and credit obligations of the State of Ohio and obligations of any state of the United States or any political subdivision thereof, the full payment of principal of and premium, if any, and interest on which are provided for by an irrevocable deposit in trust of obligations of the type specified in (i) above and which carry either of the two highest rating categories of Moody’s Investors Service, Inc. and Standard & Poor’s Rating Service or their respective successors.

Facilities Fund

The Indenture provides for the Facilities Fund to be held by the University and provides for certain proceeds of the General Receipts Bonds to be deposited in the Project Account therein. The Indenture establishes the Project Account in the Facilities Fund from which the costs of a specific project and the cost of the issuance of a particular series of General Receipts Bonds will be paid. The Facilities Fund shall be invested in accordance with the Investment Policy (as such Policy may be amended from time to time by the University) of the University and may be disbursed by the University to pay costs of a specific project in accordance with the Indenture. The Facilities Fund is neither held by the Trustee nor pledged as security for the General Receipts Bonds or any other Obligations.

Covenants of the University

In the Indenture, the University covenants, among other things:

(a) to pay the Debt Service Charges on any Obligation according to their terms and the terms of the Indenture;

(b) to pay all the costs, charges and expenses incurred by the Trustee or any Holder, including reasonable attorneys' fees reasonably incurred or paid because of the failure on the part of the University to perform, comply with and abide with each and every one of the stipulations, agreements, conditions and covenants of the Obligations and the Indenture, or either of them;

(c) to fix, make, adjust and collect fees, rates, rentals and charges and other items of General Receipts as will produce at all times General Receipts sufficient to pay the Debt Service Charges when due, to establish and maintain amounts, if any required to be deposited in any Bond Reserve Fund, to pay all other costs and expenses for the proper maintenance and successful and continuous operation of the University and to pay any amounts due and payable to the provider of any insurance policy, guaranty, surety bond or letter of credit held in the Bond Reserve Fund; and

(d) to do any and all things necessary in order to maintain the pledge, assignment and grant of a lien on and security interest in the pledged General Receipts and Special Funds as valid, binding, effective and perfected, all as provided in the Indenture.

Events of Default and Remedies

Each of the following is declared in the Indenture to be an "Event of Default":

(a) Failure to pay any interest on any Obligation when and as the same shall become due and payable;

(b) Failure to pay the principal of or any redemption premium on any Obligation when and as the same shall become due and payable, whether at the stated maturity thereof or by redemption or acceleration or pursuant to any mandatory sinking fund requirements;

(c) Failure by the University to perform or observe any other covenant, agreement or condition on the part of the University contained in the Indenture or in the Obligations, which failure or default shall have continued for a period of 30 days after written notice, by registered or certified mail, given to the University by the Trustee, specifying the failure or default and requiring the same to be remedied, which notice shall be given by the Trustee upon the written request of the holders of not less than 25% in aggregate principal amount of the Obligations then outstanding, provided that the person or persons requesting such notice may agree in writing to a 90-day extension of such period prior to the expiration of the initial 30-day period; provided, further, however, that if the University shall proceed to take curative action which, if begun and prosecuted with due diligence, cannot be completed within a period of 90 days, then such period shall be increased without such written extension to such extent as shall be necessary to enable the University to diligently complete such curative action; or

(d) The University shall (i) admit in writing its inability to pay its debts generally as they become due, (ii) have an order for relief entered in any case commenced by or against it under federal bankruptcy laws, as now or hereafter in effect, (iii) commence a proceeding under any federal or state bankruptcy, insolvency, reorganization or similar laws, or have such a proceeding commenced against it and have either an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for 90 days, (iv) make an assignment for the benefit of creditors, or (v) have a receiver or trustee appointed for it or for the whole or substantial part of its property.

Upon the happening and continuance of any Event of Default, the Trustee may, and upon the written request of the holders of not less than 25% in aggregate principal amount of outstanding Obligations shall, upon being properly indemnified, take appropriate actions, in equity or at law including application to a court for the appointment of a receiver to receive and administer pledged General Receipts, to protect and enforce all the rights of the Trustee and the Obligation holder under the Indenture. In addition, in the event of the occurrence of any Event of Default, the Trustee may, and upon the request of the holders of at least 25% in aggregate principal amount of the then outstanding Obligations, shall so long as properly indemnified, by appropriate notice to the University, declare the principal of all the outstanding Obligations and the accrued interest thereon, immediately due and payable. Further provision is made for the rescission of such last declaration upon the payment of all amounts due, and for waivers in connection with events of default.

Furthermore, the Holders of a majority in aggregate principal amount of the Obligations then outstanding, shall, in accordance with the terms of the Indenture, have the right by written instrument delivered to the Trustee to direct the method and place of conducting any and all remedial proceedings under the Indenture, as to their respective interests.

As provided in the Indenture, before taking remedial action the Trustee may require that a satisfactory indemnity bond be provided for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its gross negligence or willful misconduct, by reason of any action so taken. The Trustee may act without such indemnity, in which case its expenses are reimbursable by the University from General Receipts available therefor.

The holders of the Obligations are not entitled to enforce the provisions of the Indenture or to institute, appear in or defend any suit, action or proceeding to enforce any rights, remedies or covenants granted or contained in the Indenture or to take any action with respect to any Event of Default under the Indenture, except as provided in the Indenture.

Defeasance

If there is paid or caused to be paid all Debt Service Charges due or to become due on outstanding Obligations, and provision is made for paying all other sums payable under the Indenture by the University, then the Indenture shall cease, determine and become null and void, and the covenants, agreements and other obligations of the University thereunder shall be discharged and satisfied. Thereupon, the Trustee shall release the Indenture and shall execute and deliver to the University such instruments to evidence such release and discharge as may be reasonably required by the University, and the Trustee and Paying Agents shall deliver to the University any property at the time subject to the lien of the Indenture which may then be in their possession except for amounts in the Debt Service Fund required to be held by the Trustee and Paying Agent, as required under the Indenture.

All Debt Service Charges due or to become due on any series of outstanding Obligations will be deemed to have been paid or caused to be paid for such purpose if:

(a) the Trustee and Paying Agents hold, in the Debt Service Fund in trust for and irrevocably committed thereto, sufficient monies, or

(b) the Trustee holds, in trust for and irrevocably committed thereto, in the Debt Service Fund, investments qualifying as Government Obligations (as defined in the Indenture) certified by an independent public accounting firm of national reputation to be of such maturities and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal or the interest earnings (likewise to be held in trust and committed, except as described below), be sufficient together with monies referred to in (a) above, for the payment at their maturity or redemption date, of all Debt Service Charges thereon to the date of maturity or redemption, as the case may be, or if default in such payment shall have occurred on such date of maturity or redemption, as the case may be, or if default in such payment shall have occurred on such date then to the date of the tender of such payment; provided, that if any such Obligations are to be redeemed prior to their maturity, notice of such redemption has been given or irrevocable provision satisfactory to the Trustee has been made for the giving of such notice.

Any monies held by the Trustee in accordance with provisions (a) or (b) above shall be invested only in investments qualifying as Government Obligations, the maturities or redemption dates of which, at the option of the holder, shall coincide as nearly as practicable with, but no later than, the time or times at which said monies will be required for such purposes. Any income or interest earned by, or increment to, such investments shall, to the extent not required for the applicable purposes, be transferred to the University free of any trust or lien.

In the event that the Indenture is satisfied and discharged in accordance with the two preceding paragraphs with respect to all Obligations, all Obligations then outstanding shall cease to be entitled to any lien, benefit or security of the Indenture except the right to receive the funds held by the Trustee and the Paying Agents pursuant to such paragraphs or by the University (pursuant to the provisions for unclaimed monies described below), and such will be deemed not to be outstanding under the Indenture. It is the duty of the Trustee and the Paying Agents and the University to so hold such funds for the benefit of the holders of Obligations.

Supplemental Indentures, Modifications

The Trustee and the University may, from time to time, enter into Supplemental Indentures for any of the following purposes without the consent of or any action by the Holders:

(a) To cure any ambiguity, inconsistency or formal defect or omission in the Indenture or in any Supplemental Indenture;

(b) To grant or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that may be lawfully granted to or conferred upon the Holders or the Trustee;

(c) To subject additional revenues or property to the lien and pledge of the Indenture or to provide for the partial release of General Receipts from the lien of the Indenture in accordance with the provisions thereof;

(d) To add to the covenants and agreements of the University contained in the Indenture other covenants and agreements thereafter to be observed for the protection of the Holders, or, if in the judgment of the Trustee such is not to the prejudice of the Trustee or the Holders, to surrender or limit any right, power or authority reserved to or conferred upon the University in the Indenture, including the limitation of rights of redemption so that in certain instances Obligations of different series will be redeemed in some prescribed relationship to one another;

(e) To evidence any succession to the University and the assumption by such successor of the covenants and agreements of the University contained in the Indenture or other instrument providing for the operation of the University or University Facilities, and the Obligations;

(f) In connection with the issuance of Obligations, all in accordance with the provisions of the Indenture;

(g) To permit the Trustee to comply with any obligations imposed upon it by law;

(h) To permit the exchange of Obligations, at the option of the Holder or Holders thereof, for coupon Obligations of the same series payable to bearer, in an aggregate principal amount not exceeding the unmatured and unredeemed principal amount of the Predecessor Obligations (as defined in the Indenture), bearing interest at the same rate or rates and maturing on the same date or dates, with coupons attached representing all unpaid interest due or to become due thereon if, in the opinion of nationally recognized General Receipts Bond counsel selected by the University and acceptable to the Trustee, that exchange would not result in the interest on any of the Obligations outstanding becoming subject to federal income taxation;

(i) To specify further the duties and responsibilities of, and to define further the relationship among, the Trustee, the Registrar and any Authenticating Agents or Paying Agents (all as defined in the Indenture);

(j) To achieve compliance of the Indenture with any applicable federal or Ohio laws, including tax laws; and

(k) In connection with any other change to the Indenture which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Holders of the Obligations.

Exclusive of Supplemental Indentures referred to above, and subject to terms, provisions and limitations contained in the Indenture, the Holders of a majority in aggregate principal amount of the Obligations then outstanding shall have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to consent to and approve the execution by the University and the Trustee of such other indenture or indentures supplemental to the Indenture as shall be deemed necessary and desirable by the University for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture; provided that nothing in the Indenture or elsewhere shall permit, or be construed as permitting, a Supplemental Indenture providing for (a) (i) a reduction in the percentage of Obligations the consent of the Holders of which is required to consent to such Supplemental Indenture or (ii) a preference or priority of any Obligation or Obligations over any other Obligation or Obligations, without the consent of the Holders of all Obligations then outstanding, (b) effect a change in the times, amount or currency of payment of the principal of, premium, if any, on or interest on any Obligation or a reduction in the principal amount or redemption price of any Obligation or the rate of interest thereon, without the consent of the Holder of each such Obligation so affected, or (c) modify the right of the holders of not less than twenty-five percent in aggregate principal amount of the Obligations then outstanding and in default as to payment of principal, premium or interest to compel the Trustee to declare the principal of all Obligations to be due and payable, without the consent of the Holders of a majority in aggregate principal amount of the Obligations then outstanding.

Additional Obligations; Partial Release of General Receipts

Additional Obligations, as the same may from time to time be authorized by Series Resolutions, are issuable on parity with or subordinate to all other Obligations, subject to the conditions set forth in the Indenture. The Indenture provides that, except when necessary or appropriate in the opinion of the Trustee to avoid an Event of Default, no Obligations shall be issued unless (i) no Event of Default exists with respect to any covenants or obligations of the University contained in the Indenture or in the Obligations and the authentication and delivery of those Obligations will not result in any such Event of Default and (ii) the General Receipts of the University for the most recently completed Fiscal Year are at least one and one half times the Maximum Annual Debt Service on all Obligations outstanding and to be outstanding after the issuance of the Obligations then under consideration.

The University may incur indebtedness payable from General Receipts other than pursuant to the Indenture as long as such indebtedness is expressly subordinate to indebtedness incurred under and subject to the lien of the Indenture ("Subordinated Indebtedness"). The Indenture may be amended and supplemented to release specified sources or portions of General Receipts from the pledge and lien of the Indenture; *provided* that, the General Receipts for the most recently completed Fiscal Year are certified to be at least equal to the sum of the highest annual Debt Service Charges for any future Fiscal Years with respect to all Obligations and Subordinated Indebtedness then outstanding and to be outstanding after the issuance of any Subordinated Indebtedness then under consideration.

Enforcement by Mandamus

The Act establishes the duties of the University, the University officers and the University employees as duties enforceable by mandamus, and a covenant to that effect is contained in the 1999 General Receipts Bond Resolution.

Trustee

The Trustee, The Bank of New York Mellon Trust Company, N.A., as successor trustee, with its designated corporate trust office located in New Albany, Ohio, is a national banking association organized and existing under the laws of the United States, and is authorized to exercise corporate trust powers in the State of Ohio. The Trustee is among the banks that serve as depositories for University monies.

TERMS OF PROGRAM BONDS

The specific terms of each series of Program Bonds issued during the Offering Period will be set forth in a Certificate of Award and described in a Supplemental Official Statement. The specific terms set forth in the applicable Certificate of Award will include some or all of the following:

- whether the Program Bonds are being issued as Senior Lien Obligations or as Special Purpose General Receipts Obligations;
- the aggregate principal amount of the Program Bonds being issued;
- the price at which the Program Bonds will be issued;
- whether the interest on the Program Bonds will be fixed or variable and if variable, the interest rate mode the applicable Program Bonds will be in on the date of issue;
- the interest payment dates and principal dates on which principal and interest on the Program Bonds will be payable;
- the maturity date of the Program Bonds;
- terms of any mandatory or optional redemption of the Program Bonds;
- specifics relating to the tax treatment of the Program Bonds;
- the name or names of any underwriters or agents of the Program Bonds; and
- any other terms specific to such series of Program Bonds.

The Program Resolution authorizes the University to issue Program Bonds as fixed rate General Receipts Bonds or variable rate General Receipts Bonds, and each series may be designated by the University in the applicable Certificate of Award as either federally taxable Obligations or Obligations the interest on which is excluded from income for federal tax purposes. Further, the University will specify in each Certificate of Award whether the applicable series of Program Bonds is being issued as a series of Senior Lien Obligations or as a series of Special Purpose General Receipts Obligations.

Variable Rate Program Bonds

For Program Bonds issued as variable rate Program Bonds (collectively, the "Variable Rate Program Bonds"), the University may issue such Program Bonds in a Commercial Paper Mode, a Daily Mode, a Weekly Mode, or a Term Rate Mode, and such Program Bonds may be subsequently converted to a Fixed Rate Mode, each as defined and further described in Exhibit A attached to this Official Statement.

When a Commercial Paper Mode, a Daily Mode or a Weekly Mode is in effect, interest will be calculated on the basis of a 365/366 day year for the actual number of days elapsed, and when a Term Rate Mode or Fixed Rate Mode is in effect, interest will be calculated on the basis of a 360 day year comprised of twelve 30-day months.

For Program Bonds issued as Variable Rate Program Bonds, certain of the provisions relating to the modes available with respect thereto are set forth below (with all terms as defined in Exhibit A attached hereto):

Mode	Interest Period	Interest Payment Date	Record Date
Commercial Paper	The period of from one to 270 calendar days as established by the Remarketing Agent	The last day of the Interest Period	The day next preceding each Interest Payment Date
Daily	From each Rate Determination Date to (but excluding) the next such Determination Date)	First Business Day of each month	The last day of each month
Weekly	From each Wednesday to and including the next Tuesday	First Business Day of each month	The day next preceding each Interest Payment Date
Term Rate	As determined by the University pursuant to the Indenture	As determined by the University pursuant to the Indenture	15th day of the month next preceding each Interest Payment Date
Fixed Rate	Mode Change Date to maturity	As determined by the University pursuant to the Indenture	15th day of the month next preceding each Interest Payment Date

For each series of Variable Rate Program Bonds, unless otherwise provided in the Certificate of Award for such series, the term "Interest Accrual Period" means the period during which the applicable series of Variable Rate Program Bonds accrues interest payable on the next Interest Payment Date applicable thereto. With respect to Variable Rate Program Bonds in the Daily Mode, the Interest Accrual Period shall commence on (and include) the first day of each month and shall extend through (and include) the last day of such month; *provided*, that if such month is the month in which the applicable Variable Rate Program Bonds were authenticated and delivered or were changed to the Daily Mode, the Interest Accrual Period shall commence on the date of authentication and delivery of such Variable Rate Program Bonds or the Mode Change Date, as the case may be; *provided*, *further*, that if no interest has been paid on any Variable Rate Program Bonds in the Daily Mode, interest shall accrue from the date of original authentication and delivery of such Variable Rate Program Bonds or the applicable Mode Change Date, as appropriate. With respect to Variable Rate Program Bonds in all Modes other than the Daily Mode, the Interest Accrual Period shall commence on the last Interest Payment Date to which interest has been paid (or, if no interest has been paid in such Mode, from the date of original authentication and delivery of such Variable Rate Program Bonds, or the applicable Mode Change Date, as the case may be) to, but not including, the Interest Payment Date on which interest is to be paid.

Unless otherwise specified in the applicable Certificate of Award, Program Bonds issued as Variable Rate Program Bonds will be subject to provisions regarding mode changes, optional tender, mandatory purchase and optional redemption, all as described in Exhibit A attached hereto.

CONTINUING DISCLOSURE

In accordance with Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"), the University (the "Obligated Person") will agree pursuant to a continuing disclosure agreement included in the Program Supplement to cause the following information to be provided:

(i) to the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access System ("EMMA"), certain annual financial information, including financial statements, generally consistent with the information contained under the caption **GENERAL RECEIPTS AND OUTSTANDING GENERAL RECEIPTS BONDS - General Receipts of the University** in the accompanying Supplemental Official Statement and information contained in **APPENDIX A** of the accompanying Supplemental Official Statement under the captions **GENERAL, - Academic Structure, - Faculty and Employees, - Retirement Plans, - Enrollment, - Admissions, - Fees and Charges (but only information therein with respect to the University), - Financial Aid, - Physical Plant, - The Ohio State University Wexner Medical Center, and FINANCIAL OPERATIONS OF THE UNIVERSITY**; such information shall be provided not later than the 180th day following the end of each Fiscal Year (or, if that is not a University business day, the next University business day), and with respect to audited financial statements, no later than thirty (30) days after the date on which such audited financial statements are accepted by the Ohio Auditor of State.

(ii) to EMMA, in a timely manner (but not in excess of 10 business days after the occurrence of the event), notice of the occurrence of any of the following events with respect to the Series 2020 A Bonds:

(a) Principal and interest payment delinquencies;

(b) Non-payment related defaults, if material;

(c) Unscheduled draws on debt service reserves reflecting financial difficulties;

(d) Unscheduled draws on credit enhancements reflecting financial difficulties;

(e) Substitution of credit or liquidity providers, or their failure to perform;

(f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2020 A Bonds, or other material events affecting the tax status of the Series 2020 A Bonds;

(g) Modifications to rights of holders of the Series 2020 A Bonds, if material;

(h) Bond calls (other than mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event), if material, and tender offers;

(i) Defeasances of the Indenture or the Series Supplement entirely, as to all or a portion of the Series 2020 A Bonds;

(j) Release, substitution or sale of property securing repayment of the securities, if material;

(k) Rating changes;

(l) Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

(m) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated

Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(n) Appointment of a successor or additional trustee or the change of the name of a trustee, if material.

(iii) to EMMA, notice of a failure (of which the Obligated Person has knowledge) of an Obligated Person to provide the required annual financial information on or before the date specified in its written continuing disclosure undertaking.

For purposes of this transaction with respect to events as set forth in the Rule:

(a) there are no debt service reserve funds, credit enhancements, or liquidity providers applicable to the Series 2020 A Bonds; and

(b) there is no property securing the repayment of the Series 2020 A Bonds.

The University reserves the right to amend the continuing disclosure agreement set forth in the Program Supplement, and to obtain the waiver of noncompliance with any provision of such continuing disclosure agreement, as may be necessary or appropriate to achieve its compliance with any applicable federal securities law or rules, to cure any ambiguity, inconsistency or formal defect or omission, and to address any change in circumstances arising from a change in legal requirements, change in law, or change in the identity, nature, or status of the University. Any such amendment or waiver will not be effective unless such continuing disclosure agreement (as amended or taking into account such waiver) would have complied with the requirements of the Rule at the time of the "primary offering" (within the meaning of the Rule) of the Series 2020 A Bonds, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances, and until the University shall have received either (i) a written opinion of bond counsel or other qualified independent special counsel selected by the University that the amendment or waiver would not materially impair the interest of holders or beneficial owners of the Series 2020 A Bonds, or (ii) the written consent to the amendment, or waiver, by the holders of at least a majority of the aggregate outstanding principal amount of the Series 2020 A Bonds.

The continuing disclosure agreement will be solely for the benefit of the holders and beneficial owners of the Series 2020 A Bonds including holders of book-entry interests in them. The right to enforce the provisions of the continuing disclosure agreement may be limited to a right of the holders or beneficial owners to enforce to the extent permitted by law (by mandamus, or other suit, action or proceedings at law or in equity) the obligations and duties under it.

Any noncompliance with the continuing disclosure agreement will not be a default or failure to comply for purposes of the default provisions of the Indenture. The Trustee has no responsibility for monitoring compliance with such continuing disclosure agreement.

The performance by the University, as the only Obligated Person with respect to the Series 2020 A Bonds, of the continuing disclosure agreement will be subject to the annual appropriation by the Board of moneys for the applicable purposes.

The continuing disclosure agreement will remain in effect only for such period that the Series 2020 A Bonds are outstanding in accordance with their terms and the University remains an Obligated Person with respect to the Series 2020 A Bonds within the meaning of the Rule.

PLAN OF DISTRIBUTION

The University may sell Program Bonds to or through underwriters or dealers, and also may sell Program Bonds directly to one or more other purchasers or through agents. A Supplemental Official Statement will set forth the names of any underwriters or agents involved in the sale of the Program Bonds and any applicable discounts or commissions.

ELIGIBILITY FOR INVESTMENT AND AS PUBLIC MONEYS SECURITY

To the extent that the matter as to the particular investor is governed by Ohio law, and subject to any applicable limitations under other provisions of Ohio law, the Program Bonds are lawful investments for banks, societies for savings, savings and loan associations, deposit guaranty associations, trust companies, trustees, fiduciaries, insurance companies (including domestic life and domestic not for life), trustees or other officers having charge of sinking and Program Bond retirement or other funds of political subdivisions and taxing districts of the State, the Commissioners of the Sinking Fund of the State, the administrator of Workers' Compensation in accordance with applicable investment policies, and State retirement systems (Teachers, Public Employees, Public School Employees, and Police and Firemen's), notwithstanding any other provisions of the Ohio Revised Code with respect to investments by them.

The Act provides that the Program Bonds are acceptable under Ohio law as security for the deposit of public moneys.

Owners of book-entry interests in the Program Bonds should make their own determination as to such matters as legality of investment in or pledgeability of book-entry interests.

This Official Statement has been duly prepared and delivered by the University, and executed for, and on behalf of, the University by the official identified below.

THE OHIO STATE UNIVERSITY

By: *<u>/s/ Geoffrey S. Chatas</u>*
Geoffrey S. Chatas, Senior Vice President for
Business and Finance

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EXHIBIT A

TERMS AND PROVISIONS OF VARIABLE RATE PROGRAM BONDS

PART I

DEFINITIONS

Section 1.1. Definitions.

"Alternate Rate" means (1) with respect to Variable Rate Program Bonds in the Commercial Paper Mode, the Daily Mode, the Weekly Mode or a Term Rate Mode of 12 months or less, an annual rate equal to the rates shown in the following table:

Short Term Rating		Long Term Rating	% of SIFMA Municipal Swap Index
A1 or VMIG-1 or F-1	and	___A or Aaa	150%
A1 or VMIG-1 or F-1	and	___ or Aa	250%
A1 or VMIG-1 or F-1	and	A	350%
A2 or VMIG-2 or F-2	and	BBB or Baa	450%
A3 or VMIG-3 or F-3	and	<BBB- or Baa-	Maximum Rate

(2) with respect to Variable Rate Program Bonds in a Term Rate Mode of more than 12 months, an annual rate equal to the percentage shown in the following table of the index indicated with a maturity equal to the length of the interest rate period for which the Alternate Rate is calculated:

Short Term Rating		Long Term Rating	% of LIBOR
A1 or VMIG-1 or F-1	and	___A or Aaa	100%
A1 or VMIG-1 or F-1	and	___ or Aa	200%
A1 or VMIG-1 or F-1	and	A	300%
A2 or VMIG-2 or F-2	and	BBB or Baa	400%
A3 or VMIG-3 or F-3	and	<BBB- or Baa-	Maximum Rate

"Authorized Denominations" means (i) with respect to Variable Rate Program Bonds in a Commercial Paper Mode, $100,000 and any integral multiple of $5,000 in excess thereof, (ii) with respect to Variable Rate Program Bonds in a Daily Mode or Weekly Mode, $100,000 and any integral multiple of $5,000 in excess thereof, and (iii) with respect to Variable Rate Program Bonds in a Term Rate Mode or a Fixed Rate Mode, $1,000 and any integral multiple thereof.

"Bond Counsel" means any firm of nationally recognized municipal bond attorneys selected by the University and experienced in the issuance of municipal bonds and matters relating to the exclusion of the interest thereon from gross income for Federal income tax purposes.

"Business Day" means a day other than a Saturday or Sunday and on which banks in each of the cities in which the principal offices of the University, any Remarketing Agent, if any, and the designated office of the Trustee or the Paying Agent and the office of the Liquidity Provider at which draws on a Liquidity Facility, if any, are made are located are not required or authorized to remain closed and on which the New York Stock Exchange or the payment system of the Federal Reserve System is not closed.

“Code” means the Internal Revenue Code of 1986, as amended, the Treasury Regulations (whether proposed, temporary or final) under the Code or the statutory predecessor of the Code, and any amendments of, or successor provisions to, the foregoing and any official rulings, announcements, notices, procedures and judicial determinations regarding any of the foregoing, all as and to the extent applicable. Unless otherwise indicated, reference to a Section of the Code means that Section, including any applicable successor section or provision and such applicable Treasury Regulations, rulings, announcements, notices, procedures and determinations pertinent to that Section.

“Commercial Paper Mode Program Bond” means any Variable Rate Program Bond while in a Commercial Paper Mode.

“Commercial Paper Mode” means the Mode during which all or any portion of the Variable Rate Program Bonds bear interest at the Commercial Paper Rate.

“Commercial Paper Rate” means the per annum interest rate on any Variable Rate Program Bond in the Commercial Paper Mode determined pursuant to Section 2.4 of this Exhibit A.

“Current Mode” means, as of any time, the then-prevailing Mode.

“Daily Mode” means the Mode during which all or any part of the Variable Rate Program Bonds bear interest at the Daily Rate.

“Daily Rate” means the per annum interest rate on any Variable Rate Program Bond in the Daily Mode determined pursuant to Section 2.5(a) of this Exhibit A.

“Eastern Time” means the then prevailing time in the Eastern Time Zone.

“Electronic Means” means telecopy, facsimile transmission, e mail transmission or other similar electronic means of communication, including a telephonic communication confirmed by writing or written transmission.

“Favorable Opinion of Bond Counsel” means, with respect to any action the occurrence of which requires such an opinion, an unqualified Opinion of Counsel, which shall be a Bond Counsel, to the effect that such action is permitted under the Act and the Indenture and will not impair the exclusion of interest on the Variable Rate Program Bonds from gross income for purposes of Federal income taxation or the exemption of interest on the Variable Rate Program Bonds from personal income taxation under the laws of the State (subject to the inclusion of any exceptions contained in the opinion delivered upon original issuance of the Variable Rate Program Bonds).

“Fitch” means Fitch, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency selected by the University.

“Fixed Rate” means the per annum interest rate on any Variable Rate Program Bond in the Fixed Rate Mode determined pursuant to Sections 2.6(b) of this Exhibit A.

“Fixed Rate Variable Rate Program Bonds” means any Variable Rate Program Bond or Variable Rate Program Bonds in the Fixed Rate Mode.

“Fixed Rate Mode” means the Mode during which all or any portion of the Variable Rate Program Bonds bear interest at the Fixed Rate.

“Interest Accrual Period” means the period during which a Variable Rate Program Bond accrues interest payable on the next Interest Payment Date applicable thereto. The Interest Accrual Period shall commence on (and include) the last Interest Payment Date to which interest has been paid (or, if no interest has been paid in such Mode, from the date of original authentication and delivery of the Variable Rate Program Bonds, or the Mode Change Date, as the case may be) to, but not including, the Interest Payment Date on which interest is to be paid. If, at the time of authentication of any Variable Rate Program Bond, interest is in default or overdue on the Variable Rate Program Bonds, such Variable Rate Program Bond shall bear interest from the date to which interest has previously been paid in full or made available for payment in full on Outstanding Variable Rate Program Bonds.

“Interest Payment Date” means each date on which interest is to be paid and is: (i) with respect to a Commercial Paper Mode Program Bond, each Purchase Date applicable thereto; (ii) with respect to a Variable Rate Program Bond in the Daily Mode or in the Weekly Mode, the first Business Day of each month; (iii) with respect to a Variable Rate Program Bond in the Term Rate Mode, each Term Rate Interest Payment Date for such Variable Rate Program Bond and the final day of the current Interest Period if other than a Term Rate Interest Payment Date; (iv) with respect to a Variable Rate Program Bond in the Fixed Rate Mode, each Stated Interest Payment Date (beginning with the first Stated Interest Payment Date that occurs no earlier than three months after the commencement of the Fixed Rate Mode for such Variable Rate Program Bond); and (v) (without duplication as to any Interest Payment Date listed above) any Mode Change Date and the Maturity Date.

“Interest Period” means, for a Variable Rate Program Bond in a particular Mode, the period of time that such Variable Rate Program Bond bears interest at the rate (per annum) which becomes effective at the beginning of such period. The Interest Period for each Mode is as follows:

(i) for a Variable Rate Program Bond in the Commercial Paper Mode, the period of from one to 270 calendar days (which period must end on a Business Day) as established by the Remarketing Agent pursuant to Section 2.4 of this Exhibit A;

(ii) for a Variable Rate Program Bond in the Daily Mode, the period from (and including) the Mode Change Date upon which the interest rate mode on such Variable Rate Bond is changed to the Daily Mode to (but excluding) the next Rate Determination Date for such Variable Rate Bond, and thereafter the period from and including the current Rate Determination Date for such Variable Rate Program Bond to (but excluding) the next Rate Determination Date for such Variable Rate Program Bond;

(iii) for a Variable Rate Program Bond in the Weekly Mode, the period from (and including) the Mode Change Date upon which the interest rate mode on such Variable Rate Program Bond is changed to the Weekly Mode to (and including) the next Tuesday, and thereafter the period from (and including) each Wednesday to (and including) the next Tuesday;

(iv) for a Variable Rate Program Bond in the Term Rate Mode, the period from (and including) the Mode Change Date to (but excluding) the last day of the first period that such the interest rate mode on such Variable Rate Program Bond shall be in the Term Rate Mode as established by the University for such Variable Rate Program Bond pursuant to Sections 2.8(a)(i) of this Exhibit A and, thereafter, the period from (and including) the beginning date of each successive interest rate period selected for such Variable Rate Program Bond by the University pursuant to Section 2.6(a) while it is in the Term Rate Mode to (but excluding) the ending date for such period selected for such Variable Rate Program Bond by the University. Except as otherwise provided in the Program Supplement, an Interest Period for a Variable Rate Program Bond in the Term Rate Mode must (i) end on either a Stated Interest Payment Date or a Business Day and (ii) must be at least 180 days in length; and

(v) for a Variable Rate Program Bond in the Fixed Rate Mode, the period from the Mode Change Date upon which the interest rate mode on such Variable Rate Program Bond was changed to the Fixed Rate Mode to the Maturity Date for such Variable Rate Program Bond.

"LIBOR" means the London Interbank Offered Rate for deposits in U.S. Dollars for a one month or three month period, as applicable, which appears on Bloomberg (or such other service as may be nominated by ICE Benchmark Administration, Limited (or any successor thereto), for the purpose of displaying London Interbank Offered Rates for U.S. dollar deposits) at approximately 11:00 a.m. London time, on such date, or if such date is not a date on which dealings in U.S. dollars are transacted in the London interbank market, then on the next preceding day on which such dealings were transacted in such market.

"Long-Term Mode" means the Term Rate Mode.

"Maturity Date" means the date or dates established as such in the Certificate of Award.

"Maximum Rate" means eight percent (8.00%) per annum.

"Mode" means, as the context may require, the Commercial Paper Mode, the Daily Mode, the Weekly Mode, the Term Rate Mode or the Fixed Rate Mode.

"Mode Change Date" means with respect to any Variable Rate Program Bond in a particular Mode, the day on which another Mode for such Variable Rate Program Bond begins.

"Mode Change Notice" means the notice from the University to the other Notice Parties of the University's intention to change the Mode with respect to any Variable Rate Program Bond.

"Moody's" means Moody's Investors Service, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the University.

"New Mode" shall have the meaning specified in Section 2.8(a)(i) of this Exhibit A.

"Notice Parties" means the University, the Trustee, the Remarketing Agent and the Paying Agent.

"Opinion of Counsel" means a written legal opinion from a firm of attorneys experienced in the matters to be covered in the opinion.

"Paying Agent" means the Trustee, or any other commercial bank or trust company which may be substituted in its place as provided in the Indenture.

"Principal Payment Date" means any date upon which the principal amount of Variable Rate Program Bonds is due hereunder, including the Maturity Date, any Serial Maturity Date, any Redemption

Date, or the date the maturity of any Variable Rate Program Bond is accelerated pursuant to the terms of this Exhibit A or otherwise.

"Purchase Account" shall mean the account by that name created in Section 4.10 of this Exhibit A.

"Purchase Date" means (i) for a Variable Rate Program Bond in the Commercial Paper Mode, the last day of each Interest Period for such Variable Rate Program Bond, (ii) for a Variable Rate Program Bond in the Daily Mode or the Weekly Mode, any Business Day selected by the Holder of said Variable Rate Program Bond pursuant to the provisions of Section 4.1 of this Exhibit A and (iii) for a Variable Rate Program Bond in the Term Rate Mode, the last day of each Interest Period for such Variable Rate Program Bond (or the next Business Day if such last day is not a Business Day).

"Purchase Fund" means the fund by that name created in Section 4.10 of this Exhibit A.

"Purchase Price" means an amount equal to the principal amount of any Variable Rate Program Bonds purchased on any Purchase Date, plus, in the case of any purchase of Variable Rate Program Bonds in the Daily Mode or the Weekly Mode, accrued interest, if any, to the Purchase Date.

"Rate Determination Date" means the date on which the interest rate on a Variable Rate Program Bond shall be determined, which, (i) in the case of the Commercial Paper Mode, shall be the first day of an Interest Period; (ii) in the case of the Daily Mode, shall be each Business Day commencing with the first day (which must be a Business Day) the Variable Rate Program Bonds become subject to the Daily Mode; (iii) in the case of the Weekly Mode, shall be each Tuesday or, if Tuesday is not a Business Day, the next succeeding day or, if such day is not a Business Day, then the Business Day next preceding such Tuesday; (iv) in the case of the Term Rate Mode, shall be a Business Day no earlier than thirty (30) Business Days and no later than the Business Day next preceding the first day of an Interest Period, as determined by the Remarketing Agent; and (v) in the case of the Fixed Rate Mode, shall be a date determined by the Remarketing Agent which shall be at least one Business Day prior to the Mode Change Date.

"Rating Confirmation Notice" means a notice from Moody's, S&P and Fitch, and the respective successors and assigns of any of them, as appropriate, confirming that the rating on the applicable Variable Rate Program Bonds will not be lowered or withdrawn (other than a withdrawal of a short term rating upon a change to a Long-Term Mode) as a result of the action proposed to be taken.

"Record Date" means (i) with respect to Variable Rate Program Bonds in a Commercial Paper Mode or a Weekly Mode, the day (whether or not a Business Day) next preceding each Interest Payment Date, (ii) with respect to Variable Rate Program Bonds in the Daily Rate Mode, the last day of each month (whether or not a Business Day) and (iii) with respect to Variable Rate Program Bonds in a Term Rate Mode or a Fixed Rate Mode, the fifteenth (15th) day (whether or not a Business Day) of the month next preceding each Interest Payment Date.

"Redemption Date" means the date fixed for redemption of Variable Rate Program Bonds subject to redemption in any notice of redemption given in accordance with the terms of this Exhibit A.

"Redemption Price" means an amount equal to the principal of and premium, if any, and accrued interest, if any, on the Variable Rate Program Bonds to be paid on the Redemption Date.

"Remarketing Agent" means the investment banking firm which may at any time be designated as such as provided in Section 5.20 of the Indenture.

"Remarketing Agreement" means the Remarketing Agreement by and between the University and the Remarketing Agent; or any similar agreement between the University and a Remarketing Agent, as it may be amended or supplemented from time to time in accordance with its terms.

"Remarketing Proceeds Account" means the account by that name created in Section 4.10 of this Exhibit A.

"Serial Bonds" shall mean the Variable Rate Program Bonds maturing on the Serial Maturity Dates, as determined pursuant to Section 2.8(b) of this Exhibit A.

"Serial Maturity Dates" means the dates on which the Serial Bonds mature, as determined pursuant to Section 2.8(b) of this Exhibit A.

"Serial Payments" mean the payments to be made in payment of the principal of the Serial Program Bonds on the Serial Maturity Dates.

"Short-Term Mode" means a Daily Mode, a Weekly Mode or the Commercial Paper Mode.

"SIFMA Municipal Swap Index" means the Securities Industry and Financial Markets Association Municipal Swap Index, which is an index compiled from the weekly interest rate resets of tax exempt variable rate issues included in a database maintained by Municipal Market Data that meet specific criteria established from time to time by the Securities Industry and Financial Markets Association, or any successor to such organization, and issued on Wednesday of each week, or if any Wednesday is not a Business Day, the next succeeding Business Day, for the most recently preceding Business Day.

"S&P" means S&P Global Ratings, a division of The McGraw-Hill Companies, Inc., duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the University.

"Stated Interest Payment Date" means each such date or dates as shall be specified in the applicable Certificate of Award.

"Term Rate" means the per annum interest rate for any Variable Rate Program Bond in the Term Rate Mode determined pursuant to Section 2.6(a) of this Exhibit A.

"Term Rate Interest Payment Dates" means, with respect to a Variable Rate Program Bond in the Term Rate Mode and for the current Interest Period for such Variable Rate Program Bond, each Stated Interest Payment Date occurring in such Period (beginning with the first Stated Interest Payment Date that occurs no earlier than three months after the commencement of such Period).

"Term Rate Mode" means the Mode during which all or any portion of the Variable Rate Program Bonds bear interest at the Term Rate.

"Weekly Mode" means the Mode during which all or any portion of the applicable Variable Rate Program Bonds bear interest at the Weekly Rate.

"Weekly Rate" means the per annum interest rate on any Variable Rate Program Bond in the Weekly Mode determined pursuant to Section 2.5 (c) of this Exhibit A.

Section 1.2 Interpretation. In the event that there exists more than one Remarketing Agent with respect to a series of Variable Rate Program Bonds, all provisions herein with respect to the Remarketing Agent, unless otherwise expressly provided herein, shall be deemed to apply to each Remarketing Agent individually with respect to such portion of the series of Variable Rate Program Bonds for which it serves as Remarketing Agent.

PART II

CONDITIONS AND TERMS OF VARIABLE RATE PROGRAM BONDS

Section 2.1 Denominations, Medium, Method and Place of Payment and Dating of Variable Rate Program Bonds. The Variable Rate Program Bonds shall be issued in the form of fully registered Variable Rate Program Bonds in Authorized Denominations. The principal of and premium, if any, and interest on the Variable Rate Program Bonds shall be payable in lawful money of the United States of America. The interest on the Variable Rate Program Bonds shall be paid by the Paying Agent on the Interest Payment Dates (i) in the case of Variable Rate Program Bonds in a Commercial Paper Mode, the Daily Mode or the Weekly Mode, by wire transfer of immediately available funds to a wire transfer account specified in the United States by the Holder in a writing delivered to the Paying Agent, and (ii) in the case of Variable Rate Program Bonds in a Term Rate Mode or Fixed Rate Mode, by check mailed by the Paying Agent to the respective Holders thereof at their addresses as they appear on the applicable Record Date in the Register, except that in the case of a Holder of $1,000,000 or more in aggregate principal amount of Variable Rate Program Bonds, upon the written request of such Holder to the Paying Agent ten (10) days prior to the Record Date, specifying the account or accounts to which such payment shall be made, payment of interest shall be made by wire transfer of immediately available funds on the Interest Payment Date following such Record Date. Any such request shall remain in effect until revoked or revised by such Holder by an instrument in writing delivered to the Paying Agent. The principal of and premium, if any, on each Variable Rate Program Bond shall be payable on the Principal Payment Date, upon surrender thereof at the office of the Paying Agent.

The Paying Agent, the Trustee, the Remarketing Agent and the University may treat the Holder of a Variable Rate Program Bond as the absolute owner thereof for all purposes, whether or not such Variable Rate Program Bond shall be overdue, and the Paying Agent, the Trustee, the Remarketing Agent and the University shall not be affected by any knowledge or notice to the contrary; and payment of the principal of and premium, if any, and interest on such Variable Rate Program Bond shall be made only to such Holder, which payments shall be valid and effectual to satisfy and discharge the liability of such Variable Rate Program Bond to the extent of the sum or sums so paid. All Variable Rate Program Bonds at maturity or on earlier redemption paid pursuant to the provisions of this Section shall be canceled by the Paying Agent.

The Variable Rate Program Bonds shall be dated the date of authentication thereof and shall bear interest during each applicable Interest Accrual Period until the entire principal amount of the Variable Rate Program Bonds has been paid.

Section 2.2 Payment of Principal and Interest of Variable Rate Program Bonds; Acceptance of Terms and Conditions.

(a) The interest on the Variable Rate Program Bonds shall become due and payable on the Interest Payment Dates in each year to and including the Maturity Date, and on each Redemption Date and on the date of any acceleration prior thereto. The principal of the Variable Rate Program Bonds shall become due and payable on the Principal Payment Dates.

(b) By the acceptance of its Variable Rate Program Bond, the Holder thereof shall be deemed to have agreed to all the terms and provisions of such Variable Rate Program Bond as specified in such Variable Rate Program Bond and the Program Supplement, including, without limitation, the applicable Interest Periods, interest rates (including any applicable Alternate Rate), Purchase Dates, Purchase Prices, mandatory and optional purchase and redemption provisions applicable to such Variable Rate Program Bond, method and timing of purchase, redemption, payment, etc. Such Holder further agrees that if, on any date upon which one of its Variable Rate Program Bonds is to be purchased, redeemed or paid at maturity or earlier due date, funds are on deposit with the Paying Agent or the Trustee to pay the full amount due on such Variable Rate Program Bond, then such Holder shall have no rights under the Program Supplement other than to receive such full amount due with respect to such Variable Rate Program Bond and that interest on such Variable Rate Program Bond shall cease to accrue as of such date.

Section 2.3 Calculation and Payment of Interest; Change in Mode; Maximum Rate.

(a) When a Commercial Paper Mode, a Daily Mode or a Weekly Mode is in effect, interest shall be calculated on the basis of a 365/366 day year for the actual number of days elapsed. When a Term Rate Mode or a Fixed Rate Mode is in effect, interest shall be calculated on the basis of a 360 day year comprised of twelve 30-day months. Payment of interest on each Variable Rate Program Bond shall be made on each Interest Payment Date for such Variable Rate Program Bond for unpaid interest accrued during the Interest Accrual Period to the Holder of record of such Variable Rate Program Bond on the applicable Record Date.

(b) Some or all of the Variable Rate Program Bonds in any Mode, other than a Fixed Rate Mode, may be changed to any other Mode at the times and in the manner hereinafter provided so that the Variable Rate Program Bonds may be in more than one Mode at any time after their original issuance; subject, however, to the provision that if the Variable Rate Program Bonds are initially issued with more than one maturity, then all Variable Rate Program Bonds of a single maturity must be in the same Mode at the same time, but such Mode for such Variable Rate Program Bonds can be changed from time to time in the manner provided herein. Subsequent to such change in Mode (other than a change to a Fixed Rate Mode), any Variable Rate Program Bond may again be changed to a different Mode at the times and in the manner hereinafter provided. A Fixed Rate Mode shall be in effect until the Maturity Date, or acceleration thereof prior to the Maturity Date, and may not be changed to any other Mode.

(c) Absent manifest error, the interest rates contained in the records of the Paying Agent shall be conclusive and binding upon the University, the Remarketing Agent, the Paying Agent, the Trustee and the Holders.

(d) No Variable Rate Program Bonds shall bear interest at an interest rate higher than the Maximum Rate.

(e) In the absence of manifest error, the respective determinations of interest rates and interest periods by the Remarketing Agent shall be conclusive and binding upon the Remarketing Agent, the Paying Agent, the Trustee, the University and the Holders.

Section 2.4 Determination of Commercial Paper Rates and Interest Periods During Commercial Paper Mode. An Interest Period for a Variable Rate Program Bond in the Commercial Paper Mode shall be of such duration of from one to 270 calendar days, ending on a Business Day or the Maturity Date, as the Remarketing Agent shall determine in accordance with the provisions of this Section. A Commercial Paper Mode Program Bond can have an Interest Period, and bear interest at a Commercial Paper Rate, different than another Commercial Paper Mode Program Bond. In making the determinations with respect to Interest Periods, subject to limitations imposed by the second preceding sentence and in Section 2.4 of this Exhibit A, on each Rate Determination Date for a Commercial Paper Mode Program Bond, the Remarketing Agent shall select for such Variable Rate Program Bond the Interest Period which would result in the Remarketing Agent being able to remarket such Variable Rate Program Bond at par in the secondary market at the lowest interest rate then available and for the longest Interest Period available at such rate, provided that if on any Rate Determination Date, the Remarketing Agent determines that current or anticipated future market conditions or anticipated future events are such that a different Interest Period would result in a lower average interest cost on such Variable Rate Program Bond, then the Remarketing Agent shall select the Interest Period which in the judgment of the Remarketing Agent would permit such Variable Rate Program Bond to achieve such lower average interest cost; provided, however, that if the Remarketing Agent has received notice from the University that any Variable Rate Program Bond is to be changed from the Commercial Paper Mode to another Mode, the Remarketing Agent shall, with respect to such Variable Rate Program Bond, select Interest Periods which do not extend beyond the resulting applicable Purchase Date of such Variable Rate Program Bond.

On or after 4:00 P.M., Eastern Time on the Business Day next preceding each Rate Determination Date for Variable Rate Program Bonds in the Commercial Paper Mode, any Holder of such Variable Rate Program Bonds may telephone the Remarketing Agent and receive notice of the anticipated next Interest Period(s) and the anticipated Commercial Paper Rate(s) for such Interest Period(s).

To receive payment of the Purchase Price, the Holder of any Variable Rate Program Bond in the Commercial Paper Mode must present such Variable Rate Program Bond to the Paying Agent, by 12:00 noon, Eastern Time on the Rate Determination Date, in which case, the Paying Agent shall pay the Purchase Price to such Holder by 2:30 P.M., Eastern Time on the same day.

By 12:30 P.M., Eastern Time on each Rate Determination Date, the Remarketing Agent, with respect to each Variable Rate Program Bond in the Commercial Paper Mode which is subject to adjustment on such date, shall determine the Commercial Paper Rate(s) for the Interest Periods then selected for such Variable Rate Program Bond and shall give notice by Electronic Means to the Paying Agent of the new Holders, the Interest Period, the Purchase Date(s) and the Commercial Paper Rate(s).

By 1:00 P.M., Eastern Time on each Rate Determination Date, the Remarketing Agent will assign CUSIP numbers for each Variable Rate Program Bond in the Commercial Paper Mode for which a Commercial Paper Rate and Interest Period have been determined on such date and notify the Paying Agent of such assignment by Electronic Means.

Section 2.5 Determination of Interest Rates During the Daily Mode and the Weekly Mode.

(a) The interest rate for any Variable Rate Program Bond in the Daily Mode or Weekly Mode shall be the rate of interest per annum determined by the Remarketing Agent on and as of the applicable Rate Determination Date as the minimum rate of interest which, in the opinion of the Remarketing Agent under then-existing market conditions, would result in the sale of the Variable Rate Program Bonds on the Rate Determination Date at a price equal to the principal amount thereof, plus interest, if any, accrued through the Rate Determination Date during the then current Interest Accrual Period.

(b) During the Daily Mode, the Remarketing Agent shall establish the Daily Rate by 10:00 A.M. Eastern Time on each Rate Determination Date. The Daily Rate for any day during the Daily Mode which is not a Business Day shall be the Daily Rate established on the immediately preceding Rate Determination Date. The Remarketing Agent shall make the Daily Rate available by telephone to any Holder or Notice Party requesting such rate, and on the last Business Day of each month, shall give notice to the Paying Agent of the Daily Rates that were in effect for each day of such month by Electronic Means.

(c) During the Weekly Mode, the Remarketing Agent shall establish the Weekly Rate in a timely fashion, but not later than 4:00 P.M. Eastern Time, on each Rate Determination Date. The Weekly Rate shall be in effect (i) initially, from and including the first day the Variable Rate Program Bonds become subject to the Weekly Mode to and including the following Tuesday and (ii) thereafter, from and including each Wednesday to and including the following Tuesday. The Remarketing Agent shall make the Weekly Rate available (i) in a timely fashion, but not later than 4:00 P.M. Eastern Time, on the Rate Determination Date by telephone to any Holder or Notice Party requesting such rate and (ii) by Electronic Means to the Paying Agent in a timely fashion, but not later than 4:00 P.M. Eastern Time, on the second Business Day immediately succeeding the Rate Determination Date. The Paying Agent shall give notice of such interest rates to the Trustee by Electronic Means not later than 4:00 P.M. Eastern Time on the second Business Day immediately succeeding the Rate Determination Date.

Section 2.6 Determination of Term Rates and Fixed Rates.

(a) Term Rates. Except as provided in the immediately succeeding paragraph, once Variable Rate Program Bonds are changed to the Term Rate Mode, such Variable Rate Program Bonds shall continue in the Term Rate Mode until changed to another Mode in accordance with Section 2.8 of this Exhibit A. The Term Rate shall be determined by the Remarketing Agent not later than 4:00 P.M., Eastern Time on the Rate Determination Date, and the Remarketing Agent shall make the Term Rate available by telephone to any Notice Party requesting such rate. The Remarketing Agent shall give written notice of the Term Rate to the University and the Paying Agent upon request. The Term Rate shall be the minimum rate which, in the sole judgment of the Remarketing Agent, would result in a sale of the Variable Rate Program Bonds at a price equal to the principal amount thereof on the Rate Determination Date for the Interest Period selected by the University in writing delivered to the Remarketing Agent before such Rate Determination Date. If a new Interest Period is not selected by the University prior to a Rate Determination Date (for a reason other than a court prohibiting such selection), the new Interest Period shall be the same length as the current Interest Period (or such lessor period as shall be necessary to comply with the next sentence). No Interest Period in the Term Rate Mode may extend beyond the applicable Maturity Date.

(b) Fixed Rates. The Remarketing Agent shall determine the Fixed Rates for a Variable Rate Program Bond being converted to the Fixed Rate Mode in the manner and at the times as follows: Not later than 4:00 P.M., Eastern Time on the Rate Determination Date for such Variable Rate Program Bond, the Remarketing Agent shall determine the Fixed Rate for such Variable Rate Program Bond. The Fixed Rate shall be the minimum interest rate which, in the sole judgment of the Remarketing Agent, will result in a sale of such Variable Rate Program Bond at a price equal to the principal amount thereof on the Rate Determination Date. The Remarketing Agent shall make the Fixed Rate available by telephone to any Notice Party requesting such Fixed Rate. Upon request of any Notice Party the Paying Agent shall give notice of such rate by Electronic Means. The Fixed Rate so established shall remain in effect until the Maturity Date of such Variable Rate Program Bond.

Section 2.7 Alternate Rates.

(a) The following provisions shall apply in the event (i) the Remarketing Agent fails or is unable to determine the interest rate or Interest Period for any Variable Rate Program Bond or (ii) the method by which the Remarketing Agent determines the interest rate or Interest Period with respect to a Variable Rate Program Bond (or the selection by the University of the Interest Periods for Variable Rate Program Bonds in the Term Rate Mode) shall be held to be unenforceable by a court of law of competent jurisdiction. These provisions shall continue to apply until such time as the Remarketing Agent (or the University, if applicable) again makes such determinations. In the case of clause (ii) above, the Remarketing Agent (or the University, if applicable) shall again make such determination at such time as there is delivered to the Remarketing Agent and the University an Opinion of Counsel to the effect that there are no longer any legal prohibitions against such determinations. The following shall be the methods by which the interest rates and, in the case of the Commercial Paper and Term Rate Modes, the Interest Periods, shall be determined for a Variable Rate Program Bond as to which either of the events described in clauses (i) or (ii) shall be applicable. Such methods shall be applicable from and after the date either of the events described in clause (i) or (ii) first become applicable to such Variable Rate Program Bond until such time as the events described in clause (i) or (ii) are no longer applicable to such Variable Rate Program Bond. These provisions shall not apply if the University fails to select an Interest Period for a Variable Rate Program Bond in the Term Rate Mode for a reason other than as described in clause (ii) above.

(b) For a Commercial Paper Mode Program Bond, the next Interest Period shall be from, and including, the last day of the current Interest Period for such Variable Rate Program Bond to, but excluding, the next succeeding Business Day and thereafter shall commence on each Business Day and extend to, but exclude, the next succeeding Business Day. For each such Interest Period, the interest rate for such Variable Rate Program Bond shall be the applicable Alternate Rate in effect on the Business Day that begins an Interest Period.

(c) If such Variable Rate Program Bond is in the Daily Mode, then such Variable Rate Program Bond shall bear interest during each subsequent Interest Period at the last lawful interest rate for such Variable Rate Program Bond set by the Remarketing Agent pursuant to Section 2.5(a) of this Exhibit A.

(d) If such Variable Rate Program Bond is in the Weekly Mode, then such Variable Rate Program Bond shall bear interest during each subsequent Interest Period at the applicable Alternate Rate in effect on the first day of such Interest Period.

(e) If such Variable Rate Program Bond is in the Term Rate Mode then such Variable Rate Program Bond shall stay in the Term Rate Mode for subsequent Interest Periods, each beginning on the last Stated Interest Payment Date and ending on the next Stated Interest Payment Date, and shall bear interest at the applicable Alternate Rate in effect at the beginning of each such Interest Period.

Section 2.8 Changes in Mode. Subject to the provisions of this Section, the University may effect a change in Mode with respect to a Variable Rate Program Bond by following the procedures set forth in this Section. If a change in Mode will make a Variable Rate Program Bond subject to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, the University will execute a continuing disclosure undertaking satisfying the requirements of such Rule.

(a) Changes to Modes Other Than Fixed Rate Mode. A Variable Rate Program Bond (other than a Variable Rate Program Bond in the Fixed Rate Mode) may be changed from one Mode to another Mode (other than the Fixed Rate Mode) as follows:

(i) Mode Change Notice; Notice to Holders. No later than a Business Day which is at least 14 days (or such shorter time as may be agreed to by the University, the Trustee, the Paying Agent and the Remarketing Agent) preceding the proposed Mode Change Date, the University shall give written notice to the Notice Parties of its intention to effect a change in the Mode from the Current Mode to another Mode (for purposes of this Section, the "New Mode") specified in such written notice, and, if the change is to a Term Rate Mode, the length of the initial Interest Period as set by the University. Notice of the proposed change in Mode shall be given to the Holders pursuant to Section 4.3 of this Exhibit A.

(ii) Determination of Interest Rates. The New Mode shall commence on the Mode Change Date and the interest rate(s) (together, in the case of a change to the Commercial

Paper Mode, with the Interest Period(s)) shall be determined by the Remarketing Agent (or the University in the case of the Interest Period for a Variable Rate Program Bond converted to the Term Rate Mode) in the manner provided in Sections 2.4, 2.5 and 2.6 of this Exhibit A, as applicable.

(iii) Conditions Precedent:

(A) The Mode Change Date shall be:

(1) in the case of a change from the Commercial Paper Mode, the next Purchase Date for the Commercial Paper Mode Program Bonds to be changed to the New Mode;

(2) in the case of a change from the Daily or Weekly Mode, any Business Day; and

(3) in the case of a change from the Term Rate Mode, the last day of the current Interest Period for the Variable Rate Program Bond being converted (whether not such last day is a Business Day).

(B) The following items shall have been delivered to the Trustee, the Paying Agent and the Remarketing Agent on the Mode Change Date:

(1) in the case of a change from a Short-Term Mode to a Long-Term Mode or from a Long-Term Mode to a Short-Term Mode, a Favorable Opinion of Program Bond Counsel dated the Mode Change Date and addressed to the University, the Trustee, the Paying Agent and the Remarketing Agent; and

(2) a Rating Confirmation Notice.

(C) If the Variable Rate Program Bond to be converted is in the Commercial Paper Mode, no Interest Period set after delivery by the University to the Remarketing Agent of the notice of the intention to effect a change in Mode with respect to such Variable Rate Program Bond shall extend beyond the proposed Mode Change Date.

(D) The following additional conditions must be satisfied before a conversion to a Commercial Paper Rate shall become effective:

(1) In the event that (A) the Trustee demonstrates to the reasonable satisfaction of the University that by acting as issuing agent and paying agent ("Issuing Agent") for the Variable Rate Program Bonds in the Commercial Paper Mode, the Trustee will suffer (i) an administrative burden, (ii) a financial loss or (iii) a breach of a regulatory requirement, and (B) the University and the Trustee cannot enter into a mutually acceptable agreement with respect to such issuing and paying agency role, the University will engage, at its expense, a commercial paper issuing and paying agent (the "Issuing Agent"), reasonably acceptable to the Trustee and the Paying Agent, having access to DTC's electronic money market issuing and payment system and otherwise eligible to serve as an Issuing

Agent under DTC's policies and procedures for the issuance and payment of commercial paper.

(2) The Remarketing Agent must arrange for the execution and delivery to DTC of the required DTC letter of representation for the eligibility of the Program Bonds in the Commercial Paper Rate in DTC's book entry system and the provision of any needed CUSIP numbers;

(3) The University shall take all other action needed to comply with DTC requirements applicable to the issuance and payment of the Program Bonds while in the Commercial Paper Rate; and

(4) The University shall enter into any amendment of the Indenture that is needed to comply with DTC's or any Rating Agency's requirements concerning the issuance and payment of the Program Bonds in the Commercial Paper Rate.

(b) Change to Fixed Rate Mode. At the option of the University, a Variable Rate Program Bond may be changed to the Fixed Rate Mode as provided in this Section 2.8(b). On any Business Day which is at least 14 days (or such shorter time as may be agreed to by the University, the Trustee and the Remarketing Agent) before the proposed Mode Change Date, the University shall give written notice to the Notice Parties stating that the Mode will be changed to the Fixed Rate Mode and setting forth the proposed Mode Change Date. Such Notice shall also state whether or not some or all of the Variable Rate Program Bonds to be converted shall be converted to Serial Bonds and, if so, the applicable Serial Maturity Dates and Serial Payments. Any such change in Mode shall be made as follows:

(i) Mode Change Date. The Mode Change Date shall be:

(A) in the case of a change from the Commercial Paper Mode, the next Purchase Date for the Commercial Paper Mode Program Bonds to be changed to the New Mode;

(B) in the case of a change from the Daily or Weekly Mode, any Business Day; and

(C) in the case of a change from the Term Rate Mode, the last day of the current Interest Period for the Variable Rate Program Bond being converted (whether or not such last day is a Business Day).

(ii) Notice to Holders. Not less than the eighth (8th) day next preceding the Mode Change Date, the Paying Agent shall mail, in the name of the University, a notice of such proposed change to the Holders of the Variable Rate Program Bonds being converted stating that the Mode will be changed to the Fixed Rate Mode, the proposed Mode Change Date and that such Holder is required to tender such Holder's Variable Rate Program Bonds for purchase on such proposed Mode Change Date.

(iii) General Provisions Applying to Change to Fixed Rate Mode. The change to the Fixed Rate Mode shall not occur unless the following items shall have been delivered to the University, the Trustee and the Remarketing Agent on the Mode Change Date:

(A) if the change is from a Short-Term Mode, a Favorable Opinion of Bond Counsel dated the Mode Change Date and addressed to the University, the Trustee and the Remarketing Agent; and

(B) a Rating Confirmation Notice.

(iv) Determination of Interest Rate. The Fixed Rate for a Variable Rate Program Bond to be converted to the Fixed Rate Mode shall be established by the Remarketing Agent on the Rate Determination Date applicable thereto pursuant to the provisions of Section 2.6(b). Such Rate shall remain in effect until the Maturity Date of said Variable Rate Program Bond.

(v) Serialization. Upon conversion of a Variable Rate Program Bond to the Fixed Rate Mode, the University may elect to serialize such Variable Rate Program Bond.

(c) Failure to Satisfy Conditions Precedent to a Mode Change. In the event the conditions described above in subsections (a) or (b), as applicable, of this Section have not been satisfied by the applicable Mode Change Date, then the New Mode or Fixed Rate Mode, as the case may be, shall not take effect. If the failed change in Mode was from the Commercial Paper Mode, the applicable Variable Rate Program Bond shall remain in the Commercial Paper Mode with interest rates and Interest Periods to be established by the Remarketing Agent on the failed Mode Change Date in accordance with Section 2.4 of this Exhibit A. If the failed change in Mode was from the Daily Mode, the applicable Variable Rate Program Bond shall remain in the Daily Mode, and if the failed change in Mode was from the Weekly Mode, the applicable Variable Rate Program Bond shall remain in the Weekly Mode, in each case with interest rates established in accordance with the applicable provisions of Section 2.4 of this Exhibit A on and as of the failed Mode Change Date. If the failed change in Mode was from the Term Rate Mode, then such Variable Rate Program Bond shall stay in the Term Rate Mode for an Interest Period ending on the next Stated Interest Payment Date and shall bear interest at the applicable Alternate Rate.

PART III

REDEMPTION OF VARIABLE RATE PROGRAM BONDS

Section 3.1 Optional Redemption of Commercial Paper Mode Program Bonds. Variable Rate Program Bonds in the Commercial Paper Mode are not subject to optional redemption prior to their respective Purchase Dates. Variable Rate Program Bonds in the Commercial Paper Mode shall be subject to redemption at the option of the University in whole or in part on their respective Purchase Dates at a redemption price equal to the principal amount thereof.

Section 3.2 Optional Redemption of Variable Rate Program Bonds in the Daily Mode or the Weekly Mode. Variable Rate Program Bonds in the Daily Mode or the Weekly Mode are subject to optional redemption by the University, in whole or in part, in Authorized Denominations on any Interest Payment Date, at a redemption price equal to the principal amount thereof, plus, in the case of Variable Rate Program Bonds in the Daily Mode, accrued interest, if any, from the end of the preceding Interest Accrual Period to the Redemption Date. In the event the Variable Rate Program Bonds are issued in more than one subseries, all optional redemptions shall be made, as nearly as practicable, such that equal principal amounts of each such subseries will be redeemed.

Section 3.3 Optional Redemption of Variable Rate Program Bonds in the Term Rate or the Fixed Rate Mode.

(a) Variable Rate Program Bonds in a Term Rate Mode shall be subject to redemption, in whole or in part, on their individual Purchase Dates, at the option of the University at a redemption price equal to the principal amount thereof, unless another date or dates or redemption price is specified in the Mode Change Notice applicable thereto.

(b) Variable Rate Program Bonds in the Fixed Rate Mode shall be subject to redemption in whole on any date or in part on any Interest Payment Date in such manner as the University shall indicate in the Mode Change Notice applicable to such Variable Rate Program Bonds.

PART IV

PURCHASE OF VARIABLE RATE PROGRAM BONDS

Section 4.1 Optional Tenders of Variable Rate Program Bonds in the Daily Mode or the Weekly Mode. The Holders of Variable Rate Program Bonds in a Daily Mode or a Weekly Mode may elect to have their Variable Rate Program Bonds (or portions of those Variable Rate Program Bonds in amounts equal to an Authorized Denomination) purchased on any Business Day at a price equal to the Purchase Price, (i) in the case of Variable Rate Program Bonds in a Daily Mode, upon delivery of an irrevocable telephonic notice of tender to the Remarketing Agent not later than 11:00 A.M. Eastern Time on the Purchase Date specified by the Holder; and (ii) in the case of Variable Rate Program Bonds in a Weekly Mode, upon delivery of an irrevocable written notice of tender or irrevocable telephonic notice of tender to the Remarketing Agent, promptly confirmed in writing to the Paying Agent, not later than 4:00 P.M., Eastern Time on a Business Day not less than seven (7) days before the Purchase Date specified by the Holder in such notice. Such notices of tender shall state the CUSIP number, Variable Rate Program Bond number and the principal amount of such Variable Rate Program Bond and that such Variable Rate Program Bond shall be purchased on the Purchase Date specified above. The Variable Rate Program Bond shall be delivered (with all necessary endorsements) at or before 12:00 noon, Eastern Time on the Purchase Date at the office of the Paying Agent; provided, however, that payment of the Purchase Price shall be made pursuant to this Section only if the Variable Rate Program Bond so delivered to the Paying Agent conforms in all respects to the description thereof in the notice described in this Section. Payment of the Purchase Price with respect to purchases under this Section shall be made to the Holders of tendered Variable Rate Program Bonds by wire transfer in immediately available funds by the Paying Agent by 2:30 P.M., Eastern Time on the Purchase Date. A Holder who gives the notice of tender as set forth above may repurchase the Variable Rate Program Bonds so tendered on such Purchase Dates if the Remarketing Agent agrees to sell the Variable Rate Program Bonds so tendered to such Holder. If such Holder decides to repurchase such Variable Rate Program Bonds and the Remarketing Agent agrees to sell the specified Variable Rate Program Bonds to such Holder, the delivery requirements set forth above shall be waived.

Section 4.2 Mandatory Purchase at End of Commercial Paper Rate Periods. Each Variable Rate Program Bond in the Commercial Paper Mode shall be subject to mandatory purchase on the Purchase Date for the current Interest Period at the Purchase Price. Variable Rate Program Bonds purchased pursuant to this Section shall be delivered by the Holders (with all necessary endorsements) to the office of the Paying Agent, at or before 12:00 noon, Eastern Time on such Purchase Date, and payment of the Purchase Price shall be made by wire transfer in immediately available funds by 2:30 P.M., Eastern Time on such Purchase Date. No notice of such mandatory purchase shall be given to the Holders.

Section 4.3 Mandatory Purchase on Mode Change Date.

(a) Variable Rate Program Bonds to be changed from one Mode to another Mode (other than a change to the Fixed Rate Mode) are subject to mandatory purchase on the Mode Change Date (or the next Business Day if the Mode Change Date is not a Business Day) at the Purchase Price as provided in this subsection (a). Variable Rate Program Bonds purchased pursuant to this Section shall be delivered by the Holders (with all necessary endorsements) to the office of the Paying Agent, at or before 12:00 noon, Eastern Time on the Purchase Date and payment of the Purchase Price shall be made by wire transfer in immediately available funds by 2:30 P.M., Eastern Time on the Purchase Date. The Paying Agent shall give notice of such mandatory purchase by mail to the Holders of the Variable Rate Program Bonds subject to mandatory purchase no less than eight days prior to such Purchase Date. The notice shall state the Purchase Date, the Purchase Price, the numbers of the Variable Rate Program Bonds to be purchased if less than all of the Variable Rate Program Bonds owned by such Holder are to be purchased and that interest on Variable Rate Program Bonds subject to mandatory purchase shall cease to accrue from and after the such Purchase Date. The failure to mail such notice with respect to any Variable Rate Program Bond shall not affect the validity of the mandatory purchase of any other Variable Rate Program Bond with respect to which notice was so mailed. Any notice mailed will be conclusively presumed to have been given, whether or not actually received by any Holder.

(b) Variable Rate Program Bonds to be changed to the Fixed Rate Mode are subject to mandatory purchase on the Mode Change Date (or the next Business Day if the Mode Change Dates is not a Business Day) at the Purchase Price as provided in this subsection (b). Variable Rate Program Bonds purchased pursuant to this Section shall be delivered by the Holders (with all necessary endorsements) to the office of the Paying Agent, at or before 12:00 noon, Eastern Time on the Purchase Date and payment of the Purchase Price shall be made by wire transfer of immediately available funds by 2:30 P.M., Eastern Time on such Purchase Date. The Paying Agent shall give notice such mandatory purchase as part of the Mode Change Notice to be sent to the Holders pursuant to Section 2.8(b)(ii) of this Exhibit A.

Section 4.4 Mandatory Purchase at End of Interest Period for Term Rate Mode. Each Variable Rate Program Bond in the Term Rate Mode is subject to mandatory purchase on the Purchase Date for the current Interest Period at the Purchase Price. Variable Rate Program Bonds purchased pursuant to this Section shall be delivered by the Holders (with all necessary endorsements) to the office of the Paying Agent, at or before 12:00 noon, Eastern Time on such Purchase Date and payment of the Purchase Price of such Variable Rate Program Bonds shall be made by wire transfer in immediately available funds by the Paying Agent by 2:30 P.M., Eastern Time on such Purchase Date. The Paying Agent shall give notice of such mandatory purchase by mail to the Holders of the Variable Rate Program Bonds subject to mandatory purchase no less than thirty (30) days prior to the Purchase Date. The notice shall state the Purchase Date, the Purchase Price, the numbers of the Variable Rate Program Bonds to be purchased if less than all of the Variable Rate Program Bonds owned by such Holder are to be purchased, and that interest on Variable Rate Program Bonds subject to mandatory purchase shall cease to accrue from and after the Purchase Date. The failure to mail such notice with respect to any Variable Rate Program Bond shall not affect the validity of the mandatory purchase of any other Variable Rate Program Bond with respect to which notice was so mailed. Any notice mailed will be conclusively presumed to have been given, whether or not actually received by any Holder.

Section 4.5 Remarketing of Variable Rate Program Bonds; Notices.

(a) Remarketing of Variable Rate Program Bonds. The Remarketing Agent shall use its best efforts to offer for sale:

(i) all Variable Rate Program Bonds or portions thereof as to which notice of tender pursuant to Section 4.1 of this Exhibit A has been given; and

(ii) all Variable Rate Program Bonds required to be purchased pursuant to Sections 4.2, 4.3 and 4.4 of this Exhibit A.

(b) Notice of Remarketing; Registration Instructions; New Variable Rate Program Bonds. On each date on which a Variable Rate Program Bond is to be purchased:

(i) unless the Remarketing Agent has notified the Paying Agent otherwise, the Remarketing Agent shall notify the Paying Agent by Electronic Means not later than 12:30 P.M., Eastern Time of the amount of tendered Variable Rate Program Bonds which were successfully remarketed, the names of the tendering Holders and the registration instructions (i.e., the names, addresses and taxpayer identification numbers of the purchasers and the desired Authorized Denominations) with respect thereto; and

(ii) the Paying Agent shall authenticate new Variable Rate Program Bonds for the respective purchasers thereof which shall be available for pick-up by the Remarketing Agent not later than 1:30 P.M., Eastern Time.

(c) Transfer of Funds. On each date on which a Variable Rate Program Bond is to be purchased:

(i) the Remarketing Agent shall give notice to the Paying Agent of receipt of the Purchase Price of remarketed Variable Rate Program Bonds by 12:45 P.M., Eastern Time; and

(ii) by 1:00 P.M., Eastern Time the Paying Agent shall direct the University to provide, on such date funds in an amount equal to the Purchase Price of all Variable Rate Program Bonds tendered or deemed tendered less the aggregate amount of remarketing proceeds notice of the receipt of which was given to the Paying Agent by the Remarketing Agent pursuant to clause (i) of this subsection. The University agrees to provide all such funds on such date and by such time and such funds shall be deposited into the Purchase Account. In the event that an Initial Facility is in effect then the Purchase Price shall be derived as provided in Section 5.4(c).

Section 4.6 Source of Funds for Purchase of Variable Rate Program Bonds. By 2:30 P.M., Eastern Time on the date on which a Variable Rate Program Bond is to be purchased, the Paying Agent shall purchase tendered Variable Rate Program Bonds from the tendering Holders at the applicable Purchase Price by wire transfer in immediately available funds. Funds for the payment of such Purchase Price shall be derived solely from the following sources in the order of priority indicated and neither the Trustee, Paying Agent nor the Remarketing Agent shall be obligated to provide funds from any other source:

(a) immediately available funds on deposit in the Remarketing Proceeds Account; and

(b) immediately available funds on deposit in the Purchase Account.

In the event that an Initial Credit Facility is in effect then the Purchase Price shall be derived as provided in Section 5.4(c).

Section 4.7 Delivery of Variable Rate Program Bonds. On each date on which a Variable Rate Program Bond is to be purchased, such Variable Rate Program Bond shall be delivered as follows:

(a) Variable Rate Program Bonds sold by the Remarketing Agent pursuant to Section 4.5(a) of this Exhibit A shall be delivered by such Remarketing Agent to the purchasers of such Variable Rate Program Bond by 3:00 P.M., Eastern Time; and

(b) Variable Rate Program Bonds purchased by the University with moneys described in Section 4.6(b) of this Exhibit A shall be, if in certificated form, registered immediately in the name of the University or its nominee on or before 1:30 P.M., Eastern Time or if the book entry system is in effect, the ownership interest in such Variable Rate Program Bonds shall be transferred on the books of DTC to or for the account of the University or a participant in DTC acting on behalf of the University. Variable Rate Program Bonds so owned by the University shall be subject to all of the terms and conditions of the Program Supplement and shall be subject to remarketing by the Remarketing Agent.

Section 4.8 Undelivered Variable Rate Program Bonds. If a Variable Rate Program Bond to be purchased is not delivered by the Holder to the Paying Agent by 12:00 noon, Eastern Time on the date in which such Variable Rate Program Bond is to be purchased, the Paying Agent shall hold any funds received for the purchase of those Variable Rate Program Bonds in trust in a separate account and shall pay such funds to the former Holders of the Variable Rate Program Bonds upon presentation of the Variable Rate Program Bonds. Such undelivered Variable Rate Program Bonds shall cease to accrue interest as to the former Holders on such purchase date and moneys representing the Purchase Price shall be available against delivery of those Variable Rate Program Bonds at the designated office of the Paying Agent; provided, however, that any funds which shall be so held by the Paying Agent and which remain unclaimed by the former Holder of a Variable Rate Program Bond not presented for purchase for a period of four years after delivery of such funds to the Paying Agent, shall, to the extent permitted by law, upon request in writing by the University and the furnishing of security or indemnity to the Paying Agent's satisfaction, be paid to the University free of any trust or lien and thereafter the former Holder of such Variable Rate Program Bond shall look only to the University and then only to the extent of the amounts so received by the University without any interest thereon and the Paying Agent shall have no further responsibility with respect to such moneys or payment of the purchase price of such Variable Rate Program Bonds. All moneys held by the Paying Agent and subject to this Section shall be held uninvested and without liability for interest thereon. The Paying Agent shall authenticate a replacement Variable Rate Program Bond for any undelivered Variable Rate Program Bond which may then be remarketed by a Remarketing Agent.

Section 4.9 No Purchases or Sales After Payment Default. Anything in the Program Supplement to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default described in Section 6.01 of the Indenture, no Remarketing Agent shall remarket any Variable Rate Program Bonds. All other provisions of the Program Supplement, including without limitation, those relating to the settling of interest rates and interest periods and mandatory and optional purchases, shall remain in full force and effect during the continuance of such Event of Default.

Section 4.10 Purchase Fund. There is hereby established and there shall be maintained with the Paying Agent, as agent for the Trustee, a separate fund to be known as the "Purchase Fund." The Paying Agent shall further establish separate accounts within the Purchase Fund to be known as the "Purchase Account" and the "Remarketing Proceeds Account."

(a) Remarketing Proceeds Account. Upon receipt of the proceeds of a remarketing of a Variable Rate Program Bond on the date such Variable Rate Program Bond is to be purchased, the Paying Agent shall deposit such proceeds in the Remarketing Proceeds Account for application to the Purchase Price of the Variable Rate Program Bonds.

(b) Purchase Account. Upon receipt from the University of the immediately available funds transferred to the Paying Agent pursuant to Section 4.5(c)(ii) of this Exhibit A, the Paying Agent shall deposit such money in the Purchase Account for application to the Purchase Price of the Variable Rate Program Bonds to the extent that the moneys on deposit in the Remarketing Proceeds Account shall not be sufficient. Any amounts deposited in the Purchase Account and not needed with respect to the Purchase Price for any Variable Rate Program Bonds shall be immediately returned to the University.

(c) Investment. Amounts held in the Purchase Account and the Remarketing Proceeds Account by the Paying Agent shall be held uninvested and separate and apart from all other moneys.

PART V

CREDIT SUPPORT INSTRUMENT

Section 5.1 Subsequent Application of Initial and Subsequent Facilities.

(a) The University may provide a Credit Support Instrument for some or all the Variable Rate Program Bonds through an Initial Facility and Substitute Facilities. For purposes of this Part V, the University may also terminate any Credit Support Instrument in accordance with its terms so that no Credit Support Instrument is outstanding with respect to the Variable Rate Program Bonds. The effective date of any such termination will be considered a Conversion Date (as defined below) and the same procedures set forth below shall apply.

(b) In order for the Initial Facility to become effective, the University shall give written notice to the Remarketing Agent, the Paying Agent and the Trustee (each, a "Conversion Notice"), at or before the times specified below, that the Variable Rate Program Bonds specified in such notice will be covered by the Initial Facility from and after the applicable date (each, a "Conversion Date") specified below:

(i) If the Variable Rate Program Bonds to be covered are in the Commercial Paper Mode, the Conversion Date shall be the day which is the Purchase Date for the Interest Period for such Variable Rate Program Bonds if the Conversion Notice is given by 4:00 P.M., Eastern Time on the Business Day which is at least the 10th calendar day prior to the Conversion Date.

(ii) If the Variable Rate Program Bonds to be covered are in the Daily Mode, the Conversion Date shall be any Rate Determination Date for such Variable Rate Program Bonds if the Conversion Notice is given by 4:00 P.M., Eastern Time on the Business Day which is at least the 10th calendar day prior to the Conversion Date.

(iii) If the Variable Rate Program Bonds to be covered are in the Weekly Mode, the Conversion Date shall be any Rate Determination Date for such Variable Rate Program Bonds if the Conversion Notice is given by 4:00 P.M., Eastern Time on the Business Day which is at least the 10th calendar day prior to the Conversion Date.

(iv) If the Variable Rate Program Bonds to be covered are in the Term Rate Mode, the Conversion Date shall be the first day of any Interest Period for such Variable Rate Program Bonds if the Conversion Notice is given by 4:00 P.M., Eastern Time on the Business Day which is at least the 14th calendar day prior to the Conversion Date.

(c) The applicable Variable Rate Program Bonds shall be covered by the Initial Facility only if, on or before the applicable Conversion Date:

(i) The Trustee shall have been furnished the Initial Facility providing for (A) the Initial Available Principal Commitment and the Initial Available Interest Commitment, (B) an effective date on and as of the Conversion Date so as to make the Initial Facility applicable to all purchases of Variable Rate Program Bonds (including all purchases pursuant to Sections 5.2 and 5.3 of this Exhibit A) occurring on and after the Conversion Date and (C) a stated expiration date not earlier than 1 year after the Conversion Date.

(ii) There shall have been delivered an opinion of counsel for the provider of the Initial Facility as to its valid, binding and enforceable nature, in form and substance satisfactory to the Remarketing Agent and the University;

(iii) The University shall have adopted a supplement or amendment to the Program Supplement adopted by the University supplementing or amending the provisions of the Program Supplement to the extent necessary to give effect to the Initial Facility and the ability to provide for Substitute Facilities, and to implement the terms of the Initial Facility and the Substitute Facilities. Notwithstanding anything to the contrary contained in the Indenture, any such supplement or amendment shall be fully effective upon the filing of a certified copy thereof with the Trustee, and such effectiveness shall not be conditional upon obtaining the consent of any Holder, the Trustee or any other person or entity.

(iv) A Favorable Opinion of Bond Counsel with respect to the obtaining and effectiveness of the Initial Facility and the matters and actions contemplated by clause (iii) above.

(v) The Trustee shall have received evidence that upon the effective date of the Initial Facility, the Variable Rate Program Bonds shall be rated not lower than A-1 by S&P, F-1 by Fitch and VMIG-1 by Moody's, respectively.

(d) If the conditions set forth in subsections (b) and (c) of this Section are not timely satisfied, then the Initial Facility shall not become effective.

(e) If the conditions set forth in subsections (b) and (c) of this Section are timely satisfied, then the Initial Facility shall become effective on the applicable Conversion Date and with respect to the Variable Rate Program Bonds to be covered.

Section 5.2 Mandatory Purchase of Variable Rate Program Bonds in the Daily or Weekly Mode on the Conversion Date. If the applicable Variable Rate Program Bonds are in the Daily Mode or the Weekly Mode on the applicable Conversion Date, such Program Bonds shall be subject to mandatory purchase on the Conversion Date at a purchase price of the principal amount thereof plus accrued and unpaid interest, if any. The Trustee shall give notice of such mandatory purchase by mail to the then Holders of the Variable Rate Program Bonds not less than the eighth day prior to such date of purchase. The notice shall state the purchase date, the purchase price and that the interest on such Variable Rate Program Bonds shall cease to accrue from and after such purchase date. The failure to mail such notice with respect to any such Variable Rate Program Bond shall not affect the validity of the mandatory purchase of any such Variable Rate Program Bond with respect to which notice was so mailed. Any notice mailed will be conclusively presumed to have been given, whether or not actually received by any Holder. Variable Rate Program Bonds purchased pursuant to this Section shall be delivered by the Holder (with all necessary endorsements) to the designated corporate trust office of the Trustee in New Albany, Ohio, at or before 12:00 noon, Eastern Time on such purchase date, and payment of the purchase price of such Variable Rate Program Bonds shall be made by wire transfer in immediately available funds by the Paying Agent by 2:30 P.M., Eastern Time on such purchase date.

Section 5.3 Mandatory Purchase of Variable Rate Program Bonds in the Commercial Paper and Term Rate Modes on the Conversion Date. If the applicable Variable Rate Program Bonds are in the Commercial Paper or Term Rate Mode on the Conversion Date, they shall be subject to mandatory purchase on the Conversion Date applicable thereto pursuant to, respectively, Sections 4.2 and 4.4 of this Exhibit A in light of the fact that such Conversion Date is also, respectively, a Purchase Date for such Variable Rate Program Bonds

Section 5.4 Provisions Applicable to Mandatory Purchases.

(a) The provisions of this Section shall be applicable to purchases of Variable Rate Program Bonds pursuant to Section 5.2 and 5.3.

(b) Said Variable Rate Program Bonds shall be remarketed by the Remarketing Agent in accordance with the provisions of Section 4.5 of this Exhibit A.

(c) Payment of the purchase price for said Variable Rate Program Bonds shall be made from the following sources in the order of priority indicated: (i) the proceeds of such remarketing and (ii) if and to the extent such proceeds are insufficient, drawings under the Initial Facility and, (iii) if funds are not available from the Initial Facility, from required payments to be made by the University pursuant to Section 4.5(c)(ii) of this Exhibit A.

(d) Drawings under any Credit Support Instrument of the amount of such deficiency will be made in accordance with the provisions of the Program Supplement (as the same may have been supplemented or amended in accordance with Section 5.1(c)(iii) of this Exhibit A) relating to drawings under the Initial Facility.

Section 5.5 Certain Defined Terms. As used in this Part, the following terms shall have the indicated meanings:

"Initial Available Interest Commitment" means the number of days of interest, computed on the basis of an interest rate on the principal of all the affected Variable Rate Program Bonds Outstanding on the Conversion Date, each as specified by the University. Nothing herein shall prohibit adjustments to the Initial Available Interest Commitment after the Conversion Date if and to the extent provided for by the Initial Facility or a Substitute Facility.

"Initial Available Principal Commitment" means an amount equal to the principal of all affected Variable Rate Program Bonds Outstanding on the Conversion Date. Nothing herein shall prohibit adjustments to the Initial Available Principal Component after the Conversion Date if and to the extent provided for by the Initial Facility or a Substitute Facility.

"Initial Facility" means any Credit Support Instrument which first provides liquidity or credit support or both for some or all of the Variable Rate Program Bonds.

"Substitute Facility" means any Credit Support Instrument which provides liquidity or credit support or both for some or all of the Variable Rate Program Bonds that becomes effective subsequent to the effectiveness of the Initial Facility or any prior effective Substitute Facility.

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