Ohio University

(a component unit of the State of Ohio)

Financial Statements

June 30, 2020 and 2019

OHIO AUDITOR OF STATE
KEITH FABER

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Board of Trustees
Ohio University
204 West Union Street
Athens, Ohio 45701

We have reviewed the *Independent Auditor's Report* of the Ohio University, Athens County, prepared by Crowe LLP, for the audit period July 1, 2019 through June 30, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

February 03, 2021

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Contents

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Ohio University
Athens, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Ohio University (the "University"), a component unit of the State of Ohio, and the aggregate discretely presented component units as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the auditor's 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, the auditor considers internal control relevant to the entity'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 entity'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.

(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Ohio University and the aggregate discretely presented component units as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A), the Schedule of University's Proportionate Share of the Net Pension Liability, the Schedule of University Pension Contributions, the Schedule of University's Proportionate Share of the Net OPEB Liability/Asset, and the Schedule of University Net OPEB Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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 audit 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.

Predecessor Auditor

The financial statements of Ohio University and the aggregate discretely presented component units as of June 30, 2019, were audited by other auditors whose report dated October 14, 2019, expressed an unmodified opinion on those statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2020 on our consideration of Ohio 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Ohio University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ohio University's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Columbus, Ohio
October 15, 2020

Management's discussion and analysis (MD&A) provides an unaudited overview of the financial position and activities of Ohio University for the year ended June 30, 2020, with selected comparative information for the years ended June 30, 2019 and 2018. The financial statements are prepared on the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recorded when the related liability is incurred. As the MD&A presentation includes highly summarized information, it should be read in conjunction with the accompanying financial statements and related notes to the financial statements. The financial statements, notes, and this discussion are the responsibility of the University management.

The Ohio University Foundation (the "Foundation") has been determined to be a component unit of the University. Accordingly, the Foundation is discretely presented in the University's financial statements. The Foundation's primary function is fundraising to supplement resources that are available to the University in support of its programs. The Foundation is governed by a separate board of trustees comprised of graduates and friends of the University. Nearly all the assets of the Foundation are restricted by donors to activities of the University. Ohio University provides both support for advancement operations as well as administrative support to the Foundation for critical business functions.

Financial Highlights

- The COVID-19 pandemic, along with pre-COVID-19 enrollment declines, have significantly impacted the University's fiscal year 2020 results. Net position changes, including the Governmental Accounting Standards Board (GASB) Statement Nos. 68 and 75, which require the recognition of liabilities/assets for the unfunded pension and other postemployment benefits (OPEB) from the state retirement systems, were a negative $30.2 million at June 30, 2020 as compared to a positive $49.5 million at June 30, 2019. The table below represents the activity for the University with the unfunded pension and OPEB adjustments listed separately.
- Without the effects of the unfunded pension and OPEB adjustments, net position for the University increased $7.4 million during fiscal year 2020 as compared to an increase of $51.4 million in fiscal year 2019.

Changes in net position represent the University's results for the year and are summarized for the years ended June 30, 2020, 2019, and 2018 as follows:

(in thousands)	2020	2019	2018
Operating revenues	$ 473,423	$ 519,988	$ 518,217
Other nonoperating revenues	72,689	64,677	72,938
State appropriations	176,388	171,866	166,023
Total expenses excluding unfunded pension & OPEB adjustments	736,310	734,677	725,461
Subtotal	(13,810)	21,854	31,717
Net investment income	21,219	29,554	28,985
Increase in net position excluding unfunded pension & OPEB adjustments	7,409	51,408	60,702
Unfunded pension and OPEB adjustments	37,579	1,943	(97,397)
Increase (decrease) in net position	$ (30,170)	$ 49,465	$ 158,099

- Due to the global COVID-19 pandemic the University transitioned to remote learning during the spring 2020 semester. Residence halls and culinary venues were closed and $17.9 million in refunds were issued for a prorated amount of the spring residence hall room and culinary board fees. An additional $1 million in revenue was also refunded for class/program fees and parking refunds.
- On March 27, 2020 the Coronavirus Aid, Relief and Economic Security (CARES) Act was enacted and signed into law. During fiscal year 2020 the University recognized $8.3 million of federal Higher Education Emergency Relief Funds (HEERF) as other nonoperating revenue. As required by the Act, half of the funds, $4.15 million, were awarded as emergency financial aid grants to students and recorded as a student aid expenditure. The institutional portion, $4.15 million, was used to cover costs associated with the disruption of campus operations from coronavirus.
- Student tuition and fees revenues decreased due to declines in undergraduate enrollment. There were also increases in scholarships partially driven by a 30% summer scholarship initiative that provided financial assistance to undergraduate students impacted by COVID-19 and supported student success initiatives by keeping students engaged in summer coursework. The total decrease to net student tuition and fees was $13.8 million for fiscal year 2020.
- In May 2020, the Chancellor of the Ohio Department of Higher Education announced a 3.8% mid-year cut to the state share of instruction (SSI) in response to declining state tax revenues associated with COVID-19. This reduced the amount of state appropriations revenue the University was due to receive, in fiscal year 2020, by $6.9 million. State Appropriation revenue still increased by $4.5 million mainly due to increased appropriations designated for specific programs.
- Strategic expense reductions during fiscal year 2020 included personnel-related reorganizations and reductions-in-force. In addition, early retirement and voluntary separation incentive plans were offered to eligible faculty and American Federation of State, County and Municipal Employees (AFSCME) custodial staff to encourage participation and achieve voluntary reductions-in-force within targeted employee groups. The costs associated with these plans was $11.3 million and is included in operating expenditures in fiscal year 2020. Due to COVID-19 travel was restricted, and spending controls were put in place.
- Investment income decreased $8.3 million from fiscal year 2019 to fiscal year 2020. The University's investment income is comprised of interest, dividends, realized gains (losses), and unrealized gains (losses). Investment income stems from two primary sources. First, the University's endowment assets, as well as a portion of its working capital, are invested in a long-term, broadly diversified portfolio. This "long-term pool" achieved a return of 1.61% for fiscal year 2020, outperforming its diversified benchmark of -.26% for the same period. Additionally, a portion of the University's working capital is invested in several tiers of investment-grade fixed-income securities. Tier II working capital investments achieved a return of 2.83% for fiscal year 2020, slightly underperforming its benchmark of 2.86% for the same period. The Tier III working capital investments achieved a return of 6.43%, underperforming its benchmark of 7.23% for the same period.
- On July 18, 2019 the Muskingum Recreation Center (MRC) Board unanimously adopted a resolution that approved a restructuring plan that made MRC a component unit of Ohio University. On August 13, 2019 the University entered into agreements with MRC and members of the MRC to formalize the plan and assume responsibility for the liabilities and obligations of the MRC. On September 10, 2019 the University paid the entire outstanding principal and interest satisfying the terms of an MRC loan as referenced in Note 7.
- On April 1, 2020, the University issued general receipts obligations Series 2020 for new construction and upgrades to capital facilities, to pay the issuance costs of the bonds, and to advance refund the callable Series

2012 and Series 2013 bonds. Detailed information exists in Note 7 related to borrowings and retirements for fiscal years 2020 and 2019.

- The unfunded pension and OPEB liabilities/asset will change each year based on the University's proportionate share of contributions to the pension plans relative to total contributions of all participating employers to the plans. The net pension and OPEB liabilities/asset are determined by actuarial valuations as of the measurement dates of the retirement plans. The effect of changes in the net pension and OPEB liabilities/asset due to the differences between projected and actual investment earnings, differences between expected and actual experience, change in assumptions about economic and demographic factors, and change in the employer's proportionate share of net pension and OPEB liabilities/asset result in changes to deferred outflows of resources and deferred inflows of resources. The current year impact from these factors is a decrease to net position of $37.6 million. The impact for fiscal year 2019 was a decrease to net position of $1.9 million.

Statement of Net Position

The statement of net position is the University's balance sheet. It reflects the total assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (equity) of the University as of the end of the fiscal year. Net position represents the residual interest in the University's assets and deferred outflows of resources after the deduction of its liabilities and deferred inflows of resources. The change in net position measures whether the overall financial condition has improved or deteriorated during the year. Except for capital assets, all other assets and liabilities are measured at a point in time using current values. Capital assets are recorded at historical costs less an allowance for depreciation.

The following is a summary of the statement of net position for the three years ended June 30, 2020:

(in thousands)	2020	2019	2018
Assets:			
Current assets	$ 454,790	$ 476,528	$ 447,631
Capital assets, net	1,126,526	1,067,021	1,042,192
Other assets	423,320	412,468	405,838
Total assets	2,004,636	1,956,017	1,895,661
Deferred outflows of resources	106,980	130,921	117,929
Liabilities:			
Current liabilities	123,618	136,685	135,887
Noncurrent liabilities	1,197,212	1,172,659	1,156,570
Total liabilities	1,320,830	1,309,344	1,292,457
Deferred inflows of resources	112,646	69,284	62,288
Total net position	$ 678,140	$ 708,310	$ 658,845

- **Assets** - Total assets grew by $48.6 million as a result of the following changes:
  - Cash and cash equivalents decreased $4.9 million due primarily to decreased student receipts.
  - Current investments decreased by $14.4 million due to positive investment returns earned on intermediate-term and long-term working capital investments, which were offset by a $25 million withdrawal to bolster operational cash balances that had declined due to COVID-19.

- Accounts receivable decreased $3.5 million and is mainly made up of a $1.5 million decrease in royalties receivable due to the expiration of a patent, a $1.2 million decrease in funds due from the State of Ohio for capital activity, and a $0.9 million decrease in healthcare rebates receivable due to the timing of the receipt.
- Restricted cash and cash equivalents increased $26.2 million due to funds from the new bond issue offset by continued spending of prior year bond funds.
- Noncurrent investments decreased by $14.5 million due to investment income of $7.9 million, which was offset by $22.4 million in spending of the century bond funds on construction projects.
- Endowment investments increased by $1.3 million due to increases for $2.5 million of investment income and $3.7 million of transfers into quasi-endowments offset by a decrease of $4.9 million of distributions for spending.
- Net capital assets increased by $59.5 million due to spending on capital projects, machinery, and equipment offset by depreciation.

• **Deferred Outflows of Resources** – Decreased $23.9 million as a result of the following changes:

- Deferred outflows related to pensions decreased $43.2 million and deferred outflows related to OPEB increased $20.5 million. There are multiple factors affecting these changes, please see Note 11 for detailed information.
- Deferred outflows – other decreased $1.2 million due to writing off the Series 2001, 2003 and 2004 deferred losses that were recorded when these bonds were refunded as part of the Series 2012 and 2013 bond issues. The Series 2012 and 2013 bonds were advance refunded in fiscal year 2020. The remaining Series 2008A deferred loss, from an advance refunding, is being amortized over the life of the refunded bond issue.

• **Liabilities** - Total liabilities increased by $11.5 million as a result of the following changes:

- Accounts payable and accrued liabilities decreased $0.3 million due to a $3.1 million decrease in vendor payables caused mainly by the timing of payments, a $2.5 million decrease in the liability for the Muskingum Recreation Center note due to payment during fiscal year 2020, and a $0.5 million decrease in royalties for payments due to inventors, offset by increases of $1.1 million in the reserve for legal claims due to adjustments to estimates and a $4.7 million increase in accrued payroll due mainly to increased accruals for severance pay.
- Unearned revenue decreased $11.2 million mainly driven by large grant deferrals for construction related activities at June 30, 2019 that were recognized as revenue during fiscal year 2020.
- Other noncurrent liabilities increased $6.1 million and includes $5.8 million of scheduled payments for the voluntary separation and retirement program.
- Long-term debt increased $45.5 million. This increase is due to the new bond issue offset by principal payments on existing bonds. Please see Note 7 for more information on issuances and repayments of debt.
- Net pension liability decreased $48.9 million and net OPEB liability increased $22.3 million. Although the University is required to record the net pension and net OPEB liabilities, the University is not setting aside reserve cash balances or budgeting to fund these liabilities.

- **Deferred Inflows of Resources** - Increased $43.4 million as a result of the following changes:
  - Deferred inflows related to pensions increased $31.9 million and deferred inflows related to OPEB increased $9.2 million. There are multiple factors affecting these changes, please see Note 11 for detailed information.
  - Deferred gain on bond refunding increased $2.3 million due primarily to the $2.4 million gain on advance refunding the Series 2012 and 2013 bonds as part of the Series 2020 bond issue. The deferred gains are amortized over the life of the refunded bond issues.

- **Net Position** - Is classified into three major categories:
  - Net investment in capital assets - The net equity in property, plant, and equipment owned by the University.
  - Restricted - Owned by the University, but the use or purpose of the funds is restricted by an external source or entity. The restricted category is subdivided further into nonexpendable and expendable.
    - Restricted nonexpendable - Endowment funds whose principal may be invested; however, only interest, dividends, and capital gains may be spent.
    - Restricted expendable - May be spent by the institution, but only for the purpose specified by the donor, grantor, or other external entity. This category includes the unspent balance in grant funds, loan funds, debt service funds, and the interest, dividends, and capital gains on endowment funds.
  - Unrestricted - Resources derived primarily from student tuition, fees, state appropriations, and auxiliary enterprises. These are used for the general obligations of the University and may be used at the discretion of the board of trustees for any purpose furthering the University's mission.

Net position for the three years ended June 30, 2020 is as follows:

(in thousands)	2020	2019	2018
Net Investment in capital assets	$ 692,388	$ 683,457	$ 663,338
Restricted:			
Nonexpendable	22,682	22,727	22,640
Expendable	28,443	29,829	32,981
Total Restricted	51,125	52,556	55,621
Unrestricted	(65,373)	(27,703)	(60,114)
Total net position	$ 678,140	$ 708,310	$ 658,845

Total net position decreased $30.2 million in fiscal year 2020. This includes an increase of $7.4 million offset by a $37.6 million decrease for the current year impact of GASB Statement Nos. 68 and 75. There is a long-term strategy in place to position the University to remain relevant and competitive. This strategy encompasses prudent resource planning and utilization including:

- Managing expenses while strategically investing in new programs.
- Creating reserves for protection from revenue shortfalls and improvement in the financial strength of the University.
- Management of cash flows, reserve balances and debt in a strategic manner.

Statement of Revenues, Expenses, and Changes in Net Position
The statement of revenues, expenses, and changes in net position is the University's income statement and presents the results of operations. 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.

In accordance with GASB reporting principles, the revenues and expenses are primarily reported as either operating or nonoperating. Revenue is generated by providing goods and services to customers, predominately students. Nonoperating revenue includes the instructional subsidy from the State of Ohio, which Ohio University relies upon for current operations. Other revenue includes state capital appropriations. Operating expenses include all expenses except for interest on debt and disposal and write-offs of plant facilities, which are reported as nonoperating expenses.

The following is a summary of the statement of revenues, expenses, and changes in net position for the three years ended June 30, 2020:

(in thousands)	2020	2019	2018
Net position - Beginning of year	$ 708,310	$ 658,845	$ 500,746
Operating revenues	473,423	519,987	518,217
Operating expenses	739,371	701,919	592,975
Operating loss	(265,948)	(181,932)	(74,758)
Net nonoperating revenue	212,675	210,757	204,653
Income (loss) before other revenue	(53,273)	28,825	129,895
Other revenue	23,103	20,640	28,204
Increase (decrease) in net position	(30,170)	49,465	158,099
Net position - End of year	$ 678,140	$ 708,310	$ 658,845

Highlights from the statement of revenues, expenses, and changes in net position include:

- Operating revenues decreased $46.6 million for fiscal year 2020.
    - Net student tuition and fees revenue decreased $13.8 million and is comprised of a $12 million decrease in student tuition and fees and a $1.8 million increase in scholarships. The revenue decrease was driven by enrollment declines for undergraduate students on Athens campus as well as declines for regional campuses and online programs.
    - Net auxiliary enterprises revenue decreased $27.5 million and includes decreases of $10.4 million for residential life room refunds and $7.5 million for culinary board refunds due to the closures for COVID-19 during spring semester. Additionally, there were decreases in room revenue of $1.8 million and board revenue of $2.8 million, due mainly to declining undergraduate enrollment. Other auxiliary revenue decreases include $2.5 million related to a fiscal year 2019 nonrecurring multi-media rights contract and a $0.8 million decrease for NCAA revenues for intercollegiate athletics. There were also revenue decreases for printing services, food and beverage sales, and parking and transportation services during fiscal year 2020.
    - Grants and contracts included in the operating revenue category increased $3.8 million for fiscal year 2020 due to the cyclical nature of grant funding.

  - Sales and services revenue decreased $3.3 million mainly due to COVID-19 related closures and includes decreases in computer and accessory sales, clinical medical services, registration fees, facility rentals, and professional services revenue.
  - Other sources revenue decreased $3.4 million and includes decreases for rebates from contractual obligations and research consortium memberships.
- Operating expenses increased $37.5 million for fiscal year 2020.
  - The biggest factor causing this increase was the unfunded pension and OPEB adjustments. There were increases to pension expense of $37.6 million and $1.9 million, in fiscal years 2020 and 2019, respectively, causing a net $35.7 increase in operating expense. Without this effect, operating expenses only increased a net $1.4 million.
  - Auxiliary enterprises expense decreases for cost of goods sold, mainly related to food costs, supplies and services, utilities, and salaries and wages totaled $9.4 million for fiscal year 2020, excluding the functionally allocated unfunded pension and OPEB expenses.
  - Student aid expense increased $5.1 million and included $4.2 million of HEERF grant funds awarded as emergency aid to students.
  - Early retirement incentive plans were offered to eligible faculty and AFSCME custodial staff to encourage participation and achieve voluntary reductions-in-force within targeted employee groups. The costs associated with these plans was $11.3 million in fiscal year 2020.
  - Position abolishments due to University-wide realignments as well as departmental reorganizations caused an increase in severance cost of $1.8 million for fiscal year 2020.
  - Travel and entertainment costs decreased $4.7 million during fiscal year 2020, mainly due to travel restrictions related to COVID-19.
  - Depreciation expense increased $1.9 million for fiscal year 2020 due to increased capital expenditures in recent years.
  - Increases in grants and contracts revenue would also cause a corresponding increase in operating expenditures.
- Net nonoperating revenue increased $1.9 million for fiscal year 2020.
  - State appropriations increased $4.5 million driven by an increase of $3 million restricted for specific purposes.
  - The University recognized $8.3 million of federal HEERF revenue during fiscal year 2020.
  - Federal Pell grant revenue decreased $3.8 million due to decreased student enrollment.
  - Net investment income decreased $8.3 million, caused by uncertainty in the markets due to COVID-19.
- Other revenue increased $2.5 million due to increases of $0.8 million in State capital appropriations and $1.7 million in capital grants and gifts due to the timing and increased spending on capital projects.

One of the University's operational strengths is the diverse streams of revenue that supplement its student tuition and fees. This includes private support from individuals, foundations, and corporations, along with government and other sponsored programs, state appropriations, and investment income. Consistent with its mission, the University continues to seek funding from all possible sources to supplement student tuition and to responsibly manage financial resources used to fund operating activities.

A comparison of operating and nonoperating revenue for the three years ended June 30, 2020 is as follows:

(in thousands)	2020	% of Total	2019	% of Total	2018	% of Total
Student tuition and fees, net	$ 322,714	43.4%	$ 336,510	42.8%	$ 338,879	43.1%
State appropriations	176,388	23.7%	171,866	21.9%	166,023	21.1%
Gifts, grants, and contracts	78,865	10.6%	64,061	8.1%	59,059	7.5%
Auxiliary enterprises, net	70,829	9.5%	98,280	12.5%	97,056	12.3%
Pell grants	32,168	4.3%	35,944	4.6%	36,438	4.6%
Investment income, net	21,219	2.9%	29,554	3.8%	28,985	3.7%
Sales and services	15,680	2.1%	19,016	2.4%	21,697	2.8%
State capital appropriations	12,662	1.7%	11,917	1.5%	19,617	2.5%
Other sources	10,199	1.4%	13,557	1.7%	13,005	1.7%
Royalties	2,994	0.4%	5,379	0.7%	5,404	0.7%
Total operating and nonoperating revenue	$ 743,718	100.0%	$ 786,084	100.0%	$ 786,163	100.0%

Although student tuition and fees revenues are decreasing, it increased to 43.4% of total revenue for fiscal year 2020 from 42.8% of total revenue for fiscal year 2019. State appropriations continue to increase and are up $4.5 million for fiscal year 2020; as a percentage of total revenue it is also increasing. Auxiliary revenue for fiscal year 2020 includes a decrease of $18 million in refunds due to COVID-19. Gifts, grants, and contracts include $8.3 million of HEERF revenue in fiscal year 2020.

A comparison of operating and nonoperating expenses for the three years ended June 30, 2020 is as follows:

(in thousands)	2020	% of Total	2019	% of Total	2018	% of Total
Instruction	$ 275,362	35.7%	$ 253,032	34.4%	$ 208,744	33.2%
Auxiliary enterprises	82,216	10.6%	88,621	12.0%	79,813	12.7%
Academic support	78,100	10.1%	80,064	10.9%	66,937	10.7%
Depreciation	58,330	7.5%	56,416	7.7%	53,134	8.5%
Institutional support	55,630	7.2%	49,307	6.7%	39,124	6.2%
Student services	53,658	6.9%	49,373	6.7%	37,682	6.0%
Operation and maintenance of plant	51,524	6.7%	44,852	6.1%	36,754	5.8%
Research	39,358	5.1%	41,553	5.5%	40,117	6.4%
Public service	29,793	3.8%	28,397	3.9%	21,716	3.5%
Interest on debt	27,969	3.6%	27,923	3.8%	27,683	4.4%
Student aid	15,401	2.0%	10,304	1.4%	8,954	1.4%
Other nonoperating expense	6,548	0.8%	6,778	0.9%	7,406	1.2%
Total operating and nonoperating expenses	$ 773,889	100.0%	$ 736,620	100.0%	$ 628,064	100.0%

The unfunded pension and OPEB adjustments are functionally allocated causing large variances in expenditures and making many of the amounts on the chart above difficult to compare year over year. A review of the order of functional expenditures, and percent of total comparisons, are more useful.

Student aid is listed as an operating expenditure and is defined as the funds a student receives for financial aid in excess of his or her tuition and fees for a given term that is then disbursed back to the student. For fiscal year 2020 this includes $4.2 million in emergency aid to students from the HEERF grant. This should be added to scholarships, which are shown as offsetting tuition and fees and auxiliary enterprises revenue, to determine total scholarships and aid awarded for the fiscal year.

The University continues to make cost containment a priority. This strategy will allow the University to direct financial resources to the most strategic activities of the institution. This is critical as the University continues to face significant financial pressures, mainly in the areas of deferred maintenance of buildings and infrastructure as well as compensation and benefits. In addition to a functional classification of expenses above, the University has prepared operating expenses by natural classification in Note 9 to the financial statements.

Statement of Cash Flows

The statement of cash flows provides additional information about the University's financial results and presents detailed information about the major sources and uses of cash for the institution for the fiscal year. The cash flow analysis is divided into four sections: (1) operating activities, (2) noncapital financing activities (which include state appropriations as well as gift revenue), (3) capital and related financing activities (which include debt activity), and (4) investing activities.

A comparative summary of the statement of cash flows for the three years ended June 30, 2020 is as follows:

(in thousands)	2020	2019	2018
Cash (used in) provided by:			
Operating activities	$ (175,286)	$ (109,668)	$ (115,201)
Noncapital financing activities	226,841	217,991	212,144
Capital financing activities	(79,376)	(105,388)	(96,720)
Investing activities	49,104	15,058	8,947
Net increase in cash	21,283	17,992	9,170
Cash - Beginning of year	160,285	142,293	133,123
Cash - End of year	$ 181,568	$ 160,285	$ 142,293

Capital Assets

The University made significant additions to capital assets during fiscal year 2020. These capital asset additions were financed with University funds, bond funds, state capital appropriations, gifts, and grants. The largest additions to capital during the fiscal year were the construction of utilities for the new Heritage College of Medicine (HCOM) building, the Bush Airport Taxiway improvements, infrastructure improvements to Bromley Hall, and various improvements to the Ridges facilities, including building renovations, a parking lot addition, and utility improvements.

Major investments to construction in progress during fiscal year 2020, which will greatly enhance the University's facilities in fiscal year 2021 and beyond, include $25.2 million for the new Chemistry Building, $15.2 million for the new Chilled Water Plant, $29.1 million for the new HCOM Building, and $5.7 million for updates to the chilled water distribution system.

Cumulative costs associated with capital projects continuing after the fiscal year ended June 30, 2020 total $111.4 million and are included in capital assets as construction in progress. More detailed information about the University's capital assets are presented in Note 5 to the financial statements.

Debt Administration

As of June 30, 2020, the University had $652.6 million in bonds and notes outstanding, compared to $592.4 million at the end of 2019. The increase is due to the issuance of $222.6 million of Series 2020 bonds offset by annual principal payments. On April 1, 2020, the University issued general receipts obligations Series 2020 for new construction and upgrades to capital facilities, to pay the issuance costs of the bonds, and to advance refund the callable Series 2012 and Series 2013 bonds. Detailed information exists in Note 7 related to borrowings and retirements for fiscal years 2020 and 2019.

Ohio University takes its stewardship responsibility seriously and works diligently to manage the institution's resources effectively, including the use of debt to finance capital projects. The University is committed to using debt conservatively to maintain an acceptable credit rating and debt burden ratio. A solid debt rating and debt burden ratio is a key measurement of financial strength. Standard & Poor's and Moody's reaffirmed their long-term credit rating in February 2020. Standard & Poor's Rating Services' long-term rating on Ohio University's outstanding general and subordinated general receipts bonds is an "A+" with a "stable" outlook and Moody's Investors Service's rating is an "Aa3" with a "stable" outlook.

Additional debt issuances may be needed in the near future for the purpose of various academic and auxiliary facility needs.

Senate Bill 6 Ratios

Senate Bill 6 ratios, enacted into law in 1997 by the Ohio General Assembly, are used to assist the State in monitoring the financial accountability of state colleges and universities by using a standard set of measures with which to monitor the fiscal health of campuses. To meet the legislative intent, there are three ratios from which four scores are generated. The data and methodology used to compute the ratios are as follows:

- Expendable net position - The sum of unrestricted net position and restricted expendable net position
- Plant debt - Total debt, including bonds payable, notes payable, and capital lease obligations
- Total revenue - Total operating revenue, plus nonoperating revenue, plus capital appropriations, capital grants and gifts, and additions to permanent endowments

- Total operating expenses - Total operating expenses, plus interest on long-term debt
- Total nonoperating expenses - All expenses reported as nonoperating except for interest expense
- Change in total net position - Total revenue less total expenses (operating and nonoperating)

The methodology for calculating the three ratios is as follows:

- Viability Ratio = Expendable Net Position/Plant Debt
    - This ratio measures the availability of expendable net position to cover debt should the institution need to settle its obligations as of the balance sheet date.
- Primary Reserve Ratio = Expendable Net Position/Total Operating Expenses

  - This ratio provides a snapshot of financial strength and flexibility by indicating how long the institution could function using its expendable reserves without relying on additional net position generated by operations.
- Net Income Ratio = Change in Total Net Position/Total Revenue
  - This ratio offers a measure of profitability as a percentage of all institutional revenue including revenue received for capital needs.

Based on the calculations, each ratio is assigned a score ranging from zero to five according to the table below. A score of 5 indicates the highest degree of fiscal strength in each category.

Scores	0	1	2	3	4	5
Viability Ratio	less than 0	0 to 0.29	0.30 to 0.59	0.6 to 0.99	1.0 to 2.5	greater than 2.5
Primary Reserve Ratio	less than -0.1	-0.1 to 0.049	0.05 to 0.099	0.10 to 0.249	0.25 to 0.49	0.5 or greater
Net Income Ratio	less than -.05	-0.05 to 0	0 to 0.009	0.01 to 0.029	0.03 to 0.049	0.05 or greater

Based on these scores, a summary score, termed the composite score, is determined, which is the primary indicator of fiscal health. The composite score equals the sum of the assigned viability score multiplied by 30%, the assigned primary reserve score multiplied by 50%, and the assigned net income score multiplied by 20%.

In an effort to appropriately recognize the incorporation of GASB Statement Nos. 68 for the unfunded pension liability and No. 75 for the unfunded OPEB liability/asset as an accounting change rather than a structural change in the true financial condition of the institution, the Ohio Department of Higher Education will calculate institutional financial ratios from fiscal year 2015 onward both including and excluding associated impacts of those GASB Statements. Pursuant to administrative rule (126:3-1-01) established in response to Senate Bill 6 of the 122nd General Assembly, a composite score of or below 1.75 for two consecutive years results in an institution being placed on fiscal watch. For the purposes of this determination, the Chancellor will utilize composite scores excluding associated impacts of GASB Statement Nos. 68 and 75.

We have presented the ratios and scores excluding the effects of GASB Statement Nos. 68 and 75 as summarized below:

	2020		2019		2018	
	Ratio	Score	Ratio	Score	Ratio	Score
Viability Ratio	0.702	3	0.775	3	0.704	3
Primary Reserve Ratio	0.628	5	0.632	5	0.597	5
Net Income Ratio	0.0099	2	0.062	5	0.077	5
Viability Score (30%)		0.9		0.9		0.9
Primary Reserve Score (50%)		2.5		2.5		2.5
Net Income Score (20%)		0.4		1.0		1.0
Composite Score		3.8		4.4		4.4

The viability ratio, which uses expendable net position as the numerator and debt as the denominator, has decreased due to the increase in debt this fiscal year. The primary reserve ratio, which uses expendable net position as the numerator and operating expenses as the denominator, has also slightly decreased during fiscal year 2020 due to an increase in operating expenses. The net income ratio has gone down the last 2 years as net position has decreased. Overall, the viability and primary reserve scores have not changed over the 3-year period presented. The net income score has decreased this year, causing the composite score to decrease from 4.4 each of the last 2 years to 3.8 for fiscal year 2020.

Economic Outlook

While the University is committed to operating as efficiently as possible and continues a collective focus on reducing expenses, it is also committed to maintaining investment in the University mission and strategic priorities. That level of investment will be balanced with the financial resources available in the University's competitive environment.

As we face dramatic shifts in the delivery of and demand for higher education across the nation, Ohio University must reclaim its position as an industry leader, actively redefining what public education can and should be and what it must deliver to a new generation of students. This commitment will require a renewed willingness to take strategic risks in the pursuit of meeting student expectations, improving outcomes, and delivering an education that provides lifelong value.

For fiscal year 2021 the University is anticipating receipt of additional CARES Act federal funding. The University will also receive the remaining CARES Act, Higher Education Emergency Relief Fund of $5.5 million for emergency student aid and the same amount for institutional costs. In addition, the State of Ohio is committed to providing $14.8 million in CARES Act Coronavirus Relief Funds, and the Federal Emergency Management Agency is providing $0.9 million for support of instruction and public health operations due to the public health emergency.

Ohio University has implemented administrative reductions and established academic strategies to rebalance the operating budget. COVID-19 has added additional uncertainty and accelerated our need to make changes. We are continually working to realign our budgeted expenses with our revenue realities.

As we continue to reimagine the University's academic enterprise through the University's 2025 Strategic Plan, we are committed to:

- Enacting administrative and academic benchmarking to right-size the institution.
- Investing in growing programs and developing new programs and certificates to poise the institution for strengthened academic quality and offerings.
- Exploring restructuring traditional campus, college, departmental, and administrative unit functions to ensure fiscal sustainability.
- Developing a budgetary model that is streamlined, data-driven, and more easily utilized by college and administrative units.

The University has identified a Strategic Framework that will guide decision-making. By advancing and realizing four themes, the University will move the institution in a new direction that is rooted in its history and values but not limited by traditional higher educational models. The Framework Themes are supported by 11 actionable initiatives that will help reshape Ohio University to lead the new world of higher education.

While it is not possible to predict the results, management believes that prudent planning and aligning resources to strategic priorities will allow the University to both maintain a strong financial position and successfully invest in strategic initiatives.

Requests for Information

This management's discussion and analysis is intended to provide additional information for the reader of the audited financial statements that follow. Further questions may be addressed to: Ohio University Controller's Office, 204 West Union Street Office Center, Athens, Ohio 45701.

Statements of Net Position

	June 30, 2020		June 30, 2019	
	Ohio University	The Ohio University Foundation	Ohio University	The Ohio University Foundation
Assets and Deferred Outflows of Resources				
Current Assets				
Cash and cash equivalents	$ 96,804,726	$ 11,228,543	$ 101,739,454	$ 23,056,904
Investments	286,981,525	53,902,455	301,338,143	53,007,152
Accounts and contributions receivable, net	52,624,045	4,592,630	56,128,966	6,329,300
Interest and dividends receivable	1,519,963	1,073,326	1,858,041	1,103,432
Notes receivable, net	1,222,410	-	1,325,777	-
Prepaid expenses	12,481,411	232,117	11,170,377	299,878
Inventories	3,156,173	129,939	2,967,016	155,277
Total current assets	454,790,253	71,159,010	476,527,774	83,951,943
Noncurrent Assets				
Restricted cash and cash equivalents	84,763,742	-	58,545,330	-
Contributions receivable, net	-	3,452,550	-	3,438,292
Bequests receivable	-	2,142,197	-	2,618,096
Cash surrender value of life insurance	-	1,206,424	-	1,247,498
Charitable gift annuities and trusts	-	19,274,600	-	19,487,086
Investments - noncurrent	210,853,047	5,664,370	225,355,685	5,673,767
Endowment investments	102,829,448	455,375,223	101,487,734	445,547,394
Notes receivable - noncurrent, net	9,849,172	-	11,661,680	-
Net OPEB asset	15,025,409	-	15,418,000	-
Assets held for sale	-	-	-	85,000
Capital assets, net	1,126,525,543	11,816,723	1,067,021,177	10,310,397
Total noncurrent assets	1,549,846,361	498,932,087	1,479,489,606	488,407,530
Total assets	2,004,636,614	570,091,097	1,956,017,380	572,359,473
Deferred Outflows of Resources				
Deferred outflows related to pensions	76,102,305	-	119,337,405	-
Deferred outflows related to OPEB	30,375,633	-	9,870,869	-
Deferred outflows - other	502,182	-	1,712,515	-
Total deferred outflows of resources	106,980,120	-	130,920,789	-
Total Assets and Deferred Outflows of Resources	$ 2,111,616,734	$ 570,091,097	$ 2,086,938,169	$ 572,359,473

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

Statements of Net Position (Continued)

	June 30, 2020		June 30, 2019	
	Ohio University	The Ohio University Foundation	Ohio University	The Ohio University Foundation
Liabilities, Deferred Inflows of Resources, and Net Position				
Current Liabilities				
Accounts payable and accrued liabilities	$ 74,592,392	$ 1,564,958	$ 74,859,555	$ 1,691,175
Unearned revenue	30,368,931	-	41,612,250	-
Deposits and other liabilities	3,896,776	5,643,170	3,219,570	4,889,377
Long-term debt - current portion	13,448,271	543,196	15,732,942	515,312
Funds held on behalf of others	1,311,995	440,632	1,260,576	508,689
Total current liabilities	123,618,365	8,191,956	136,684,893	7,604,553
Noncurrent Liabilities				
Compensated absences	18,212,564	-	18,177,513	-
Other noncurrent liabilities	17,102,282	-	10,970,107	-
Long-term debt	647,419,175	1,320,559	601,908,755	1,861,657
Net pension liability	381,640,538	-	430,564,817	-
Net OPEB liability	125,213,548	-	102,900,612	-
Refundable advances, federal student loans	7,624,160	-	8,137,692	-
Total noncurrent liabilities	1,197,212,267	1,320,559	1,172,659,496	1,861,657
Total liabilities	1,320,830,632	9,512,515	1,309,344,389	9,466,210
Deferred Inflows of Resources				
Deferred inflows related to pensions	69,209,953	-	37,341,235	-
Deferred inflows related to OPEB	40,597,673	-	31,398,919	-
Deferred gain on bond refunding	2,838,524	-	543,530	-
Total deferred inflows of resources	112,646,150	-	69,283,684	-
Net Position				
Net investment in capital assets	692,388,436	11,422,711	683,456,996	9,480,080
Restricted:				
Nonexpendable:				
Endowments	22,681,571	236,394,816	22,726,678	229,596,213
Other	-	6,809,356	-	6,309,462
Expendable:				
Sponsored programs	4,181,987	-	2,315,055	-
Component unit funds	3,038,547	49,822,307	3,265,685	45,357,906
Capital projects and debt service funds	253,390	2,649,086	962,392	2,641,830
Loans	7,905,632	-	9,189,825	-
Endowments	13,063,629	136,628,529	14,096,778	149,582,493
Other	-	19,036,268	-	20,936,577
Unrestricted	(65,373,240)	97,815,509	(27,703,313)	98,988,702
Total net position	678,139,952	560,578,582	708,310,096	562,893,263
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 2,111,616,734	$ 570,091,097	$ 2,086,938,169	$ 572,359,473

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

Ohio University

Statements of Revenues, Expenses, and Changes in Net Position
Years ended June 30, 2020 and 2019

	2020		2019	
	Ohio University	The Ohio University Foundation	Ohio University	The Ohio University Foundation
Operating Revenues				
Student tuition and fees	$ 401,960,527	$ -	$ 413,998,912	$ -
Less: Pell grants	(27,466,728)	-	(30,319,114)	-
Less: Other scholarships	(51,779,830)	-	(47,169,457)	-
Net Student tuition and fees	322,713,969	-	336,510,341	-
Auxiliary enterprises	82,527,625	-	112,280,355	-
Less: Pell grants-room and board	(2,152,732)	-	(2,772,116)	-
Less: Other scholarships-room and board	(9,546,087)	-	(11,228,227)	-
Net Auxiliary enterprises	70,828,806	-	98,280,012	-
Federal grants and contracts	26,357,881	-	25,298,678	-
State and other grants and contracts	7,111,944	-	11,303,291	-
Private grants and contracts	17,549,653	-	10,648,211	-
Royalties	2,993,859	-	5,379,044	-
Sales and services	15,680,268	-	19,015,940	-
Other sources	10,187,115	5,469,993	13,551,593	7,188,138
Total operating revenues	473,423,495	5,469,993	519,987,110	7,188,138
Operating Expenses				
Educational and general:				
Instruction	275,361,839	3,018,255	253,032,135	3,885,261
Research	39,357,946	3,632,105	41,552,977	2,784,133
Public service	29,793,237	1,054,965	28,397,282	1,930,041
Academic support	78,100,260	1,129,510	80,063,944	2,391,788
Student services	53,658,210	511,889	49,372,524	579,679
Institutional support	55,629,669	19,893,215	49,306,712	18,787,256
Operation and maintenance of plant	51,523,393	-	44,852,017	-
Student aid (including Pell grants of $2,549,038 in 2020 and $2,852,798 in 2019 for Ohio University)	15,401,002	7,823,480	10,304,249	7,684,451
Depreciation	58,329,960	1,180,763	56,416,189	1,139,771
Auxiliary enterprises	82,215,886	-	88,620,810	-
Operating expenses - related entities	-	4,681,921	-	5,538,712
Total operating expenses	739,371,402	42,926,103	701,918,839	44,721,092
Operating Loss	$ (265,947,907)	$ (37,456,110)	$ (181,931,729)	$ (37,532,954)

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

Statements of Revenues, Expenses, and Changes in Net Position (Continued)
Years ended June 30, 2020 and 2019

	2020		2019	
	Ohio University	The Ohio University Foundation	Ohio University	The Ohio University Foundation
Nonoperating Revenue (Expenses)				
State appropriations	$ 176,387,998	$ -	$ 171,866,362	$ -
Higher Education Emergency Relief Fund (HEERF)	8,344,256	-	-	-
Federal grants - Pell	32,168,498	-	35,944,028	-
Federal grants nonexchange	2,829,826	-	2,689,148	-
State and other grants nonexchange	6,243,085	-	5,404,423	-
Private gifts	-	11,181,384	-	10,446,288
University support	-	5,121,492	-	4,626,138
Investment income, net	21,219,036	11,385,458	29,553,816	21,802,713
Interest on debt	(27,969,268)	-	(27,923,247)	-
Other nonoperating expense	(6,548,367)	-	(6,777,919)	-
Net nonoperating revenue	212,675,064	27,688,334	210,756,611	36,875,139
Income (Loss) Before Other Revenue	(53,272,843)	(9,767,776)	28,824,882	(657,815)
Other Revenue				
State capital appropriations	12,661,643	-	11,917,155	-
Capital grants and gifts	10,428,838	-	8,717,143	-
Additions to permanent endowments	12,218	7,453,095	5,555	11,814,357
Total other revenue	23,102,699	7,453,095	20,639,853	11,814,357
Increase (Decrease) in Net Position	(30,170,144)	(2,314,681)	49,464,735	11,156,542
Net Position				
Beginning of year	708,310,096	562,893,263	658,845,361	551,736,721
End of year	$ 678,139,952	$ 560,578,582	$ 708,310,096	$ 562,893,263

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

Statements of Cash Flows
Years ended June 30, 2020 and 2019

	Ohio University 2020	Ohio University 2019
Cash Flows From Operating Activities		
Student tuition and fees	$ 322,899,498	$ 333,456,529
Grants and contracts	40,839,517	50,615,812
Payments to suppliers	(144,664,979)	(139,923,135)
Payments to or on behalf of employees	(459,504,531)	(463,386,066)
Payments for scholarships and fellowships	(39,242,416)	(32,744,082)
Loans issued to students	(976,402)	(1,125,492)
Collection of loans from students	2,893,047	2,097,621
Auxiliary enterprise sales	70,816,443	97,591,845
Royalties	4,530,362	12,586,992
Sales and services	17,136,110	16,992,093
Other receipts	9,987,046	14,169,641
Net cash used in operating activities	(175,286,305)	(109,668,242)
Cash Flows From Noncapital Financing Activities		
State appropriations	176,387,998	171,866,362
Gifts and grants for other than capital purposes	49,597,883	44,043,154
Federal direct student loan program receipts	209,332,882	218,732,176
Federal direct student loan program disbursements	(209,477,644)	(217,954,016)
Student organization agency transactions	1,000,382	1,302,446
Net cash provided by noncapital financing activities	226,841,501	217,990,122
Cash Flows From Capital Financing Activities		
Proceeds from capital debt	222,575,000	-
State capital appropriations	13,903,063	14,287,474
Capital grants and gifts received	10,428,838	4,245,978
Purchases of capital assets	(118,137,480)	(78,228,629)
Principal paid on capital debt and leases	(179,349,251)	(16,210,009)
Interest paid on capital debt and leases	(28,795,361)	(29,482,850)
Net cash used in capital financing activities	(79,375,191)	(105,388,036)
Cash Flows From Investing Activities		
Proceeds from sales and maturities of investments	293,933,077	82,225,858
Investment income	14,251,589	16,157,098
Purchase of investments	(259,080,987)	(83,325,038)
Net cash provided by investing activities	49,103,679	15,057,918
Net Increase In Cash And Cash Equivalents	21,283,684	17,991,762
Cash And Cash Equivalents - Beginning of year	160,284,784	142,293,022
Cash And Cash Equivalents - End of year	$ 181,568,468	$ 160,284,784
Supplemental Disclosure of Noncash Activities -		
Construction in progress in accounts payable	$ 22,126,440	$ 18,299,678

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

Statements of Cash Flows (Continued)
Years ended June 30, 2020 and 2019

	Ohio University 2020	Ohio University 2019
Reconciliation of Operating Loss to Net Cash Used In Operating Activities:		
Operating loss	$ (265,947,907)	$ (181,931,729)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	58,329,960	56,416,189
Changes in operating assets and liabilities and deferred outflows of resources and deferred inflows of resources which (used) provided cash:		
Accounts receivable - net	3,569,259	4,664,685
Notes receivable - net	1,402,343	755,022
Prepaid expenses	(1,325,410)	(1,196,368)
Inventories	(189,156)	(386,886)
Net OPEB asset	392,591	(15,418,000)
Deferred outflows of resources related to pensions	43,235,100	(12,464,286)
Deferred outflows of resources related to OPEB	(20,504,764)	(657,018)
Accounts payable and accrued liabilities	1,861,664	8,561,463
Unearned revenue	(11,243,320)	2,256,494
Deposits and other liabilities	677,206	(749,628)
Net pension liability	(48,924,279)	54,195,553
Net OPEB liability	22,312,936	(30,740,917)
Deferred inflows of resources related to pensions	31,868,718	(12,506,588)
Deferred inflows of resources related to OPEB	9,198,754	19,533,772
Net Cash Used In Operating Activities	$ (175,286,305)	$ (109,668,242)

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

Note 1 - Organization, Basis of Presentation, and Significant Accounting Policies

Organization - Ohio University (the "University") is a public institution established by the State of Ohio (the "State") in 1804 under Chapter 3337 of the Ohio Revised Code (ORC). As such, it is a component unit of the State and is included as a discretely presented entity in the State's Comprehensive Annual Financial Report. The University is the oldest of the State-assisted universities in Ohio. It is defined by statute to be a body politic and corporate and an instrumentality of the State.

The University is governed by a board of trustees composed of nine trustees and two student trustees, all appointed by the governor. The board also includes two national trustees and the chair of the Ohio University Alumni Association Board of Directors or his or her designee. The two national trustees are appointed by the board for staggered three-year terms. The nine trustees appointed by the governor will hold voting privileges. The two student trustees, the two national trustees, and the chair of the Ohio University Alumni Association Board of Directors may not vote on board matters, but their opinions and advice will be actively solicited and welcomed in board deliberations.

Basis of Presentation - The financial statements of the University have been prepared in accordance with generally accepted accounting principles. The presentation provides a comprehensive, entity-wide perspective of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, and changes in net position, and the direct method of cash flow presentation.

Certain organizations warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the primary government, including their ongoing financial support of the primary government.

Management has determined that The Ohio University Foundation (the "Foundation") should be a discretely presented component unit in the University's financial statements. The Foundation is a separate legal 501(c)(3) entity, the University appoints the voting majority of their board, which is substantially different from the University board, and there is a financial benefit to/burden on the University, but no operational authority. The Foundation's financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles as prescribed by the Financial Accounting Standards Board. A separate financial report for the Foundation is available by contacting The Ohio University Foundation, 168 West Union Street Office Center, Athens, Ohio 45701, or by calling 740-593-1901. See Note 22 for additional disclosures regarding the Foundation.

Management has determined that Tech GROWTH Ohio Fund, University Medical Associates, Inc., the Coalition of Rural and Appalachian Schools, and Muskingum Recreation Center, should be presented as blended component units in the University's financial statements.

Tech GROWTH Ohio Fund (TGO) was established in August 2008, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The exclusive purpose of the organization is for charitable, educational, and scientific endeavors in areas involving the advancement of technology, and increasing technology-based and/or other entrepreneurial commercialization ventures throughout southeast Ohio, with a focus on strategic technology-based sectors that offer economic development prospects for the region. TGO meets the criteria for a blended component unit. The University appoints the voting majority of their board, there is a financial benefit to/burden on the University, and the University has operational authority. See Note 20 for more information.

University Medical Associates, Inc. (UMA) is a not-for-profit organization incorporated in the state of Ohio and has been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code and applicable state statutes. UMA provided medical services in private physician offices and clinic settings on the campus of Ohio University and surrounding locations. The assets and liabilities of UMA were sold to an outside party during fiscal year 2017. Trailing financial results are included in fiscal years 2019 and 2020. UMA continued to exist as a shell corporation to deal with malpractice and no longer employs the University's doctors or runs the University's clinic. UMA meets the criteria for a blended component unit. The University appoints the voting majority of their board, there is a financial benefit to/burden on the University, and the University has operational authority. UMA is in the process of being dissolved during fiscal year 2021.

Coalition of Rural and Appalachian Schools (CORAS) is a Regional Chapter of Governments pursuant to Chapter 167 of the Ohio Revised Code. CORAS is composed of 118 school districts, institutions of higher learning, and other educational agencies in the 35-county region of Ohio designated as Appalachia. In partnership with the University Patton College of Education the mission of CORAS is to advocate for and support the public schools of rural and Appalachia Ohio in the continuous improvement of educational opportunities available to the region's children. CORAS meets the criteria for a blended component unit due to its financial dependency on the University, the financial benefit to/burden on the University, as well as the University's operational authority. See Note 20 for more information.

Muskingum Recreation Center (MRC) was established in June 2009, as a nonprofit 501(c)(3) corporation of the Internal Revenue Code of 1986, as amended. The organization was originally founded with four entities that came together to form this partnership, one of which included Ohio University Zanesville (OUZ). The purpose of the organization is to promote health and wellness through recreational, fitness, and educational programming to a multi-generational population. It also provides recreational capacity for the students at the OUZ campus. In July 2018, the University became the sole member of the MRC. In October 2019, the University entered into an agreement with Buckeye Valley YMCA to continue the operations of the facilities as a community recreation center. The MRC is treated as a blended component unit of Ohio University due to the nature of the relationship. See Note 20 for more information.

Basis of Accounting - The University is a special-purpose government entity engaged in business-type activities. Accordingly, the financial statements are presented using an economic resources measurement focus and are presented on the accrual basis of accounting. Under the accrual basis, revenue is recognized when earned and expenses are recorded when incurred. All significant interfund transactions have been eliminated. The financial statements of its component unit are also presented under the accrual basis of accounting.

Cash and Cash Equivalents - Cash consists primarily of petty cash, cash in banks, and money market accounts. Cash equivalents are short-term highly liquid investments readily convertible to cash with original maturities of three months or less. The University includes State Treasury Asset Reserve of Ohio (STAR Ohio) balances of $21,295,368 and $20,945,174 at June 30, 2020 and 2019, respectively, as cash equivalents. There are no limitations or restrictions on any STAR Ohio participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given to STAR Ohio 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $50 million, requiring the excess amount to be transacted the following business day(s), but only to the $50 million limit. All accounts of the STAR Ohio investors will be combined for these purposes.

STAR Ohio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted GASB Statement No. 79, *Accounting and Financial Reporting for Certain External Investment Pools and Pool Participants,* which establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price at which the investment could be sold on June 30, 2020 and 2019.

Investments - All investments are carried at fair value. Investments in publicly traded securities are stated at fair value as established by major securities markets. Nonpublicly traded investments are valued based on independent appraisals and estimates considering market prices of similar investments. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income (loss) in the statements of revenues, expenses, and changes in net position. Included in long-term investments is $144.9 million and $176.4 million of unspent Series 2014 bond proceeds as of June 30, 2020 and 2019, respectively, to be used to promote a sustainable approach to investing in the University's buildings and infrastructure.

Accounts Receivable - Accounts receivable consists primarily of amounts due for tuition and fees, grants and contracts, and auxiliary enterprise services. Grants and contracts receivable include amounts due from federal, state, and local governments, or private sources, as reimbursement for certain expenditures made in accordance with agreements. Uncollectible amounts have been reserved.

Inventories - Inventories are stated at the lower of weighted-average cost or net realizable value.

Restricted Cash and Cash Equivalents - Restricted cash and cash equivalents are funds restricted for capital expenditures subject to bond and note agreements held by bond trustees including $60.2 million and $0 million for Bond Series 2020, $18.9 million and $54.8 million for Bond Series 2017A, and $2.8 million and $2.9 million for Bond Series 2012A & B, as of June 30, 2020 and 2019, respectively. In addition, it includes funds held in escrow based on terms and conditions of various agreements.

Net OPEB Asset - For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the STRS Ohio Pension Plan and additions to/deductions from STRS Ohio's fiduciary net position have been determined on the same basis as they are reported by STRS Ohio. STRS Ohio uses the economic resources measurement focus and the full accrual basis of accounting. For this purpose, STRS Ohio recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Capital Assets - Purchased or constructed capital assets are recorded at cost. Donated capital assets are recorded at their acquisition value as of the date received. Depreciation is calculated using the straight-line method over the estimated useful life of the asset.
The following are the capitalization levels and estimated useful lives of the University asset classes:

Asset Class	Capitalize At	Estimated Useful Life in years
Land	Any amount	N/A
Land improvements	$100,000	N/A
Works of art and historical treasures	$5,000	N/A
Infrastructure	$100,000	10-50
Buildings	Any amount	40
Machinery and equipment	$5,000	5-25
Library books and publications	Any amount	10
Transportation equipment	$5,000	5-10
Purchased software	$500,000	5-10
Internally developed software	$500,000	5-10

Building renovations that significantly increase the value, change the use, or extend the useful life of the structure are also capitalized. The costs of normal maintenance and repairs are not capitalized. Land, land improvements, and works of art and historical treasures are not depreciated. Any impairment of capital assets and insurance recoveries is disclosed.

Deferred Outflows of Resources - In addition to assets, the statements of net position report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The University's deferred outflows of resources includes amounts related to the net pension liability and the net OPEB liability. See Note 11 for more information. Also included are amounts related to asset retirement obligations and deferred charges arising from the amount transferred to the escrow agent to advance refund the Series 2008A bond issue, in excess of the carrying value of the bond.

Unearned Revenue - Unearned revenue includes amounts for tuition and fees, grants and contracts, and certain auxiliary activities received prior to the end of the fiscal year, related to the subsequent accounting period.

Compensated Absences - University employees earn vacation and sick leave benefits based, in part, on length of service. Upon separation from service, employees are paid their accumulated vacation and sick pay based upon the nature of separation (termination, retirement, or death). Certain limits are placed on the hours of vacation and sick leave that employees may accumulate and carry over for payment at termination, retirement, or death. Unused hours exceeding the limits are forfeited. The estimated and accrued liability is recorded at year end in the statements of net position, and the net change from the prior year is recorded as a component of operating expense in the statements of revenues, expenses, and changes in net position.

Net Pension Liability - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the OPERS and STRS Ohio Pension Plans and additions to/deductions from OPERS' and STRS Ohio's fiduciary net position have been determined on the same basis as they are reported by OPERS and STRS Ohio. Both OPERS and STRS Ohio use the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expense when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net OPEB Liability - For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPERS Pension Plan and additions to/deductions from OPERS' fiduciary net position have been determined on the same basis as they are reported by OPERS. OPERS uses the economic resources measurement focus and the full accrual basis of accounting. For this purpose, OPERS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources - In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The University's deferred inflows of resources includes amounts related to the net pension liability and the net OPEB liability. More detailed information can be found in Note 11. Also included are deferred charges arising from the carrying value of the refunded Series 2006A & B bond issues, and advance refunded Series 2012 and Series 2013 bond issues, in excess of the amount transferred to the escrow agent to refund these bonds.

Net Position - Net position is classified into three major categories:

- Net investment in capital assets - The net equity in property, plant, and equipment owned by the University.
- Restricted - Owned by the University, but the use or purpose of the funds is restricted by an external source or entity. The restricted net position category is subdivided further into nonexpendable and expendable.
    - Restricted nonexpendable - Endowment funds whose principal may be invested; however, only interest, dividends, and capital gains may be spent.
    - Restricted expendable - May be spent by the institution, but only for the purpose specified by the donor, grantor, or other external entity. This category includes the unspent balance in grant funds, loan funds, debt service funds, and the interest, dividends, and capital gains on endowment funds.
- Unrestricted - Resources derived primarily from student tuition, fees, state appropriations, and auxiliary enterprises. They are used for the general obligations of the University and may be used at the discretion of the board of trustees for any purpose furthering the University's mission.

Restricted Versus Unrestricted Resources - When an expense is incurred that can be paid using either restricted or unrestricted resources, the University's policy is to apply the expense at the discretion of University management.

Income Taxes - The University is an organization described in Section 115 of the Internal Revenue Code (Code) and has further been classified as an organization that is not a private foundation in accordance with Sections 509(a)(1) and 170(b)(1)(A)(ii) of the Code. However, certain revenues are considered unrelated business income and are taxable under Code Sections 511 through 513.

Classification of Revenue - Revenue is classified as either operating or nonoperating.

- Operating revenue includes revenue from activities that have characteristics similar to exchange transactions. These include student tuition and fees (net of scholarship discounts and allowances), sales and services of auxiliary enterprises (net of scholarship discounts and allowances), and certain federal, state, local and private grants, and contracts. The presumption is that there is a fair exchange of value between all parties to the transaction.
- Nonoperating revenue includes revenue from activities that have the characteristics of nonexchange transactions, such as state appropriations, certain federal, state, and other grants. The implication is that such revenues are derived from more passive efforts related to the acquisition of the revenue, rather than the earning of it.

Scholarship Discounts and Allowances - Student tuition and fee revenue, and certain other payments recorded as auxiliary enterprises revenue, are net of scholarship discounts and allowances in the statements of revenues, expenses, and changes in net position. Scholarship discounts and allowances are the difference between the charge for tuition and fees, and the amount paid by students or by third parties on the students' behalf. Scholarship discounts and allowances were $90,945,377 (of which $79,246,558 is netted against student tuition and fees and $11,698,819 is netted against auxiliary enterprises revenue) and $91,488,914 (of which $77,488,571 is netted against student tuition and fees and $14,000,343 is netted against auxiliary enterprises revenue) as of June 30, 2020 and 2019, respectively.

Auxiliary Enterprises - Auxiliary revenue is from residence halls, dining services, intercollegiate athletics, printing services, and parking and transportation services. It is shown net of scholarship discounts and allowances for room and board.

Operating Revenue - Other Sources - Other sources revenue is primarily from research consortium memberships, rebates from contractual agreements, component unit activity, and noncredit training programs.

Eliminations - The University eliminates interfund assets and liabilities and revenue and expenses related to internal activities and to blended component units.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) may require management to make estimates and assumptions that affect certain amounts reported in the financial statements. The estimates and assumptions are based on currently available information and actual results could differ from those estimates.

Reclassifications – Certain prior year amounts have been reclassified to conform to the current year presentation. On the statement of net position $6,255,069 has been reclassed from accounts payable and accrued liabilities to other noncurrent liabilities, and $15,418,000 has been reclassed from net OPEB liability to net OPEB asset to reflect the nature of the funds more accurately. On the statement of cash flows the net OPEB asset, the net OPEB liability, the net pension liability, and the corresponding deferred inflows and outflows are all broken out by line item, to allow better analysis. Net position has not been affected by these changes.

Recent Accounting Pronouncements

- In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The University is currently evaluating the impact of this standard, specifically related to holding assets for student club accounts. The provisions of this statement are effective for the University's financial statements for the year ending June 30, 2021.
- In June 2017, GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The new lease standard is expected to have a significant effect on the University's financial statements as a result of the leases for various facilities and equipment classified as operating leases. The University is currently evaluating the impact of this standard. The provisions of this statement are effective for the University's financial statements for the year ending June 30, 2022.
- In fiscal year 2019 the University adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which requires additional essential information related to debt be disclosed in notes to the financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.
- In fiscal year 2019 the University adopted GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period.* This statement simplifies accounting for interest cost incurred before the end of construction and requires those costs to be expensed in the period incurred. As a result, interest cost incurred before the end of a construction period is not capitalized and is included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The effective date of

the standard is for the year ending June 30, 2022, however, the university elected to adopt the standard early.

- In August 2018, GASB issued Statement No. 90, *Majority Equity Interests.* This statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The University is currently evaluating the impact this standard will have on the financial statements when adopted for the year ending June 30, 2021.
- In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*, which clarifies the existing definition of conduit debt, provides a single method of reporting conduit debt obligations by issuers, and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. As a result, issuers should not recognize a liability for items meeting the definition of conduit debt; however, a liability should be recorded for additional or voluntary commitments to support debt service if certain recognition criteria are met. The standard also addresses the treatment of arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by a third-party obligor. The requirements of the standard will be applied retrospectively and are effective for the University's financial statements for the year ending June 30, 2023.
- In January 2020, GASB issued Statement No. 92, *Omnibus 2020*, which enhances the comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during the implementation and application of certain GASB Statements, including No. 84 and No. 87. The requirements of this statement are effective for the University's financial statements for the year ending June 30, 2022.
- In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, which addresses accounting and financial reporting implications resulting from the replacement of an IBOR rate. The removal of LIBOR as an appropriate benchmark interest rate is effective for the University's financial statements for the year ending June 30, 2022. The other requirements of this statement are effective for the University's financial statements for the year ending June 30, 2021.
- In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* , which provides accounting and financial reporting requirements for PPPs that 1) meet the definition of a service concession arrangement or 2) are not within the scope of Statement No. 87. The University is currently evaluating the impact of this standard. The requirements of this statement are effective for the University's financial statements for the year ending June 30, 2023.
- In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement provides temporary relief in light of the COVID-19 pandemic by postponing the effective dates of certain provisions including Statements No. 84, No. 87, No. 89, No. 90, No. 91, No. 92, and No. 93 whose effective dates have been adjusted in the summaries provided above.
- In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements.* which provides guidance on the accounting and financial reporting requirements for subscription-based information technology arrangements (SBITAs). This statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to use subscription asset-an intangible asset-and a corresponding subscription

liability; 3) provides the capitalization criteria for outlays other than the subscription payments, including implementation costs of a SBITA; and 4) requires note disclosures regarding a SBITA. The University is currently evaluating the impact of this standard. The requirements of this statement are effective for the University's financial statements for the year ending June 30, 2023.

- In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.* The primary objectives of this statement are to 1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and 3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. 1) and 2) are effective immediately and 3) is effective for the University's financial statements for the year ending June 30, 2022.

Note 2 - Deposits with Financial Institutions, Cash and Cash Equivalents, and Investments

As of June 30, 2020, the carrying amount of the University's cash and cash equivalents for all funds was $181,568,468 compared to bank balances of $183,590,115. As of June 30, 2019, the carrying amount of the University's cash and cash equivalents for all funds was $160,284,784 compared to bank balances of $163,700,764. The difference in carrying amounts and bank balances is caused by outstanding checks and deposits-in-transit. At June 30, 2020, of the bank balances, $1,208,657 is covered by the Federal Deposit Insurance Corporation (FDIC) and $182,381,458 is uninsured but collateralized by pools of securities pledged by the depository banks and held in the name of the respective banks.

Certain University investments, including endowment investments and long-term working capital investments, are pooled with the Foundation's investments, and held in the Foundation's name.

The University's investment portfolio may include investments in the following:

- Obligations of the U.S. Treasury and other federal agencies and instrumentalities
- Municipal and State bonds
- Certificates of deposit
- Repurchase agreements
- Mutual funds
- Commercial paper
- Corporate bonds and notes
- Common and preferred stock

- Asset-backed securities
- Hedge funds
- Private equity and venture capital
- Real assets

The University's endowment fund operates with a long-term investment goal of preserving the purchasing power of the principal in a diversified portfolio.

U.S. government and agency securities are invested through trust agreements with banks that 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, money market instruments, mutual funds, and other investments are invested through trust agreements with banks that keep the investments in their safekeeping account in the appropriate custodial bank in "book entry" form. The banks internally designate the securities as owned by or pledged to the University.

The values of investments as of June 30, 2020 and 2019 are as follows:

Investment Type	2020	2019
Money market mutual funds	$ 33,853,780	$ 21,493,783
US government obligations	27,144,926	23,003,730
Mortgage-backed securities	10,146,755	17,108,447
Asset-backed securities	32,344,828	44,114,663
Corporate bonds and notes	51,100,340	57,562,342
Bond mutual funds	143,478,072	125,237,138
Notes and convertible notes	325,000	325,000
US common and preferred stock	5,831,649	5,205,167
US equity mutual funds	147,100,890	118,675,690
International equity mutual funds	93,079,542	123,744,922
Hedge funds	9,610,165	57,299,525
REITs	7,659,971	4,655,538
Direct private equity investments	1,743,650	2,148,650
Private equity funds	37,244,452	27,606,967
Total	$ 600,664,020	$ 628,181,562

The University's investment strategy incorporates certain financial instruments that involve, to varying degrees, elements of market risk in excess of amounts recorded in the financial statements. Market risk is the potential for changes in the value of financial instruments due to market changes, including interest and foreign exchange rate movements and rate fluctuations embodied in forwards, futures, commodities, or security prices. Market risk is directly impacted by the volatility and liquidity of the markets in which the related underlying assets are traded.

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 rate.

As of June 30, 2020, maturities of the University's interest-bearing investments are as follows:

		Investment Maturities			
Investment Type	Market Value	Less Than 1 Year	1 to 5 Years	6 to 10 Years	More Than 10 Years
Money market mutual funds	$ 33,853,780	$ 33,853,782	$ -	$ -	$ -
US government obligations	27,144,926	327,290	21,823,834	-	4,993,802
Mortgage-backed securities	10,146,755	2,931,275	2,222,457	-	4,993,023
Asset-backed securities	32,344,828	106,012	31,048,103	805,280	385,433
Corporate bonds and notes	51,100,340	23,751,451	26,688,701	555,968	104,220
Bond mutual funds	143,478,072	6,743,365	84,760,038	44,501,714	7,472,955
Notes and convertible notes	325,000	325,000	-	-	-
Total	$ 298,393,701	$ 68,038,175	$ 166,543,133	$ 45,862,962	$ 17,949,433

As of June 30, 2019, maturities of the University's interest-bearing investments are as follows:

		Investment Maturities			
Investment Type	Market Value	Less Than 1 Year	1 to 5 Years	6 to 10 Years	More Than 10 Years
Money markets	$ 21,493,783	$ 21,493,783	$ -	$ -	$ -
U.S. government obligations	23,003,730	6,679,769	12,009,504	25,594	4,288,863
Mortgage-backed securities	17,108,447	475,983	8,691,822	597,319	7,343,323
Asset-backed securities	44,114,663	-	41,009,080	2,543,394	562,189
Corporate bonds and notes	57,562,342	25,029,048	31,478,826	945,468	109,000
Bond mutual funds	125,237,138	6,578,260	70,159,873	41,568,021	6,930,984
Convertible notes	325,000	-	325,000	-	-
Total	$ 288,845,103	$ 60,256,843	$ 163,674,105	$ 45,679,796	$ 19,234,359

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University's risk of loss in the event of counterparty default is typically limited to the amounts recognized in the statement of net position and is not represented by the contract or notional amounts of the instruments. Credit quality, as commonly expressed in terms of 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.

The credit ratings of the University's interest-bearing investments as of June 30, 2020 are as follows:

		Credit Quality (S&P)						
	Market Value	AAA	AA	A	BBB	BB	B	Unrated
Money market mutual funds	$ 33,853,780	$ -	$ -	$ -	$ -	$ -	$ -	$33,853,780
US government obligations	27,144,926	27,144,926	-	-	-	-	-	-
Mortgage-backed securities	10,146,755	10,146,755	-	-	-	-	-	-
Asset-backed securities	32,344,828	20,729,953	3,990,688	1,345,273	-	-	-	6,278,914
Corporate bonds and notes	51,100,340	1,285,901	5,255,503	23,994,732	17,746,812	1,932,619	884,773	-
Bond mutual funds	143,478,072	-	58,288,684	46,245,888	14,603,200	20,569,012	3,771,273	15
Notes and convertible notes	325,000	-	-	-	-	-	-	325,000
Total	$ 298,393,701	$59,307,535	$ 67,534,875	$ 71,585,893	$ 32,350,012	$ 22,501,631	$ 4,656,046	$ 40,457,709

The credit ratings of the University's interest-bearing investments as of June 30, 2019 are as follows:

		Credit Quality (S&P)						
	Market Value	AAA	AA	A	BBB	BB	B	Unrated
Money markets	$ 21,493,783	$ -	$ -	$ -	$ -	$ -	$ -	$ 21,493,783
U.S. government obligations	23,003,730	22,770,212	-	-	-	-	-	233,518
Mortgage-backed securities	17,108,447	16,613,467	494,980	-	-	-	-	-
Asset-backed securities	44,114,663	38,433,810	3,106,839	1,374,701	1,199,313	-	-	-
Corporate bonds and notes	57,562,342	87,543	6,138,384	27,040,615	22,544,161	-	-	1,751,639
Bond mutual funds	125,237,138	-	32,528,151	57,130,416	13,726,474	20,331,729	1,520,368	-
Convertible notes	325,000	-	-	-	-	-	-	325,000
Total	$ 288,845,103	$ 77,905,032	$42,268,354	$85,545,732	$37,469,948	$ 20,331,729	$ 1,520,368	$23,803,940

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of failure of the counterparty, the University will not be able to recover the value of its investment or collateral securities that are in possession of an outside party. As of June 30, 2020 and 2019, the University had no custodial credit risk.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As of June 30, 2020 and 2019, there were no single-issuer investments that exceeded 5% of total investments.

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. The University's exposure to foreign currency is limited to its investment in international equity mutual funds. The value of this investment was $93.1 million and $123.7 million as of June 30, 2020 and 2019, respectively.

Fair Value Measurements - The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The University's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The University has the following recurring fair value measurements as of June 30, 2020 and 2019:

		Fair Value at Reporting Date Using		
	Balance at June 30, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Fixed-income investments:				
U.S. government obligations	$ 27,144,926	$ 27,144,926	$ -	$ -
Mortgage-backed securities	10,146,755	-	10,146,755	-
Asset-backed securities	32,344,828	-	32,344,828	-
Corporate bonds and notes	51,100,340	-	51,100,340	-
Bond mutual funds	143,478,072	143,478,072	-	-
Subtotal fixed-income investments	264,214,921	170,622,998	93,591,923	-
Public equity investments:				
U.S. common and preferred stock	5,831,649	5,831,649	-	-
U.S. equity mutual funds	147,100,890	147,100,890	-	-
International equity mutual funds	63,148,805	63,148,805	-	-
REITs	7,659,971	7,659,971	-	-
Subtotal public equity investments	223,741,315	223,741,315	-	-
Alternative investments:				
Notes and convertible notes	325,000	-	-	325,000
Direct private equity investments	1,743,650	-	-	1,743,650
Subtotal alternative investments	2,068,650	-	-	2,068,650
Total investments by fair value level	$ 490,024,886	$ 394,364,313	$ 93,591,923	$ 2,068,650
Investments measured at net asset value (NAV)				
International equity mutual funds	29,930,737			
Hedge funds	9,610,165			
Private equity funds	37,244,452			
Subtotal investments measured at NAV	76,785,354			
Total investments measured at fair value	$ 566,810,240			

	Balance at June 30, 2019	Fair Value at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Fixed-income investments:				
U.S. government obligations	$ 23,003,730	$ 23,003,730	$ -	$ -
Mortgage-backed securities	17,108,447	-	17,108,447	-
Asset-backed securities	44,114,663	-	44,114,663	-
Corporate bonds and notes	57,562,342	-	57,562,342	-
Bond mutual funds	125,237,138	125,237,138	-	-
Subtotal fixed-income investments	267,026,320	148,240,868	118,785,452	-
Public equity investments:				
U.S. common and preferred stock	5,205,167	5,205,167	-	-
U.S. equity mutual funds	118,675,690	118,675,690	-	-
International equity mutual funds	117,325,806	117,325,806	-	-
REITs	4,655,538	4,655,538	-	-
Subtotal public equity investments	245,862,201	245,862,201	-	-
Alternative investments:				
Convertible notes	325,000	-	-	325,000
Direct private equity investments	2,148,650	-	-	2,148,650
Subtotal alternative investments	2,473,650	-	-	2,473,650
Total investments by fair value level	$ 515,362,171	$ 394,103,069	$ 118,785,452	$ 2,473,650
Investments measured at net asset value (NAV)				
International equity mutual funds	6,419,116			
Hedge funds	57,299,525			
Private equity funds	27,606,967			
Subtotal investments measured at NAV	91,325,608			
Total investments measured at fair value	$ 606,687,779			

As of June 30, 2020 and 2019, the University invested in money market funds in the amounts of $33,853,780 and $21,493,783, respectively, which are not included in the tables above.

Investments classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of many fixed income securities, including mortgage-backed securities, corporate bonds and notes, and municipal bonds, at June 30, 2020 and 2019 was determined primarily based on Level 2 inputs. The University estimates the fair value of these investments using other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

The fair value of certain alternative investments, including convertible notes and direct private equity investments, at June 30, 2020 and 2019 was determined primarily based on Level 3 inputs. The Organization estimates the fair value of these investments using the University's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented in the following table.

Investments in Entities that Calculate Net Asset Value per Share - The University holds shares or interests in investment companies where the fair value of the investments are measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Investments Reported at Net Asset Value				
	June 30, 2020	June 30, 2019	June 30, 2020		
	Fair Value	Fair Value	Unfunded Commitment	Redemption Frequency, if Eligible	Redemption Notice Period
Fixed-income investments:					
International equity mutual funds (1)	$ 29,930,737	$ 6,419,116	$ -	Monthly	30 days
Hedge funds (2)	9,610,165	57,299,525	-	Quarterly	60 days
Private equity funds (3)	37,244,452	27,606,967	31,524,006	None	None
Total	$ 76,785,354	$ 91,325,608	$ 31,524,006		

(1) International equity mutual funds include a fund that seeks to achieve total return in excess of the MSCI Emerging Markets Index through investing in the world's emerging stock markets and an international large cap fund which uses a bottom up, research driven value strategy that focuses on maximizing intrinsic value. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

(2) Hedge funds include absolute and total return funds that are broadly diversified across managers, investment strategies, and investment venues. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

(3) Private equity funds are broadly diversified across managers, investment stages, geography, industry sectors, and company size. This asset category includes private equity, private debt, private real estate, and venture capital funds. It also includes individual fund investments, as well as fund of funds investments. The fair values of the investments in this class have been estimated using the net asset value of the University's ownership interest in partners' capital. The investments in the private equity asset class above cannot be redeemed with the funds. Distributions from each fund will be received only as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the fund will be liquidated over the next one to eleven years.

Note 3 - Accounts Receivable

The composition of accounts receivable at June 30, 2020 and 2019 is summarized as follows:

	2020	2019
Student tuition and fees	$ 46,460,458	$ 47,226,438
Grants and contracts	13,932,711	13,055,755
Direct Lending Loans	1,314,461	1,169,699
Other	7,149,639	11,090,643
Total accounts receivable	68,857,269	72,542,535
Less allowance for doubtful accounts	(16,233,224)	(16,413,569)
Accounts receivable, net	$ 52,624,045	$ 56,128,966

Note 4 - Notes Receivable

The University's notes receivable at June 30, 2020 and 2019 is net of allowance for doubtful accounts of $1,978,683 and $2,773,513, respectively. Principal repayment and interest terms vary. Federal loan programs are funded primarily through borrower repayments, Federal contributions under Perkins and various Health Professions loan programs.

The University distributed $209,477,644 and $217,954,016 for student loans through the U.S. Department of Education Federal Direct Lending program during the years ended June 30, 2020 and 2019, respectively. These distributions and the related funding sources are included as cash disbursements and cash receipts in the accompanying Statement of Cash Flows.

In March 2019, the Foundation entered into an internal loan agreement for $1,712,750 with the University to fund the renovation of the Konneker Alumni Center, which is owned by the Foundation. Both the University and Foundation Boards of Trustees approved the project and funding it through an internal loan. The loan is to be repaid over a period of no more than 10 years, and the interest rate at June 30, 2020 is 4.75%, compounded quarterly and is variable, based on the blended cost of the University's outstanding debt, plus an administrative fee.

The composition of notes receivable at June 30, 2020 and 2019 is as follows:

	2020	2019
Student loan program	$ 10,908,098	$ 12,766,684
The Ohio University Foundation	1,469,752	1,612,064
Heritage College of Osteopathic Medicine former students	672,415	632,222
Muskingum Recreation Center	-	750,000
Total notes receivable	13,050,265	15,760,970
Less allowance for doubtful accounts	(1,978,683)	(2,773,513)
Notes receivable, net	11,071,582	12,987,457
Less current portion	(1,222,410)	(1,325,777)
Notes receivable - noncurrent, net	$ 9,849,172	$ 11,661,680

The composition of the allowance for doubtful accounts on notes receivable at June 30, 2020 and 2019 is as follows:

	2020	2019
Student loan program	$ (1,477,387)	$ (1,522,217)
Heritage College of Osteopathic Medicine former students	(501,296)	(501,296)
Muskingum Recreation Center	-	(750,000)
Total allowance for doubtful accounts	$ (1,978,683)	$ (2,773,513)

Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Transfers	Retirements	Balance June 30, 2020
Capital assets not being depreciated:					
Land	$ 29,909,464	$ -	$ -	$ -	$ 29,909,464
Land improvements	4,701,091	-	-	-	4,701,091
Construction in progress	47,863,749	79,741,112	(15,856,608)	(304,536)	111,443,717
Works of art and historical treasures	17,918,935	656,997	-	-	18,575,932
Total capital assets not being depreciated	100,393,239	80,398,109	(15,856,608)	(304,536)	164,630,204
Capital assets being depreciated:					
Infrastructure	199,641,761	7,339,554	5,413,207	-	212,394,522
Buildings	1,300,079,445	25,388,324	10,443,401	(546,885)	1,335,364,285
Machinery and equipment	170,735,617	5,095,189	-	(3,896,402)	171,934,404
Library books and publications	78,133,222	509,833	-	(197,963)	78,445,092
Total capital assets being depreciated	1,748,590,045	38,332,900	15,856,608	(4,641,250)	1,798,138,303
Total capital assets	1,848,983,284	118,731,009	-	(4,945,786)	1,962,768,507
Less accumulated depreciation:					
Infrastructure	89,927,168	8,877,989	-	-	98,805,157
Buildings	499,401,035	37,335,787	-	(544,495)	536,192,327
Machinery and equipment	120,421,721	11,209,438	-	(3,306,645)	128,324,514
Library books and publications	72,212,183	906,746	-	(197,963)	72,920,966
Total accumulated depreciation	781,962,107	58,329,960	-	(4,049,103)	836,242,964
Total capital assets being depreciated, net	966,627,938	(19,997,060)	15,856,608	(592,147)	961,895,339
Capital assets, net	$ 1,067,021,177	$ 60,401,049	$ -	$ (896,683)	$ 1,126,525,543

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Additions	Transfers	Retirements	Balance June 30, 2019
Capital assets not being depreciated:					
Land	$ 26,045,896	$ 4,168,769	$ -	$ (305,201)	$ 29,909,464
Land improvements	4,701,091	-	-	-	4,701,091
Construction in progress	33,150,258	40,671,115	(25,807,140)	(150,484)	47,863,749
Works of art and historical treasures	17,918,935	-	-	-	17,918,935
Total capital assets not being depreciated	81,816,180	44,839,884	(25,807,140)	(455,685)	100,393,239
Capital assets being depreciated:					
Infrastructure	189,395,962	7,274,247	2,971,552	-	199,641,761
Buildings	1,260,586,632	21,102,028	22,835,588	(4,444,803)	1,300,079,445
Machinery and equipment	166,604,759	8,795,282	-	(4,664,424)	170,735,617
Library books and publications	77,907,754	688,353	-	(462,885)	78,133,222
Total capital assets being depreciated	1,694,495,107	37,859,910	25,807,140	(9,572,112)	1,748,590,045
Total capital assets	1,776,311,287	82,699,794	-	(10,027,797)	1,848,983,284
Less accumulated depreciation:					
Infrastructure	81,675,963	8,251,205	-	-	89,927,168
Buildings	467,056,273	36,058,839	-	(3,714,077)	499,401,035
Machinery and equipment	113,399,876	11,417,792	-	(4,395,947)	120,421,721
Library books and publications	71,986,715	688,353	-	(462,885)	72,212,183
Total accumulated depreciation	734,118,827	56,416,189	-	(8,572,909)	781,962,107
Total capital assets being depreciated, net	960,376,280	(18,556,279)	25,807,140	(999,203)	966,627,938
Capital assets, net	$ 1,042,192,460	$ 26,283,605	$ -	$ (1,454,888)	$ 1,067,021,177

Note 6 - Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at June 30, 2020 and 2019 consisted of the following:

	2020	2019
Accrued payroll	$ 21,967,387	$ 17,292,941
Accrued self-insurance claims	6,244,977	6,503,946
Accrued compensated absences - current portion	3,054,436	2,370,872
Other accrued liabilities	5,868,309	7,913,568
Vendor and other payables	37,457,283	40,778,228
Total accounts payable and accrued liabilities	$ 74,592,392	$ 74,859,555

Note 7 - Long-term Debt

The University's long-term debt at June 30, 2020 is summarized as follows:

	July 1, 2019	Additions	Reductions	June 30, 2020	Current
Direct Borrowings and Direct Placements - Bonds:					
Ohio Air Quality Development Authority bonds - Series 2012A	$ 9,172,398	$ -	$ 1,842,868	$ 7,329,530	$ 1,875,856
Ohio Air Quality Development Authority bonds - Series 2012B	8,500,000	-	-	8,500,000	-
Direct Borrowings and Direct Placements - Other:					
Series 2017B (line of credit)	65,500	-	-	65,500	-
Capital lease obligations	374,856	-	107,799	267,057	211,296
General Receipts Bonds - Fixed Rate:					
General receipts bonds - Series 2020	-	222,575,000	-	222,575,000	1,955,000
General receipts bonds - Series 2017A	151,290,000	-	2,470,000	148,820,000	2,575,000
General receipts bonds - Series 2014	250,000,000	-	-	250,000,000	-
General receipts bonds - Series 2013	123,790,000	-	115,625,000	8,165,000	2,615,000
General receipts bonds - Series 2012	46,390,000	-	39,165,000	7,225,000	3,560,000
General receipts bonds - Series 2009	3,220,000	-	3,220,000	-	-
Unamortized bond premiums	24,838,943	-	16,918,584	7,920,359	656,119
Total long-term debt	$ 617,641,697	$ 222,575,000	$ 179,349,251	$ 660,867,446	$ 13,448,271

The University's long-term debt at June 30, 2019 is summarized as follows:

	July 1, 2018	Additions	Reductions	June 30, 2019	Current
Direct Borrowings and Direct Placements - Bonds:					
Ohio Air Quality Development Authority bonds - Series 2012A	$ 10,982,859	$ -	$ 1,810,461	$ 9,172,398	$ 1,842,868
Ohio Air Quality Development Authority bonds - Series 2012B	8,500,000	-	-	8,500,000	-
Direct Borrowings and Direct Placements - Other:					
Series 2017B (line of credit)	65,500	-	-	65,500	-
Capital lease obligations	479,404	-	104,548	374,856	108,236
General Receipts Bonds - Fixed Rate:					
General receipts bonds - Series 2017A	153,665,000	-	2,375,000	151,290,000	2,470,000
General receipts bonds - Series 2014	250,000,000	-	-	250,000,000	-
General receipts bonds - Series 2013	126,255,000	-	2,465,000	123,790,000	2,525,000
General receipts bonds - Series 2012	52,785,000	-	6,395,000	46,390,000	3,720,000
General receipts bonds - Series 2009	6,280,000	-	3,060,000	3,220,000	3,220,000
Unamortized bond premiums	26,735,037	-	1,896,094	24,838,943	1,846,838
Total long-term debt	$ 635,747,800	$ -	$ 18,106,103	$ 617,641,697	$ 15,732,942

On April 1, 2020, the University issued general receipts bonds Series 2020 in the amount of $222,575,000. The proceeds are being used for new construction and upgrades to capital facilities and to pay the issuance costs of the bonds. Proceeds in the amount of $38,030,000 were used to advance refund the callable Series 2012 bonds and $124,215,000 were used to advance refund the callable Series 2013 bonds. This reduced debt service payments by $32 million and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of $22.7 million.

On November 15, 2019, the University renewed its general receipts obligations Series 2017B (Line of Credit) with a maximum principal amount not to exceed $50,000,000 for three years through November 30, 2022. With renewal options, final maturity is December 1, 2025. Advances on the line of credit will be used to provide funds to finance the costs of capital facilities and to pay costs of issuance. The amount advanced as of June 30, 2020 is $65,500 and was used to pay costs of issuance. The Series 2017B Obligations advanced and outstanding bear interest at a variable rate of interest per annum equal to the Bank Index Rate not to exceed the Maximum Rate as defined in the agreement. The fiscal year 2020 interest rates on advances ranged from .59% to 2.46%. The undrawn/unused fee is 0.18% when advances are less than or equal to $25,000,000 and is reduced to 0.13% when advances exceed $25,000,000.

On March 1, 2017, the University issued general receipts bonds Series 2017A in the amount of $156,150,000. The proceeds are being used for new construction and upgrades to capital facilities and to pay the issuance costs of the bonds. Proceeds in the amount of $29,115,000 were used to refund the 2006A&B bonds and $6,565,000 were used to advance refund the callable 2008A bonds.

On November 14, 2014, the University issued general receipts bonds (federally taxable) Series 2014 in the amount of $250,000,000. The proceeds are being used for new construction and upgrades to capital facilities, including capital expenditures for deferred maintenance of various campus facilities and energy infrastructure facilities. Proceeds were also used to pay costs of issuance of the Series 2014 Bonds.

On May 22, 2013, the University issued general receipts bonds Series 2013 in the amount of $145,170,000. The proceeds were used to develop extension campuses in Columbus and Cleveland, Ohio for a number of programmatic initiatives including the expansion of the Heritage College of Osteopathic Medicine, for renovations to multiple academic buildings, for construction of a new Indoor Multi-Purpose Facility for various instructional, athletic, and recreational uses, and to complete the Housing Development Phase I, which consisted of the construction of a new residential housing facility, student support spaces, and residential housing administration office space. Proceeds were also used to refund the 2001 bonds and the 2004 bonds.

On July 31, 2012, the University issued general receipts notes, Ohio Air Quality Development Authority ("OAQDA") Series 2012A & B in the amount of $28,640,370. The Series 2012A is an OAQDA tax-exempt bond for $20,140,370 and Series 2012B is an OAQDA tax-credit revenue bond (Qualified Energy Conservation Bond) for $8,500,000. The proceeds were used for financing the costs of air quality facilities in order to promote the public purposes of Chapter 3706, of the ORC.

On February 29, 2012, the University issued general receipts bonds Series 2012 in the amount of $76,470,000. The proceeds were used to develop an extension campus in Columbus, Ohio for a number of programmatic initiatives including the expansion of the Heritage College of Osteopathic Medicine, for renovations to multiple academic buildings, for infrastructure improvements including a chilled water expansion, and for additional upgrades to the University's existing information technology network. Proceeds were also used to refund portions of the 2003 and 2004 bonds.

On June 2, 2009, the University issued general receipts bonds Series 2009 in the amount of $26,645,000. The proceeds were used to purchase and implement a new student information system and to upgrade the University's existing information technology network infrastructure.

These obligations are secured by a gross pledge of and first lien on the general receipts of the University. The general receipts include the full amount of every type and character of campus receipts, except for State appropriations and receipts previously pledged or otherwise restricted.
The University's bonds are secured by a Trust Agreement dated as of May 1, 2001 ("Master Trust Agreement"), as supplemented by a First Supplemental Trust Agreement dated as of May 1, 2001, a Second Supplemental Trust Agreement dated as of September 1, 2003, a Third Supplemental Trust Agreement dated as of October 1, 2003, a Fourth Supplemental Trust Agreement dated as of March 15, 2004, a Fifth Supplemental Trust Agreement dated as of February 1, 2006, a Sixth Supplemental Trust Agreement dated as of April 1, 2006, a Seventh Supplemental Trust Agreement dated as of July 1, 2008, an Eighth Supplemental Trust Agreement dated as of May 1, 2009 entered into in connection with the issuance of the Series 2009 bonds, a Ninth Supplemental Trust Agreement dated as of February 1, 2012 entered into in connection with the issuance of the Series 2012 bonds, a Tenth Supplemental Trust Agreement dated as of July 1, 2012 entered into in connection with the issuance of the Series 2012A & B bonds, an Eleventh Supplemental Trust Agreement dated

as of October 1, 2012, a Twelfth Supplemental Trust Agreement dated as of June 1, 2013 entered into in connection with the issuance of the Series 2013 bonds, a Thirteenth Supplemental Trust Agreement dated as of November 1, 2014 entered into in connection with the issuance of the Series 2014 bonds, a Fourteenth Supplemental Trust Agreement dated as of March 1, 2017 entered into in connection with the issuance of the Series 2017A bonds, a Fifteenth Supplemental Trust Agreement dated as of November 1 2017 entered into in connection with the issuance of Series 2017B obligations (Line of Credit) each between the University and U.S. Bank National Association, a Sixteenth Supplemental Trust Agreement dated as of April 1, 2020 entered into in connection with the issuance of the Series 2020 bonds.

In January 2013, the University executed a guaranty in favor of PNC New Markets Investment Partners, LLC (PNC), against disallowance and recapture of federal and state new markets tax credits in connection with construction of a community recreation center by the Muskingum Recreation Center (MRC), an Ohio nonprofit Corporation. MRC financed the construction in part with equity contributed by PNC, which was eligible for federal and state new markets tax credit treatment. As part of the deal structure, PNC expected to realize federal new markets tax credit in the amount of $4,290,000 and state credits in the amount of $1,000,000. To facilitate PNC's equity investment, the University and MRC jointly agreed to pay PNC any shortfall in realized new markets tax credits as a result of the investment being deemed ineligible for such tax treatment by federal and/or state tax authorities. The University made this commitment because it believed it would receive substantial benefits from PNC's investment, which funded improvements to MRC's leased property located on the Ohio University Zanesville campus, where the University is the landlord/owner. In order to avoid recapture of the new markets tax credits (which the University fully guaranteed as stated above) MRC had to be a viable entity as of February 2020.

In addition, as part of the same transaction, the University pledged $1.5 million as cash collateral supporting a loan with a remaining balance of $2,542,550, from PNC Bank to the Muskingum County Community Foundation (MCCF). The $1.5 million cash collateral was maintained through a deposit with PNC Bank for use in the event that MCCF defaulted on the loan. If such default would have occurred, PNC would draw against the $1.5 million account in satisfaction of the loan obligation. The University recognized the liability exposure of $2.5M in fiscal year 2019 and reported it as part of accounts payable and accrued liabilities in the statements of net position for fiscal year 2019. In September 2019, the University paid the full amount of the $2.5M loan to PNC in satisfaction of the obligation assumed from the MRC to avoid recapture of the NMTCs. The University satisfied this obligation by using the collateral maintained on deposit with PNC of $1.5 million and made an additional payment of $1,041,255.

In May 2018, the Muskingum Recreation Center (MRC) Board of Trustees considered a proposal that set forth a proposed series of actions and transactions for restructuring the corporate governance of MRC and certain financial, organizational, and managerial relationships between and among the MRC, the members of the MRC (including the University, Genesis HealthCare System, The Muskingum County Community Foundation, and the Muskingum Family YMCA), PNC Bank, NA (the Bank) and certain other parties to

ensure the long term viability and success of MRC. This restructuring made the University the sole member of MRC and allocated all liabilities and obligations of MRC to the University in August 2019.
PNC developed and held the membership interest in the PNC Muskingum Investment Fund to transition the loans and the new market credits between entities. In February 2020, the Muskingum Investment Fund (MIF) exercised a "put" option which will retire the new market tax credit obligations. As part of this PNC subsequently assigned its membership interest within MIF to MRC. In consideration of a put price PNC's membership interests in MIF were all transferred to MRC.

During fiscal year 2020, Promissory Note A and Promissory Note B in the amounts of $7,182,500 and $3,487,500, respectively, between Muskingum Recreation Center and NMTC Leveraged XI (NMTC) were outstanding and the balances of the notes were transferred to the MIF based on a Sub-CDE Interest Redemption Agreement. As a result of the above transactions, the loans held by PNC were transferred to MIF which is subsequently owned by MRC. As a result the outstanding amounts are offset between entities, which has no net effect on the University financials. There are some residual transactions as a result of the new markets tax credit unwinding that will be completed during fiscal year 2021.

Details of the series are as follows:

Series	Interest Rate	Maturity Fiscal Year	Initial Issue Amount	Outstanding at June 30, 2020
Direct Borrowings and Direct Placements - Bonds:				
2012A	2.00%-5.00%	2024	$ 20,140,370	$ 7,329,530
2012B	2.00%-5.00%	2028	8,500,000	8,500,000
General Receipts Bonds - Fixed Rate:				
2009	2.00%-5.00%	2020	26,645,000	-
2012	2.00%-5.00%	2043	76,470,000	7,225,000
2013	2.00%-5.00%	2044	145,170,000	8,165,000
2014	5.59%	2115	250,000,000	250,000,000
2017A	1.50%-5.00%	2048	156,150,000	148,820,000
2020	1.34%-3.02%	2051	222,575,000	222,575,000
				$ 652,614,530

Principal and interest payment requirements for the bonded debt for the years subsequent to June 30, 2020 are summarized as follows:

Years Ending	Bonds		Direct Borrowings and Direct Placements		Total	
June 30	Principal	Interest	Principal	Interest	Principal	Interest
2021	$ 10,705,000	$ 26,871,687	$ 1,875,856	$ 114,410	$ 12,580,856	$ 26,986,097
2022	11,065,000	26,481,767	1,909,433	80,531	12,974,433	26,562,299
2023	11,475,000	26,091,979	1,943,612	46,047	13,418,612	26,138,025
2024	10,975,000	25,460,501	1,978,403	321,837	12,953,403	25,782,338
2025	11,040,000	25,188,808	2,009,661	263,344	13,049,661	25,452,151
2026-2030	45,955,000	122,794,544	6,112,565	340,284	52,067,565	123,134,828
2031-2035	41,500,000	117,175,187	-	-	41,500,000	117,175,187
2036-2040	35,255,000	112,036,305	-	-	35,255,000	112,036,305
2041-2045	56,120,000	106,365,988	-	-	56,120,000	106,365,988
2046-2050	131,970,000	83,552,688	-	-	131,970,000	83,552,688
2051-2055	20,725,000	70,188,362	-	-	20,725,000	70,188,362
2056-2060	-	69,875,000	-	-	-	69,875,000
2061-2065	-	69,875,000	-	-	-	69,875,000
2066-2070	-	69,875,000	-	-	-	69,875,000
2071-2075	-	69,875,000	-	-	-	69,875,000
2076-2080	-	69,875,000	-	-	-	69,875,000
2081-2085	-	69,875,000	-	-	-	69,875,000
2086-2090	-	69,875,000	-	-	-	69,875,000
2091-2095	-	69,875,000	-	-	-	69,875,000
2096-2100	-	69,875,000	-	-	-	69,875,000
2101-2105	-	69,875,000	-	-	-	69,875,000
2106-2110	-	69,875,000	-	-	-	69,875,000
2111-2115	250,000,000	62,887,500	-	-	250,000,000	62,887,500
Total	$ 636,785,000	$ 1,573,720,317	$ 15,829,530	$ 1,166,452	$ 652,614,530	$ 1,574,886,769

Capital Leases - The University has $272,646 in capital lease obligations that have maturity dates through fiscal year 2022 and carry interest rates ranging from 3.28% to 3.90%. These lease arrangements are being used to provide partial financing for certain equipment. Capital asset balances as of June 30, 2020 that are financed under capital leases have an acquisition value of $708,463 with accumulated depreciation of $277,792 and a net book value of $430,671.

The scheduled maturities of these leases at June 30, 2020 are as follows:

	Years Ending June 30	Minimum Lease Payments
	2021	$ 215,926
	2022	56,720
Total minimum lease payments		272,646
Less amount representing interest		5,589
Net minimum capital lease payments		267,057
Less current portion		211,296
Noncurrent capital lease obligations		$ 55,761

Note 8 - Operating Leases

The University leases various facilities and equipment under operating lease agreements. These facilities and equipment are not recorded as assets on the statements of net position. The total rental expense under these agreements was $2,895,687 and $2,913,923 for the years ended June 30, 2020 and 2019, respectively.

Future minimum payments for all significant operating leases with initial terms in excess of one year at June 30, 2020 are as follows:

	Years Ending June 30	Minimum Lease Payments
	2021	$ 2,928,057
	2022	2,840,670
	2023	2,861,337
	2024	2,866,623
	2025	2,843,212
	2026-2035	14,293,577
Total minimum operating lease payments		$ 28,633,476

Note 9 - Operating Expenses by Natural Classification

The University reports operating expenses by functional classification on the statements of revenues, expenses, and changes in net position. Adjustments for the changes in unfunded pension and OPEB liabilities/(asset) are included as benefits and are functionally spread based on total compensation in the table below.

Operating expenses by natural classification for the two years ended June 30, 2020 and 2019 are summarized as follows:

Year ended June 30, 2020	Compensation and Benefits	Supplies and Services	Professional Services	Utilities	Travel and Entertainment	Total
Instruction	$ 250,924,123	$ 6,451,884	$ 13,536,108	$ 10,213	$ 4,439,511	$ 275,361,839
Research	29,451,094	6,215,143	2,523,057	11,870	1,156,782	39,357,946
Public service	21,414,813	3,408,769	4,413,336	145,240	411,079	29,793,237
Academic support	60,637,205	13,191,374	3,223,696	86,186	961,799	78,100,260
Student services	39,727,318	6,391,901	6,207,302	96,502	1,235,187	53,658,210
Institutional support	43,764,443	5,737,368	5,233,016	495,630	399,212	55,629,669
Operation and maintenance of plant	37,318,469	785,271	2,354,411	10,980,504	84,738	51,523,393
Auxiliary enterprises	43,946,259	31,871,222	976,274	2,989,734	2,432,397	82,215,886
Total	$ 527,183,724	$ 74,052,932	$ 38,467,200	$ 14,815,879	$ 11,120,705	$665,640,440
					Student Aid	15,401,002
					Depreciation	58,329,960
					Total Operating Expenses	$ 739,371,402

Year ended June 30, 2019	Compensation and Benefits	Supplies and Services	Professional Services	Utilities	Travel and Entertainment	Total
Instruction	$ 225,034,061	$ 7,085,020	$ 16,349,179	$ 47,106	$ 4,516,769	$ 253,032,135
Research	27,372,017	7,636,277	4,606,703	16,549	1,921,431	41,552,977
Public service	19,038,053	4,449,357	3,994,169	173,356	742,347	28,397,282
Academic support	58,705,471	15,283,102	3,144,586	39,558	2,891,227	80,063,944
Student services	35,872,878	8,277,552	2,958,403	72,697	2,190,994	49,372,524
Institutional support	35,433,940	10,393,828	2,372,776	495,129	611,039	49,306,712
Operation and maintenance of plant	27,211,230	2,990,317	2,193,695	12,336,389	120,386	44,852,017
Auxiliary enterprises	54,362,370	26,277,935	1,623,536	3,564,502	2,792,467	88,620,810
Total	$ 483,030,020	$ 82,393,388	$ 37,243,047	$16,745,286	$ 15,786,660	$ 635,198,401
					Student Aid	10,304,249
					Depreciation	56,416,189
					Total Operating Expenses	$ 701,918,839

Note 10 - Compensated Absences

Per University policy, eligible salaried administrative appointments and administrative hourly employees earn vacation at the rate of 21 days per year with a maximum accrual of 32 days. Upon termination, they are entitled to a payout of their accumulated balance up to a maximum of 32 days. Hourly classified employees earn vacation at rates per years of service, ranging from 10 to 25 days per year. The accrual is equal to the amount earned in three years, up to a maximum of 600 hours, which is subject to payout upon termination.

Other hourly, non-exempt employees are also eligible to elect compensatory time off in lieu of overtime pay. The use of compensatory time is scheduled with supervisory approval or subject to payout upon termination or transfer to another department.

The estimated liability for accrued vacation and compensatory time at June 30, 2020 and 2019 was $14,534,641 and $14,356,181, respectively.

All eligible University employees are entitled to a sick leave credit equal to 15 days per year (earned on a pro rata monthly basis for salaried employees and on a pro rata hourly basis for classified hourly and administrative hourly employees). Salaried and administrative hourly employees with 10 or more years of service are eligible to receive a payout upon retirement of up to 25% of unused days up to a maximum of 30 days. Hourly classified employees with 10 or more years of service are eligible for payout upon retirement of up to 50% of unused days up to a maximum of 60 days, except for hourly classified employees under the AFSCME contract, where the maximum is 80 days.

The Families First Coronavirus Response Act (FFCRA) was signed into law on March 18, 2020 and is in effect April 1, 2020 through December 31, 2020. The FFCRA provides eligible University employees with up to two weeks of emergency paid sick leave allowance through the Emergency Paid Sick Leave Act and expands family and medical leave through the Emergency Family and Medical Leave Expansion Act to include allowance for eligible employee's to care for their child(ren) whose school or place of care is closed.

The estimated liability for accrued sick leave at June 30, 2020 and 2019 was $6,732,359 and $6,192,204, respectively.

Compensated absences at June 30, 2020 and 2019 are summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
For the year ended:					
June 30, 2020	$ 20,548,385	$ 26,847,635	$ (26,129,020)	$ 21,267,000	$ 3,054,436
June 30, 2019	$ 20,532,898	$ 26,965,396	$ (26,949,909)	$ 20,548,385	$ 2,370,872

Note 11 - Retirement Plans

Based on rules governed by the Ohio Revised Code (ORC), employees of Ohio University are covered under one of three retirement plans, unless eligible for exemption as in the case of most student employees. The system in which an employee is eligible to enroll is dependent on his or her position with the University. Generally, faculty appointments are eligible for enrollment in a defined benefit plan, administered by STRS Ohio, and all other employees are eligible for enrollment in a defined benefit plan, administered by OPERS. In addition, full-time employees may opt out of the state retirement system and choose a defined contribution plan, also referred to as an Alternative Retirement Plan (ARP), with one of seven independent providers. STRS Ohio and OPERS also offer a defined contribution plan and a combined plan with features of both a defined contribution plan and a defined benefit plan. All options are discussed below in more detail.

Retirement Plan Funding - Chapter 3307 of the ORC limits the maximum rate of contributions. The retirement boards of the systems individually set contributions rates within the allowable limits. The adequacy of employer contribution rates is determined annually by actuarial valuation using the entry age normal cost method. Under these provisions, each employer entity's contribution is expected to finance the costs of benefits earned by its employees during the year, with an additional amount to finance a portion of the defined benefit plans' unfunded accrued liability.

The employee and employer rates are the same for ARP employees as the retirement system under which they would otherwise be covered. However, for those who would otherwise be covered by STRS Ohio and who instead elect the ARP, 4.47% of the employer contribution goes to the STRS Ohio retirement system and for those who would otherwise be covered by OPERS and instead elect the ARP, 2.44% goes to the OPERS systems at June 30, 2020 and 2019. The University's contributions each year are equal to its required contributions. Member contributions are set at the maximums authorized by the ORC.

The plans' 2020 contribution rates on covered payroll to each system are:

	Employer Contribution Rate				Member Contribution Rate
	Pension	Post Retirement Healthcare	Death Benefit	Total	Total
STRS Ohio - Faculty	14.0%	0.0%	0.0%	14.0%	14.0%
OPERS - State Employees	14.0%	0.0%	0.0%	14.0%	10.0%
OPERS - Law Enforcement	18.1%	0.0%	0.0%	18.1%	13.0%

The plans' 2019 contribution rates on covered payroll to each system are:

	Employer Contribution Rate				Member Contribution Rate
	Pension	Post Retirement Healthcare	Death Benefit	Total	Total
STRS Ohio - Faculty	14.0%	0.0%	0.0%	14.0%	14.0%
OPERS - State Employees	14.0%	0.0%	0.0%	14.0%	10.0%
OPERS - Law Enforcement	18.1%	0.0%	0.0%	18.1%	13.0%

University contributions for the current and preceding year are summarized as follows:

	Employer Contributions - for the years ended June 30			
	2020		2019	
Plan	Pension	OPEB	Pension	OPEB
STRS Ohio	$ 14,653,122	$ -	$ 14,920,746	$ -
OPERS	18,447,892	-	18,996,110	-
ARP	11,108,709	-	11,023,238	-
	$ 44,209,723	$ -	$ 44,940,094	$ -

Benefits Provided

STRS Ohio - Plan benefits are established under Chapter 3307 of the Revised Code, as amended by Substitute Senate Bill 342 in 2012, which gives the Retirement Board the authority to make future adjustments to the member contribution rate, retirement age and service requirements, and the cost-of-living adjustment as the need or opportunity arises, depending on the retirement system's funding progress.

The requirement to retire depends on years of service (5-35 years) and age depending on when the employee became a member. The maximum annual retirement allowance, payable for life, considers years of credited service, final average salary (3-5 years) and multiplying by a factor ranging from 2.2% to 2.5% with 0.1% incremental increases for years greater than 30-32, depending on retirement age.

A defined benefit plan or combined plan member with five or more years of credited service who is determined to be disabled (illness or injury preventing individual's ability to perform regular job duties for at least 12 months) may receive a disability benefit. Additionally, eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least 10 years of qualifying service credit to apply for disability benefits.

A death benefit of $1,000 is payable to the beneficiary of each deceased retired member who participated in the plan. Death benefit coverage up to $2,000 can be purchased by participants in all three of the plans. Various other benefits are available to members' beneficiaries.

OPERS - Plan benefits are established under Chapter 145 of the Ohio Revised Code, as amended by Substitute Senate Bill 343 in 2012. The requirements to retire depend on years of service (5 to 32 years) and from attaining the age of 48 to 62, depending on when the employee became a member. Members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit, except for public safety and law enforcement participants. Member retirement benefits are calculated on a formula that considers years of service (5-30 years), age (48-62 years) and final average salary, using a factor ranging from 1% to 2.5%.

A plan member who becomes disabled before age 60 or at any age, depending on when the member entered the plan, and has completed 60 contributing months is eligible for a disability benefit.

A death benefit of $500 - $2,500 is determined by the number of years of service credit of the retiree. Benefits may transfer to a beneficiary upon death with 1.5 years of service credits with the plan obtained within the last 2.5 years, except for law enforcement and public safety personnel, who are eligible immediately upon employment.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3%, or an amount based on the average percentage increase in the Consumer Price Index, capped at 3%.

Defined Benefit Plans - The defined benefit plans of STRS Ohio and OPERS are cost-sharing, multiple-employer public employee retirement plans. Both systems provide retirement, survivor, and disability benefits to plan members and their beneficiaries. The systems also provide post-employment health care benefits (including Medicare B premiums) to retirees and beneficiaries who elect to receive those benefits. The authority to establish and amend benefits is provided by the ORC. Each retirement system issues a publicly available financial report that includes financial statements and required supplementary information for the pension and post-employment health care plans. Interested parties may obtain a copy of the STRS Ohio report by making a written request to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling toll free 888-227-7877, or by visiting the STRS Ohio website at www.strsoh.org. The OPERS report may be obtained by making a written request to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Net Pension Liability, Deferrals, and Pension Expense - At June 30, 2020 and 2019, the University reported a liability for its proportionate share of the net pension liability of both STRS Ohio and OPERS. For June 30, 2020, the net pension liability was measured as of June 30, 2019 for the STRS Ohio plan, and December 31, 2019 for the OPERS plan. For June 30, 2019, the net pension liability was measured as of June 30, 2018 for the STRS Ohio plan, and December 31, 2018 for the OPERS plan. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The University's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined.

For the years ended June 30, 2020 and 2019, the University's proportionate shares of the net pension liability are as follows:

Plan	Measurement Date	Net Pension Liability 2020	Net Pension Liability 2019	Proportionate Share 2020	Proportionate Share 2019	Percent Change 2019-20	Percent Change 2018-19
STRS Ohio	June 30	$ 200,611,979	$ 210,972,832	0.907%	0.960%	-0.053%	-0.043%
OPERS	December 31	181,028,559	219,591,985	0.915%	0.797%	0.118%	-0.081%
		$ 381,640,538	$ 430,564,817				

For the years ended June 30, 2020 and 2019, the University recognized pension expense of $69,775,277 and $73,101,059, respectively.

For the years ended June 30, 2020 and 2019, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,716,045	$ 3,521,891	$ 4,934,110	$ 4,547,769
Changes in assumptions	33,470,614	-	56,720,453	-
Net difference between projected and actual earnings on pension plan investments	-	46,413,401	30,049,446	12,793,156
Changes in proportion and differences between University contributions and proportionate share of contributions	17,300,589	19,274,661	3,180,115	20,000,310
University contributions subsequent to the measurement date	23,615,057	-	24,453,281	-
Total	$ 76,102,305	$ 69,209,953	$ 119,337,405	$ 37,341,235

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as increases or (decreases) in pension expense as follows:

Years Ending June 30	Amount
2021	$ 10,692,362
2022	(8,439,045)
2023	(3,542,424)
2024	(15,372,241)
2025	(19,156)
Thereafter	(42,201)
	$ (16,722,705)

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year (2021).

Net OPEB Liability/(Asset), Deferrals, and OPEB Expense - At June 30, 2020, the University reported a liability/(asset) for its proportionate share of the net OPEB liability/(asset) of both STRS Ohio and OPERS. For June 30, 2020, the net OPEB liability/(asset) was measured as of June 30, 2019 for the STRS Ohio plan, and December 31, 2019 for the OPERS plan. For June 30, 2019, the net OPEB liability/(asset) was measured as of June 30, 2018 for the STRS Ohio plan, and December 31, 2018 for the OPERS plan. The total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of those dates, except OPERS which used an actuarial valuation dated December 31, 2018 and 2017, respectively, rolled forward to the measurement date by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year for the defined benefit health care plans. Typically, the University's proportion of the net OPEB liability/(asset) would be based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. For the plan years ended June 30, 2019 and 2018, STRS did not allocate employer contributions to the OPEB plan. Therefore, STRS' calculation of the employers' proportionate share is based on total contributions to the plan for both pension and OPEB. For both the plan years ended December 31, 2019 and 2018, OPERS allocated 0% of the total 14% employer contributions to the OPEB plan. Therefore, OPERS' calculation of the employers' proportionate share is based on total contributions to the plan for both pension and OPEB.

For the years ended June 30, 2020 and 2019, the University's proportionate shares of the net OPEB liability/(asset) are as follows:

Plan	Measurement Date	Net OPEB Liability (Asset) 2020	Net OPEB Liability (Asset) 2019	Proportionate Share 2020	Proportionate Share 2019	Percent Change 2019-20	Percent Change 2018-19
STRS Ohio	June 30	$ (15,025,409)	$ (15,418,000)	0.907%	0.960%	-0.053%	-0.043%
OPERS	December 31	125,213,548	102,900,612	0.907%	0.789%	0.118%	-0.081%
		$ 110,188,139	$ 87,482,612				

For the years ended June 30, 2020 and 2019, the University recognized OPEB expense of $11,399,517 and ($27,282,163), respectively.

For the years ended June 30, 2020 and 2019, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2020 Deferred Outflows of Resources	2020 Deferred Inflows of Resources	2019 Deferred Outflows of Resources	2019 Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,365,519	$ 12,215,790	$ 1,835,845	$ 1,177,200
Changes in assumptions	20,135,805	16,473,600	3,317,639	21,009,000
Net difference between projected and actual earnings on pension plan investments	-	7,319,546	4,717,385	1,761,000
Changes in proportion and differences between University contributions and proportionate share of contributions	8,874,309	4,588,737	-	7,451,719
Total	$ 30,375,633	$ 40,597,673	$ 9,870,869	$ 31,398,919

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as increases or (decreases) in OPEB expense as follows:

Years ending June 30		Amount
2021	$	1,645,727
2022		1,119,738
2023		(3,531,066)
2024		(6,127,923)
2025		(3,321,495)
Thereafter		(7,021)
	$	(10,222,040)

Actuarial Assumptions - The total pension liability and OPEB liability/(asset) in the actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement on June 30, 2020:

	STRS Ohio	OPERS
Valuation date - Pension	June 30, 2019	December 31, 2019
Valuation date - OPEB	June 30, 2019	December 31, 2018, rolled forward to December 31, 2019
Actuarial cost method	Entry age normal	Individual entry age
Cost of living adjustments	0%	Pre-1/7/2013 retirees: 3.0% simple; Post-1/7/2013 retirees: 1.4% simple through 2020, then 2.15% simple
Salary increases, including inflation	2.5% - 12.5%	3.25% - 10.75%
Inflation	2.5%	3.25%
Investment rate of return - Pension	7.45%, net of investment expenses, including inflation	7.2%, net of investment expense, including inflation
Investment rate of return - OPEB	7.45%, net of investment expenses, including inflation	6.0%, net of investment expenses, including inflation
Health care cost trend rates	4.93% - 9.62% initial, 4.0% ultimate	10.5% initial, 3.5% ultimate in 2030
Experience study date	Period of 5 years ended June 30, 2016	Period of 5 years ended December 31, 2015
Mortality basis	RP-2014 Annuitant and Disabled Mortality Tables with varying percentage of rates through age ranges (healthy retirees) and with 90% of rates for males and 100% of rates for females (disabled), projected forward generationally using mortality improvement scale MP-2016	RP-2014 Healthy Annuitant/Disabled mortality table (MP-2015 mortality improvement scale)

The following actuarial assumptions, applied to all periods included in the measurement for the period ended June 30, 2019, were as follows:

	STRS Ohio	OPERS
Valuation date - Pension	July 1, 2018	December 31, 2018
Valuation date - OPEB	June 30, 2018	December 31, 2017, rolled forward to December 31, 2018
Actuarial cost method	Entry age normal	Individual entry age
Cost of living adjustments	0%	3.0% simple through 2018, then 2.15 percent simple
Salary increases, including inflation	2.5% - 12.5%	3.25% - 10.75%
Inflation	2.5%	3.25%
Investments rate of return - Pension	7.45%, net of investment expense, including inflation	7.2%, net of investment expense, including inflation
Investments rate of return - OPEB	7.45%, net of investment expense, including inflation	6.0%, net of investment expense, including inflation
Health care cost trend rates	Minus 5.23% - 9.62% initial, 4.0% ultimate	10.0% initial, 3.25% ultimate in 2029
Experience study date	Period of 5 years ended June 30, 2016	Period of 5 years ended December 31, 2015
Mortality basis	RP-2014 Annuitant and Disabled Mortality Tables with varying percentage of rates through age ranges (healthy retirees) and with 90% of rates for males and 100% of rates for females (disabled), projected forward generationally using mortality improvement scale MP-2016	RP-2014 Healthy Annuitant/Disabled mortality table (MP-2015 mortality improvement scale)

Discount Rate - The discount rates used to measure the total pension liabilities at June 30, 2020 were 7.45% for STRS Ohio and 7.20% for OPERS and were unchanged from June 30, 2019. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates for all plans. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. 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.

The discount rates used to measure the total OPEB liabilities/(assets) at June 30, 2020 were 7.45% for STRS Ohio and 3.16% for OPERS. The discount rates used to measure the total OPEB liabilities/(assets) at June 30, 2019 were 7.45% for STRS Ohio and 3.96% for OPERS. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates for all plans. Plans that project fiduciary net position to be insufficient to make all projected future benefit payments for current active and inactive employees used a blended discount rate between the long-term expected rate of return on plan investments and a 20-year municipal bond rate applied to all periods of projected benefit payments to determine the total OPEB liability/(asset). At plan years June 30, 2019 and 2018 for STRS Ohio and plan year December 31, 2019 for OPERS, fiduciary net position was projected to be available to make all projected future benefit payments for current and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability/(asset). The municipal bond rate of 2.75%, based on the Fidelity 20-year Municipal GO AA Index, was used. At plan year December 31, 2018 for OPERS, the fiduciary net position was projected to become insufficient to make all projected future benefit payments for current and inactive employees. Therefore, a blended rate was used, which consisted of the long-term expected rate of return on OPEB plan investments for the funded benefit payments and the Fidelity 20-year Municipal General Obligation AA Index rate of 3.71% at December 31, 2018.

For OPERS the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2034. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

The long-term expected rate of return on pension plan and OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) 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 and by adding expected inflation. OPERS has two different portfolios of investment, a defined benefit portfolio for pension and health care portfolio for OPEB. As a result, there are different target allocations and long-term expected real rates of return disclosed for each portfolio.

The target allocation and best estimates of arithmetic (geometric for STRS) real rates of return for each major asset class are summarized in the following tables:

STRS - as of 7/1/19

Investment Category	Target Allocation	Long-term Expected Real Rate of Return*
Domestic Equity	28.00%	7.35%
International Equity	23.00%	7.55%
Alternatives	17.00%	7.09%
Fixed Income	21.00%	3.00%
Real Estate	10.00%	6.00%
Liquidity Reserves	1.00%	2.25%
	100.00%	

* Includes inflation of 2.25%

OPERS - as of 12/31/19

	Defined Benefit Portfolio		Health Care Portfolio	
Investment Category	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equities	19.00%	5.75%	21.00%	5.75%
International Equities	21.00%	7.66%	23.00%	7.66%
Private Equity	12.00%	10.70%	-	-
Fixed Income	25.00%	1.83%	36.00%	1.53%
Real Estate	10.00%	5.20%	-	-
REITs	-	-	6.00%	5.69%
Other Investments	13.00%	4.98%	14.00%	4.90%
	100.00%		100.00%	

STRS - as of 7/1/18

Investment Category	Target Allocation	Long-term Expected Real Rate of Return*
Domestic Equity	28.00%	7.35%
International Equity	23.00%	7.55%
Alternatives	17.00%	7.09%
Fixed Income	21.00%	3.00%
Real Estate	10.00%	6.00%
Liquidity Reserves	1.00%	2.25%
	100.00%	

* Includes inflation of 2.25%

OPERS - as of 12/31/18

	Defined Benefit Portfolio		Health Care Portfolio	
Investment Category	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equities	19.00%	6.21%	21.00%	6.21%
International Equities	20.00%	7.83%	22.00%	7.83%
Private Equity	10.00%	10.81%	-	-
Fixed Income	23.00%	2.79%	34.00%	2.42%
Real Estate	10.00%	4.90%	-	-
REITs	-	-	6.00%	5.98%
Other Investments	18.00%	5.50%	17.00%	5.57%
	100.00%		100.00%	

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the University, calculated using the discount rate listed below, as well as what the University's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

2020

Plan	1% Decrease			Current Discount Rate			1% Increase		
STRS Ohio	6.45%	$	293,172,057	7.45%	$	200,611,979	8.45%	$	122,255,130
OPERS	6.20%		300,141,302	7.20%		181,028,559	8.20%		74,056,071
		$	593,313,359		$	381,640,538		$	196,311,201

2019

Plan	1% Decrease			Current Discount Rate			1% Increase		
STRS Ohio	6.45%	$	308,098,048	7.45%	$	210,972,832	8.45%	$	128,769,514
OPERS	6.20%		325,193,697	7.20%		219,591,985	8.20%		131,880,873
		$	633,291,745		$	430,564,817		$	260,650,387

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate - The following presents the net OPEB liability/(asset) of the University, calculated using the discount rate listed below, as well as what the University's net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

2020

Plan	1% Decrease			Current Discount Rate			1% Increase		
STRS Ohio	6.45%	$	(12,821,195)	7.45%	$	(15,025,409)	8.45%	$	(16,878,637)
OPERS	2.16%		163,862,013	3.16%		125,213,548	4.16%		94,268,703
		$	151,040,818		$	110,188,139		$	77,390,066

2019

Plan	1% Decrease			Current Discount Rate			1% Increase		
STRS Ohio	6.45%	$	(13,214,849)	7.45%	$	(15,418,000)	8.45%	$	(17,270,029)
OPERS	2.96%		131,648,234	3.96%		102,900,612	4.96%		80,038,654
		$	118,433,385		$	87,482,612		$	62,768,625

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Health Care Cost Trend Rate - The following presents the net OPEB liability/(asset) of the University, calculated using the health care cost trend rate listed below, as well as what the University's net OPEB liability/(asset) would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

2020

Plan	1% Decrease	Current Trend Rate	1% Increase
STRS Ohio	$ (17,038,123)	$ (15,025,409)	$ (12,560,320)
OPERS	121,518,604	125,213,548	128,861,392
	$ 104,480,481	$ 110,188,139	$ 116,301,072

2019

Plan	1% Decrease	Current Trend Rate	1% Increase
STRS Ohio	$ (17,165,491)	$ (15,418,000)	$ (13,643,708)
OPERS	98,909,813	102,900,612	107,496,940
	$ 81,744,322	$ 87,482,612	$ 93,853,232

Pension Plan and OPEB Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued STRS Ohio and OPERS financial reports.

Payable to the Pension Plan and OPEB Plan - At June 30, 2020, the University reported a payable of $1,390,840 and $0 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2020. At June 30, 2019, the University reported a payable of $1,598,828 and $0 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2019.

Changes in Assumptions – STRS Ohio changed the trend rate for OPEB from -5.32%-9.62% initial and 4% ultimate at June 30, 2018 to 4%-9.62% initial and 4% ultimate at June 30, 2019. During the plan year ended December 31, 2019, OPERS increased the discount rate from 3.16% to 3.96%. In addition, the OPERS trend rate was changed from 10% initial, 3.25% ultimate in 2029 to 10.5% initial, 3.5% ultimate in 2030.

Changes Between Measurement Date and Report Date – On January 15, 2020, the OPERS Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements, nor are they reflected in the December 31, 2019 measurement date health care valuation. However, these changes are expected to decrease the associated OPEB liability calculation for the measurement date of December 31, 2020.

Defined Contribution Plans - The ARP is a defined contribution pension plan, under IRS Section 401(a), and established by Ohio Amended Substitute House Bill 586 (ORC 3305.02) on March 31, 1998, for public institutions of higher education. The University's board of trustees adopted the University's plan on April 18, 1998. Full-time employees are eligible to choose a provider, in lieu of STRS Ohio or OPERS, from the list of seven providers currently approved by the Ohio Department of Insurance and who hold agreements with the University. Employee and employer contributions equal to those required by STRS Ohio and OPERS are required for the ARP, less any amounts required to be remitted to the state retirement system in which the employee would otherwise have been enrolled.

Eligible employees have 120 days from their date of hire to make an irrevocable election to participate in the ARP. Under this plan, employees who would have otherwise been required to be in STRS Ohio or OPERS, and who elect to participate in the ARP, must contribute the employee's share of retirement contributions to one of seven private providers approved by the Ohio Department of Insurance. The legislation mandates that the employer must contribute an amount to the state retirement system to which the employee would have otherwise belonged, based on an independent actuarial study commissioned by the Ohio Retirement Study Council and submitted to the Ohio Board of Regents. That amount is 4.47% for STRS Ohio and 2.44% for OPERS for the years ended June 30, 2020 and 2019. The employer also contributes what would have been the employer's contribution under STRS Ohio or OPERS, less the aforementioned percentages, to the private provider selected by the employee. The University plan provides these employees with immediate plan vesting.

The ARP does not provide disability benefits, survivor benefits, or postretirement health care. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options.

STRS Ohio and OPERS also offer a defined contribution plan and a combined plan with features of both a defined contribution plan and a defined benefit plan.

Other Postemployment Benefits - In addition to the pension benefits described above, Ohio Law provides that the University fund postretirement healthcare benefits to retirees and their dependents through employer contributions to OPERS and STRS Ohio.

OPERS provides retirement, disability, and survivor benefits as well as postemployment healthcare coverage to qualifying members of its plans. A portion of each employer's contribution to OPERS is allocated for funding of postretirement health care. The portion of employer contributions, for all employers, allocated to health care was 0% during calendar year 2019.

STRS Ohio provides access to healthcare coverage to retirees who participated in the Defined Benefit or Combined Plans, and their dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Pursuant to the ORC, the State Teachers Retirement Board (the "Board") has discretionary authority over how much, if any, of the healthcare costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the healthcare cost in the form of a monthly premium.

The ORC grants authority to STRS Ohio to provide healthcare coverage to eligible benefit recipients, spouses, and dependents. By Ohio law, healthcare benefits are not guaranteed, and the cost of the coverage paid from STRS Ohio funds shall be included in the employer contribution rate, currently 14% of covered payroll.

The Board allocates employer contributions to the Health Care Fund from which healthcare benefits are paid. Effective July 1, 2014, the Board discontinued allocating 1% of employer contributions to the Health Care Fund. The balance in the Health Care Fund was $3.9 billion as of June 30, 2019.

For the fiscal year ended June 30, 2019, net healthcare costs paid by STRS Ohio were $489.2 million. There were 157,418 eligible benefit recipients.

Note 12 - Risk Management and Contingencies

Legal - During the normal course of operations, the University has become a defendant in various legal and administrative actions. Liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. However, in the opinion of in-house legal counsel and University management, the disposition of all pending litigation would not have a significant adverse effect on the University's financial position.

Self-insured Medical, Prescription, Dental and Workers' Compensation - The University provides medical, prescription, dental and workers' compensation coverage for its employees on a self-insurance basis. Expenses for claims are recorded on an accrual basis based on the date claims are incurred.

Changes in the self-insurance claims liability for the three years ended June 30, 2020 are summarized as follows:

	2020	2019	2018
Accrued claims liability - Beginning of year	$ 9,298,093	$ 7,736,709	$ 7,637,994
Incurred claims - Net of favorable settlements	68,158,475	65,182,312	61,576,108
Claims paid	(67,656,921)	(63,620,928)	(61,477,393)
Accrued claims liability - End of year	$ 9,799,647	$ 9,298,093	$ 7,736,709

Liability for claims is accrued based on estimates made by the University's third-party actuary. These estimates are based on experience and current claims outstanding. Actual claims experience may differ from the estimate.

Effective January 1, 2013, the University became self-insured for workers' compensation. For claims initiated prior to that date (tail claims), the University participates in The Ohio Bureau of Workers' Compensation plan (PES – Public Employer State) which pays workers' compensation benefits to employees who have been injured on the job. The workers' compensation claims incurred prior to January 1, 2013 are estimated by the University's third-party actuary and are included in accounts payable and accrued liabilities detailed in Note 6 and other noncurrent liabilities detailed in Note 14.

Commercial Insurance Coverage – In addition to self-insurance, the University carries various commercial insurance coverages and participates in the Inter-University Council Insurance consortium with certain other Ohio state-assisted universities for the acquisition of commercial property and liability insurance. There was no significant reduction in insurance coverage from the prior year. Settlements did not exceed insurance coverage for each of the past three fiscal years.

At June 30, 2020, the University has the following commercial insurance policies:

Type	Deductible	Coverage
Cyber Liability	$ 75,000	$ 3,000,000
Aircraft Liability (Flight Training)	-	5,000,000
Crime	100,000	5,000,000
Excess Social Engineering Fraud	-	3,000,000
Medical Malpractice Liability	25,000	2,000,000/6,000,000
Airport General Liability	5,000	10,000,000
Special Accident Liability	-	20,000,000
Aircraft Liability (Corporate)	-	50,000,000
Educator's Liability	100,000	50,000,000
Foreign Liability	-	50,000,000
General and Auto Liability	100,000	50,000,000
Fine Art	25,000	25,000,000/100,000,000
Property	100,000	1,750,000,000
Pollution	25,000	10,000,000

General Liability, Auto Liability, Educator's Liability, Medical Malpractice Liability, Foreign Liability, Property, Fine Arts, Pollution and Special Accident Liability have elements of dedicated and shared coverage. Medical Malpractice is $2 million per occurrence and $6 million in the aggregate. Fine Art coverage has a $25,000 deductible for owned fine art and a $0 deductible for non-owned fine art. Coverage is $25 million for any one exhibition, $25 million for any one transit and $100 million for any one loss.

Note 13 - Capital Project Commitments

At June 30, 2020, the University is committed to future capital expenditures as follows:

Contractual commitments	$ 78,770,431
Estimated completion costs of projects	33,040,362
Total	$ 111,810,793
These projects will be funded by:	
State appropriations	$ 14,209,653
Gifts and grants	2,313,581
University funds (including bond funds)	95,287,559
Total	$ 111,810,793

Note 14 - Other Noncurrent Liabilities

The University's other noncurrent liabilities at June 30, 2020 is summarized as follows:

	July 1, 2019	Additions	Reductions	June 30, 2020	Current Portion	Noncurrent Portion
Pollution remediation	$ 446,417	$ 271,078	$ 301,417	$ 416,078	$ 276,078	$ 140,000
Asset retirement obligations	500,000	-	-	500,000	-	500,000
Deferred rent	4,325,235	-	255,197	4,070,038	281,176	3,788,862
Severance pay	447,169	12,503,941	447,169	12,503,941	6,749,054	5,754,887
Workers' compensation	7,546,015	2,033,993	1,290,946	8,289,062	1,370,529	6,918,533
Total noncurrent liabilities	$ 13,264,836	$ 14,809,012	$ 2,294,729	$ 25,779,119	$ 8,676,837	$ 17,102,282

The University's other noncurrent liabilities at June 30, 2019 is summarized as follows:

	July 1, 2018	Additions	Reductions	June 30, 2019	Current Portion	Noncurrent Portion
Pollution remediation	$ 503,314	$ 296,417	$ 353,314	$ 446,417	$ 301,417	$ 145,000
Asset retirement obligations	500,000	-	-	500,000	-	500,000
Deferred rent	4,014,068	311,167	-	4,325,235	255,197	4,070,038
Severance pay	520,844	447,169	520,844	447,169	447,169	-
Workers' compensation	7,574,104	1,279,208	1,307,297	7,546,015	1,290,946	6,255,069
Total noncurrent liabilities	$ 13,112,330	$ 2,333,961	$ 2,181,455	$ 13,264,836	$ 2,294,729	$ 10,970,107

Note 15 - Refundable Advances for Federal Student Loans

Refundable advances for federal student loans for the two years ended June 30, 2020 are summarized as follows:

	Beginning Balance	Additions - Net	Reductions - Net	Ending Balance	Current Portion
For the year ended:					
June 30, 2020	$ 8,137,692	$ -	$ 513,532	$ 7,624,160	$ -
June 30, 2019	$ 6,803,269	$ 1,334,423	$ -	$ 8,137,692	$ -

Note 16 - Pollution Remediation

GASB requires the University to account for pollution (including contamination) remediation obligations. Future expected payments for pollution remediation activities include legal obligations due to commencing purchase orders for asbestos removal. This liability is measured at the cost of the construction contract including consultants and the amount assumes no unexpected change orders.

Pollution remediation obligations continued to include expected payments imposed by the Ohio Environmental Protection Agency (OEPA). The violation of OAC Rule 3745-27-13(A) and ORC Rule 3734.02 (H) lists the

University as responsible for the methane gas level monitoring of a disposal site on the University's Southern Campus. The University's monitoring on this site in fiscal year 2009 was estimated at 40 years. The liability is accrued based on reasonably expected potential outlays for performing this monitoring. The current value of expected cash flows method was used to measure the estimated liability using the prior year expenditures as an estimate of future annual obligations. Future expected payments for all significant pollution remediation activities include the following:

Years Ending June 30	Minimum Payments
2021	$ 276,078
2022	5,000
2023	5,000
2024	5,000
2025	5,000
2026-2049	120,000
Total minimum payments	$ 416,078

These amounts are included in the current portion of accounts payable and accrued liabilities, as well as in other noncurrent liabilities on the statements of net position.

Note 17 – Termination plans

On January 17, 2020 the Ohio University Board of Trustees approved a resolution authorizing the University to establish and implement a Voluntary Separation or Retirement Program (VSRP) for certain tenured professors, tenured associate professors, and administrative staff with the academic rank of tenured professor or tenured associate professor. The VSRP original election period opened on February 5, 2020 and closed on April 4, 2020. Eligible employee’s separation of service from the University, was on May 31, 2020, or such alternative retirement date as determined by the University in accordance with the terms of the Plan, but no later than December 31, 2020. Financial incentives include a payment equal to 100% of the eligible employee’s base rate of pay and an additional $20,000 if enrolled in the University health plan, to help offset the purchase of external health insurance. Payments are to be made during fiscal year 2021 and/or fiscal year 2022, depending on the date of separation. The cost included in fiscal year 2020, for the 74 employees who took advantage of the plan, was $10,767,875 and included the financial incentives above as well as sick and vacation payouts in accordance with standard policy.

Starting July 8, 2020, the election period was reopened until September 14, 2020. The cost for employees who took advantage of the plan during this extended open period will be included in fiscal year 2021.

On January 17, 2020 the Ohio University Board of Trustees approved a resolution authorizing the University to establish and implement an Early Retirement Incentive Plan (ERIP) for AFSCME residential custodial and custodial staff. The AFSCME ERIP election period began on February 5, 2020 and ended on March 21, 2020, with retire dates between April 30, 2020 and June 30, 2020. Financial incentives were 100% of pay up to $15,000 and an additional $5,000 if enrolled in the University health plan, to help offset the purchase of external health insurance. Payments are to be made during fiscal year 2021. The cost included in fiscal year 2020, for the 19 employees who took advantage of the plan, was $512,622 and included the financial incentives above as well as sick and vacation payouts in accordance with standard policy.

Note 18 - Donor-restricted Endowments

Under the standard established by Section 1715.56 of the ORC, an institution may appropriate as much as is prudent of the realized and unrealized net appreciation of the fair value of the assets of the endowment fund over the historic dollar value of the fund for the uses and purposes for which an endowment fund is established. The University's endowment spending policy is based on the concept of total return, and the spending rate for fiscal years 2020 and 2019 was 6%, which included a 2% administrative fee.

The amounts of net appreciation on investments of donor-restricted endowments that are available for authorization for expenditure by the Board were $11,031,261 and $12,154,947 for June 30, 2020 and 2019, respectively. Those amounts are reported as restricted expendable net position.

Note 19 - Net Position

Restricted and unrestricted net position for the years ended June 30, 2020 and 2019 are as follows:

	2020	2019
Restricted - nonexpendable -		
Permanent endowments	$ 22,681,571	$ 22,726,678
Restricted - expendable:		
Sponsored programs	$ 4,181,987	$ 2,315,055
Component unit funds	3,038,547	3,265,685
Capital projects and debt service funds	253,390	962,392
Loans	7,905,632	9,189,825
Unspent endowment distributions	2,032,368	1,941,831
Endowments - net appreciation	11,031,261	12,154,947
Total restricted - expendable	$ 28,443,185	$ 29,829,735
Unrestricted - allocated:		
Auxiliaries	$ 80,956,601	$ 91,430,538
Quasi endowments	68,234,068	61,497,383
Unspent endowment distributions	10,363,776	9,126,862
Quasi endowments - net appreciation	9,227,446	10,509,462
Other	261,003,234	257,311,752
Unfunded pension liability	(374,748,186)	(348,568,648)
Unfunded OPEB liability	(120,410,179)	(109,010,662)
Total unrestricted - allocated	$ (65,373,240)	$ (27,703,313)

Restricted net position is subject to external restrictions and is categorized as either nonexpendable or expendable. Restricted nonexpendable net position consists entirely of endowments whose corpus is held in perpetuity. Restricted expendable net position is made up of the categories above.

Unrestricted net position is not subject to external restrictions; however, the University's unrestricted net position has been internally designated for specific purposes or for contractual purchase obligations. This category includes amounts set aside for auxiliaries, academic and research programs, reserves, and capital projects.

Note 20 – Blended Component Units

As indicated in Note 1, the University consolidates certain component units in a blended presentation. UMA is not presented below as it had only immaterial trailing financial results for the years ended June 30, 2020 and 2019.

Condensed financial information is presented below for the blended component units, Tech GROWTH Ohio Fund, Coalition of Rural and Appalachian Schools (CORAS) and Muskingum Recreation Center (MRC):

Tech GROWTH Ohio Fund:

Statement of Net Position (Condensed)

	June 30, 2020	June 30, 2019
Current Assets	$ 969,897	$ 792,035
Other Assets	2,068,650	2,473,650
Total Assets	$ 3,038,547	$ 3,265,685
Total Net Position Restricted - Expendable	$ 3,038,547	$ 3,265,685

Statement of Revenues, Expenses and Changes in Net Position (Condensed)

	June 30, 2020	June 30, 2019
Operating Revenues	$ 145,780	$ 517,232
Operating Income	145,780	517,232
Other Nonoperating Expense	372,918	816,829
Decrease in Net Position	(227,138)	(299,597)
Net Position, Beginning of the Year	3,265,685	3,565,282
Net Position, End of the Year	$ 3,038,547	$ 3,265,685

Statement of Cash Flows (Condensed)

	June 30, 2020	June 30, 2019
Grants and contracts	$ -	$ 525,000
Increase in Accounts Receivable	(298,081)	-
Other Receipts (Payments)	145,780	(7,768)
Net cash provided by (used in) operating activities	(152,301)	517,232
Net Cash Provided by (Used in) Investing Activities	203,141	(224,005)
Net Increase in Cash and Cash Equivalents	50,840	293,227
Cash and Cash Equivalents, Beginning of the Year	311,033	17,806
Cash and Cash Equivalents, End of the Year	$ 361,873	$ 311,033

Coalition of Rural and Appalachian Schools (CORAS):

Statement of Net Position (Condensed)

	June 30, 2020	June 30, 2019
Total Assets	$ 226,509	$ 224,962
Total Liabilities	$ 5,731	$ 3,710
Total Net Position - Unrestricted	220,778	221,252
Total Liabilities and Net Position	$ 226,509	$ 224,962

Statement of Revenues, Expenses and Changes in Net Position (Condensed)

	June 30, 2020	June 30, 2019
Operating Revenues	$ 89,210	$ 108,065
Operating Expenses	89,684	79,173
Operating Income (Loss)	(474)	28,892
Increase (Decrease) in Net Position	(474)	28,892
Net Position, Beginning of the Year	221,252	192,360
Net Position, End of the Year	$ 220,778	$ 221,252

Statement of Cash Flows (Condensed)

	June 30, 2020	June 30, 2019
Sales and services	$ 89,210	$ 108,065
Payments to suppliers	89,684	79,173
Net cash provided by (used in) operating activities	(474)	28,892
Net Increase (Decrease) in Cash and Cash Equivalents	(474)	28,892
Cash and Cash Equivalents, Beginning of the Year	221,252	192,360
Cash and Cash Equivalents, End of the Year	$ 220,778	$ 221,252

Muskingum Recreation Center (MRC):

Statement of Net Position (Condensed)

		June 30, 2020
Current Assets	$	36,118
Other Assets		30,092
Total Assets	$	66,210
Total Net Position Unrestricted	$	66,210

Statement of Revenues, Expenses and Changes in Net Position (Condensed)

		June 30, 2020
Operating Revenues	$	313,088
Operating Expenses		331,075
Operating Loss		(17,987)
Other Nonoperating revenue, net		84,197
Increase in Net Position		66,210
Net Position, Beginning of the Year		-
Net Position, End of the Year	$	66,210

Statement of Cash Flows (Condensed)

		June 30, 2020
Other Payments	$	(331,075)
Other Receipts		313,088
Net cash provided by (used in) operating activities		(17,987)
Net Cash provided by Capital Financing Activities		54,105
Net Increase in Cash and Cash Equivalents		36,118
Cash and Cash Equivalents, Beginning of the Year		-
Cash and Cash Equivalents, End of the Year	$	36,118

Note 21 – COVID-19

In March 2020, due to a global outbreak of COVID-19, the University transitioned to remote learning and, with very limited exceptions, closed residence halls and culinary venues. Refunds of $18.9 million were processed for prorated spring 2020 semester room, board, class/program, and parking fees. Spending on supplies and travel was curtailed. In-person events were canceled, and staff was directed to work from home, when possible. On March 27, 2020 the Coronavirus Aid, Relief and Economic Security (CARES) Act was enacted and signed into law. The University was awarded $19.7 million in CARES Act Higher Education Emergency Relief Funds (HEERF). The federal award was split between emergency financial aid grants to students and an institutional portion to cover costs associated with the disruption of campus operations from coronavirus. In fiscal year 2020, $8.3 million of HEERF was recognized as revenue. $4.2 million of the fund was distributed for student aid and an equal amount was used to cover institutional costs related to COVID-19. The remaining funds will be recognized as revenue during fiscal year 2021, and awarded as aid or used to cover costs, as required. In May 2020, the Chancellor of the Ohio Department of Higher Education announced a 3.8% mid-year cut to the state share of instruction (SSI) in response to declining state tax revenues associated with COVID-19. This reduced the amount of state appropriations revenue the University was due to receive, in fiscal year 2020, by $6.9 million. Additional SSI cuts are expected in fiscal year 2021.

Additional CARES funding and possible insurance reimbursements will be used to supplement lost revenue and increased expenses related to the coronavirus outbreak during fiscal year 2021. There are also additional cost cutting measures taking place including furloughs and voluntary salary reductions.

The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries. The extent to which the coronavirus impacts the University's financial condition will depend on future developments, which are highly uncertain and cannot be predicted.

Note 22 - The Ohio University Foundation

Organization and Operation

The Ohio University Foundation (the "Foundation"), a component unit of Ohio University, was incorporated in Ohio in October 1945 to support the educational undertakings of Ohio University (the "University"). The Foundation is authorized to solicit and receive gifts and contributions for the benefit of the University and to ensure that funds and property received are applied to the uses specified by the donor.

The Foundation's wholly owned subsidiary, Inn-Ohio of Athens, Inc. (the "Inn"), owns and operates a 139-room hotel and restaurant facility in Athens, Ohio known as The Ohio University Inn.

The Sugar Bush Foundation (Sugar Bush) is an Ohio not-for-profit corporation, and is a supporting organization as defined in Code Section 509(a)(3). Sugar Bush has pledged to commit all of its charitable distributions to The Foundation. Upon dissolution of Sugar Bush and payment of all Sugar Bush liabilities, all of its assets shall be transferred to the Foundation, provided the Foundation is then recognized as a nonprofit Ohio corporation and as a tax-exempt organization under Section 501(c)(3) of the Code. The Foundation consolidates this supporting organization that is deemed to be financially interrelated.

The Russ LLCs are four limited liability companies (Fritz J. and Dolores H. Russ Holdings LLC, Russ North Valley Road LLC, Russ Research Center LLC, Russ Center North LLC) created to receive and hold property distributions from The Dolores H. Russ Trust for the benefit of the Russ College of Engineering. The limited liability companies are treated as disregarded entities for federal income tax purposes. The Foundation is the sole member of Fritz J. and Dolores H. Russ Holdings LLC. Fritz J. and Dolores H. Russ Holdings LLC is the sole member of Russ North Valley Road LLC, Russ Research Center LLC, and Russ Center North LLC.

Summary of Significant Accounting Policies

Change in Accounting Principle- During the year ended June 30, 2020, the Foundation's Board of Trustees and the Russ LLC's Board of Directors determined that it was in the best interest of the Russ LLCs to amend their articles of organization and convert them from Ohio for-profit limited liability companies to not-for-profit limited liability companies. To that end, certificate of amendments of the Russ LLCs' articles of organization were filed with and approved by the Ohio Secretary of State on April 20, 2020.

The accompanying consolidated financial statements have been adjusted to reflect the Russ LLC's financial information for the years ended June 30, 2020 and 2019 using accounting principles that apply to not-for-profit entities.

The change in accounting principle did not result in any adjustment to the valuation of the Russ LLC's assets or liabilities, nor did it result in any change to the valuation of the Russ LLC's net assets, as of the beginning of the fiscal years ended June 30, 2020 and 2019. The change in accounting principle did result in the reclassification of all of the Russ LLC's net assets from Funds With Donor Restrictions to Funds Without Donor Restrictions.

As of July 1, 2018, the change in accounting principle increased net assets without donor restrictions by $5.4 million and reduced net assets with donor restrictions by a like amount. For the year ended June 30, 2019, the adjustment decreased the change in net assets without donor restrictions by $0.5 million and increased the change in net assets with donor restrictions by a like amount. As of June 30, 2019, the adjustment increased net assets without donor restrictions by $4.9 million and reduced net assets with donor restrictions by a like amount.

Net Asset Class	As Originally Presented at July 1, 2018	Russ LLCs conversion to not-for-profit	Adjusted July 1, 2018
Net Assets Without Donor Restrictions	98,176,265	5,420,966	103,597,231
Net Assets With Donor Restrictions	453,560,456	(5,420,966)	448,139,490
Total	$ 551,736,721	$ -	$ 551,736,721

For the year ended June 30, 2019, amounts released from restriction were $592,936 as a result of the change in accounting principle above based on revenues generated by assets placed in service by the Russ LLCs.

Basis of Accounting and Presentation- The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting. The accompanying consolidated financial statements present the financial position and results of activities of the Foundation and its wholly owned subsidiary and other related entities - the Inn, one supporting organization, and four limited liability companies. All intercompany transactions have been eliminated.

Financial statements of not-for-profit organizations measure aggregate net assets and net asset activity based on the absence or existence of donor-imposed restrictions. Brief definitions of the two net asset classes are presented below:

Net Assets Without Donor Restrictions – Net assets derived from gifts and other institutional resources that are not subject to explicit donor-imposed restrictions. Net assets without donor restrictions also include board designated funds functioning as endowment.

Net Assets With Donor Restrictions – Net assets that are subject to explicit donor-imposed restrictions on the expenditure of contributions or income and gains on contributed assets and net assets from endowments not yet appropriated for spending by the Foundation. In addition, net assets with donor restrictions include restricted contributions from donors classified as funds functioning as endowment. The Foundation records as net assets with donor restrictions the original amount of gifts which donors have given to be maintained in perpetuity. Restrictions include support of specific schools or departments of the University, for professorships, research, faculty support, scholarships and fellowships, building construction and other purposes. When time and purpose restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Liquidity and Availability of Resources – The Foundation's financial assets available within one year of the Statements of Financial Position for general expenditure as of June 30 are as follows:

	2020	2019
Total assets, at year end	$ 570,091,097	$ 572,359,473
Less nonfinancial assets:		
Prepaid Expenses	232,117	299,878
Property and equipment, net of depreciation	11,816,723	10,310,397
Other Assets	129,939	155,277
Financial assets, at year end	557,912,318	561,593,921
Less those unavailable for general expenditure within one year due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	53,518,497	49,647,873
Donor-restricted endowments subject to appropriation and satisfaction of donor restrictions	320,545,292	321,544,976
Board-designated (quasi) endowments created with donor-restricted funds	52,478,054	57,633,729
Investments held in annuities and trusts	19,274,600	19,487,086
Life insurance cash surrender value	1,206,424	1,247,498
Financial assets held by Foundation subsidiaries	8,799,709	8,954,244
Board designations:		
Quasi-endowment funds without donor restrictions	95,152,150	94,589,461
Quasi-endowment spending account balances without donor restrictions	507,926	367,467
Subtotal of amounts unavailable for general expenditure within one year	551,482,652	553,472,334
Plus endowment distributions made available for general expenditure within one year due to:		
Endowment distributions without purpose restrictions	43,556	42,955
Endowment management fee	8,066,878	7,847,488
Subtotal of endowment distributions without donor restrictions or board designations	8,110,434	7,890,443
Financial assets available to meet cash needs for general expenditures	$ 14,540,100	$ 16,012,030

The Foundation is substantially supported by restricted contributions. Because donor restrictions require resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Foundation invests cash in excess of daily requirements in various short- and long-term investments. These investment pools offer sufficient liquidity to enable the Foundation to access funds, as necessary, to cover any immediate cash needs.

Additionally, the Foundation had board-designated (quasi) endowment funds created with donor-restricted funds, with accumulated earnings of $95,152,150 and $94,589,461 for the years ended June 30, 2020 and 2019, respectively. Although the Foundation does not intend to spend from this endowment, other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board-designated endowment funds could be made available if and when necessary.

Reserve funds in the amount of $259,651 and $1,289,565 were accumulated for the years ended June 30, 2020 and 2019, respectively, in accordance with the Foundation's Contingency and Operating Reserves Policy, as adopted in February 2014. The reserve is intended to stabilize the Foundation's finances and may be used for significant legal settlements, a large unanticipated loss in funding, or one-time, nonrecurring expenses that will build long-term capacity, such as projects addressing critical needs or unique opportunities deemed to be consistent with the mission of the University. The Foundation also realizes that there could be unanticipated liquidity needs.

Use of Estimates - The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications - Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no effect on previously reported changes in net assets or total net assets.

Concentration of Credit Risk - Financial instruments, which potentially subject the Foundation to a concentration of credit risk, consist principally of contributions receivable, investments for the Foundation, and receivables related to operations of the Inn and Russ Research Center LLC. Exposure to losses on contributions receivable is principally dependent on each donor’s financial condition. The Foundation monitors the exposure for credit losses and maintains allowances for anticipated losses on receivables.

Investments are recorded at fair value. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the Foundation’s consolidated statements of financial position and activities.

The management company that operates the Inn is responsible for collection of receivables and it provides a reserve for any estimated uncollectible balances, as appropriate. The property management staff that operates the Russ Research Center LLC is responsible for collection of receivables and provides a reserve for any estimated uncollectible balances, as appropriate.

Cash - At times, cash may exceed federally insured amounts. The Foundation believes it mitigates risks by depositing cash with major financial institutions. The Foundation held $9,891,953 and $21,960,505 in cash that was uninsured by the Federal Deposit Insurance Corporation (FDIC) at June 30, 2020 and 2019, respectively.

Cash Equivalents - The Foundation considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

Intentions - The Foundation receives communications from donors indicating that the Foundation has been included in the donor’s will or life insurance policy as beneficiary, representing intentions to give rather than promises to give. Such communications are not unconditional promises to give because the donors retain the ability to modify their wills and insurance policies during their lifetimes. The total realizable value of these intended gifts has not been established, nor have the intended gifts been recognized as an asset or contribution revenue. Such gifts are recorded when the Foundation is notified of the donor’s death, the will is declared valid by a probate court, and the proceeds are measurable.

Investments - Investments in securities are recorded at fair value based on quoted market values, with changes in market value during the year reflected in the consolidated statements of activities. Investments not publicly traded are either stated at cost, which approximates market, or at appraised market values when applicable. Alternatives are recorded at their most recent available valuation as provided by the investment custodian. Purchases and sales of investments are accounted for as of the trade date.

Cash Surrender Value of Insurance Policies - The Foundation records as an asset the cash surrender value of insurance policies for which it is the owner and beneficiary.

Property and Equipment - Property and equipment are recorded at the estimated fair value, if received as a gift, or at the purchase cost, plus any expenditures for improvements.

Depreciation of buildings is recorded over periods ranging from 20 to 40 years using the straight-line method. Depreciation and amortization of other property, equipment, and improvements are recorded over periods ranging from 3 to 15 years using the straight-line method.

Annually, or more frequently if events or circumstances change, a determination is made by management to ascertain whether property and equipment and intangibles have been impaired based on the sum of expected future undiscounted cash flows from operating activities. If the estimated net cash flows are less than the carrying amount of such assets, the Foundation will recognize an impairment loss in an amount necessary to write down the assets to a fair value as determined from expected future discounted cash flows. Based upon its most recent analysis, the Foundation has determined that no impairment to the carrying value of its long-lived assets existed at June 30, 2020 and 2019.

Gifts and Contributions - Contributions are recorded at their fair value on the date of receipt. All contributions are considered to be without donor restrictions unless specifically restricted by the donor. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as revenue with donor restrictions. When a donor restriction expires (when a stipulated time restriction ends or the purpose of restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Contributed property is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used or restrict the use of such assets for a specific purpose, the contributions are recorded as donor-restricted support. In the absence of such stipulations, contributions of property are recorded as support without donor restrictions.

Contributions of charitable gift annuities are reduced by the actuarially determined liability resulting from acceptance of the gift. Contributions are held in charitable trusts at the present value of their estimated future benefits to be received when the trust assets are distributed upon notification of the donor's death.

Income from Investments - Investment income earned is credited to net assets with donor restrictions if restricted by the donor or by state law. Otherwise, investment income earned is credited to net assets without donor restrictions. All investment income is recorded net of investment management fees.

Functional Allocation of Expenses - The costs of providing the various programs and support services have been summarized on a functional basis in the consolidated statements of activities. Certain costs have been allocated among the programs and support services benefited. Salaries and benefits are allocated based on the functions of the employees being paid. Supplies, services, and travel expenses are allocated on the basis of the program or support service incurring those costs. Occupancy, maintenance and repairs expense is allocated on the basis of the program or support service which uses the space being maintained. Depreciation is allocated on the basis of the program or support service which uses the fixed asset. Although methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Income Taxes - The Internal Revenue Service has determined that the Foundation is an exempt organization under Section 501(c)(3) of the Internal Revenue Code, except for taxes on unrelated income. The provision for income taxes for the Inn, a for-profit corporation, including deferred tax expenses, totaled $(46,462) and $118,968 for the years ended June 30, 2020 and 2019, respectively. The provision is mostly comprised of federal and city taxes. Of these amounts, $(7,362) and $164,968 represent current tax expense for the years ended June 30, 2020 and 2019, respectively. The deferred taxes are a result of differences between book and tax depreciation and are presented as long-term other liabilities on the statements of financial position. There are no income taxes on the Russ LLCs as they are disregarded entities.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Foundation and to recognize a tax liability if the Foundation has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken by the Foundation and has concluded that as of June 30, 2020 and 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the consolidated financial statements. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes that it is no longer subject to income tax examinations for years prior to June 30, 2017.

Recent Accounting Pronouncements –
In May 2014, FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which will supersede the current revenue recognition requirements in Topic 605, Revenue Recognition. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgements and changes in judgements and assets, recognized from costs incurred to obtain or fulfill a contract. The Foundation's primary revenue sources are not expected to be significantly impacted by the standard but a complete review of all revenue sources has not yet been completed. In addition, management is currently analyzing the disclosures that will be required with this pronouncement. The new guidance will be effective for the Foundation's year ending June 30, 2021.

In February 2016, the FASB issued ASU No. 2016-02, Leases, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Foundation's year ending June 30, 2021. The effect of applying the new lease guidance on the consolidated financial statements has not yet been determined.

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provided enhanced guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal transactions) and (2) determining whether a contribution is conditional. The accounting guidance was expected to result in more governmental contracts being accounted for as contributions and could delay revenue recognition for certain grants and contributions that no longer meet the definition of unconditional. The new guidance was effective for the Foundation's year ending June 30, 2020 and was applied on a modified prospective basis. Implementation of the new standard had no impact on the timing of revenue recognition.

Subsequent Events - The consolidated financial statements and related disclosures include evaluation of events up through and including October 15, 2020, which is the date the consolidated financial statements were available to be issued.

As a result of the Novel Coronavirus Disease (COVID-19), the President of the United States declared that the COVID-19 outbreak in the United States constituted a national emergency effective March 1, 2020. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

Contributions Receivable

Contributions receivable consist of the following unconditional promises to give as of June 30, 2020 and 2019:

	2020	2019
Purpose:		
Endowment	$ 5,201,321	$ 4,678,461
Capital purposes	4,583,641	4,951,485
Operating programs	1,989,502	1,195,773
Contributions receivable, gross	11,774,464	10,825,719
Less: Discount to present value	(297,870)	(254,374)
Less: Allowance for uncollectible accounts	(3,677,134)	(1,066,142)
Contributions receivable, net	$ 7,799,460	$ 9,505,203
Amounts due in:		
Less than one year	$ 4,346,910	$ 6,103,544
One to five years	3,162,885	3,372,150
More than five years	289,665	29,509
	$ 7,799,460	$ 9,505,203

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discount on those amounts is computed using an assumed inflation rate at the time the pledge is made. The discount rate utilized was 2.16 for pledges made during the year ended June 30, 2020 and 2.19 percent for the year ended June 30, 2019. Amortization of the discounts is included in contribution revenue. Unconditional promises to give, which are silent as to the due date, are presumed to be time restricted by the donor until received and are reported as net assets with donor restrictions. Conditional promises to give are not included as support until the conditions on which they depend are substantially met.

The allowance for uncollectible contributions is a general valuation based on the percentage of prior years' pledge write-offs. Specific pledges deemed uncollectible are charged against the allowance for uncollectible pledges in the period in which the determination is made. Both the general allowance and the specific write-offs to bad debt expense are reported as a fundraising expense in the statements of activities. As of June 30, 2020, the Foundation has approximately $122.2 million in numerous outstanding commitments that are considered to be intentions to give and are contingent upon future events. These commitments are not accrued as contributions receivable or recognized as revenue because they do not represent unconditional promises to give.

Fair Value Measurements

The Foundation's investments include endowed funds, as well as a portion of working capital funds. The Foundation's investment policy provides that the long-term objective of the investment pool is to maximize the real return, or the nominal return less inflation, of the assets over a complete market cycle with emphasis on preserving capital and reducing volatility through prudent diversification. Furthermore, the investment strategy seeks to provide real growth of assets in excess of endowment spending requirements plus inflation.

The Foundation reports investments and split-interest agreements at estimated fair value, in accordance with the fair value hierarchy prescribed by Financial Accounting Standards Board Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*. The framework for determining fair value is based on a hierarchy that prioritizes the valuation techniques and inputs used to measure fair value, as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access. The Foundation's Level 1 assets consist primarily of fixed-income or equity mutual funds, publicly traded large- and small-cap stocks, and REITs. Prices for these investments are widely available through major financial reporting services.

Level 2 - Inputs other than quoted prices that are observable, either directly or indirectly. These may include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals. The Foundation's Level 2 assets include government bonds and government agency obligations.

Level 3 - Inputs that are unobservable, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability. The Foundation's Level 3 assets include private real estate. They also include split-interest agreements that are valued using an actuarial approach. The Foundation has processes in place to select the appropriate valuation technique and unobservable inputs to perform Level 3 fair value measurements.

Certain assets are measured at net asset value (NAV) as a practical expedient for establishing fair value.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the least observable input that is significant to the valuation. The Foundation's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. The Foundation's fair value assets, by level, at June 30, 2020 and 2019 are summarized in the following tables:

Assets Measured at Fair Value on a Recurring Basis at June 30, 2020

	Fair Value at Reporting Date Using				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)	June 30, 2020 Total
Investments					
Fixed-income investments:					
Money market mutual funds	$ 42,730,559	$ -	$ -	$ -	$ 42,730,559
Bonds and bond mutual funds	72,945,004	20,403,011	-	-	93,348,015
TIPS mutual funds	18,813,140	-	-	-	18,813,140
Subtotal fixed income	134,488,703	20,403,011	-	-	154,891,714
Public equity investments:					
Domestic large-cap equity	164,075,898	-	-	-	164,075,898
Domestic small-cap equity	15,634,239	-	-	-	15,634,239
REITs	10,114,835	-	-	-	10,114,835
Developed international equity	50,987,017	-	-	27,200,133	78,187,150
Emerging markets international equity (1)	22,957,828	-	-	13,028,298	35,986,126
Commodities (7)	-	-	-	-	-
Subtotal public equity	263,769,817	-	-	40,228,431	303,998,248
Alternative investments:					
Hedge funds (2)	-	-	-	15,109,332	15,109,332
Private equity funds (3)	-	-	-	40,250,280	40,250,280
Private real estate funds (4)(6)	-	-	127,880	177,010	304,890
Venture capital funds (5)	-	-	-	387,584	387,584
Subtotal alternative investments	-	-	127,880	55,924,206	56,052,086
Total investments by fair value level	$ 398,258,520	$ 20,403,011	$ 127,880	$ 96,152,637	$ 514,942,048
Split-Interest Agreements					
Charitable gift annuity assets:					
Money market mutual funds	$ 47,735	$ -	$ -	$ -	$ 47,735
Bonds and bond mutual funds	821,276	267,986	-	-	1,089,262
Domestic equity	660,087	-	-	-	660,087
International equity	433,260	-	-	-	433,260
REITs	383,913	-	-	-	383,913
Total charitable gift annuity assets	$ 2,346,271	$ 267,986	$ -	$ -	$ 2,614,257
Charitable trust assets:					
Money market mutual funds	556,327	-	-	-	556,327
Bonds and bond mutual funds	9,299,225	31,438	-	-	9,330,663
Domestic equity	2,501,662	-	-	-	2,501,662
International equity	1,736,052	-	-	-	1,736,052
REITs	2,281,171	-	-	-	2,281,171
Private real estate (6)	-	-	-	-	-
Other (6)	-	-	254,468	-	254,468
Total charitable trust assets	$ 16,374,437	$ 31,438	$ 254,468	$ -	$ 16,660,343
Total split-interest agreements	$ 18,720,708	$ 299,424	$ 254,468	$ -	$ 19,274,600
Total fair value measurements	$ 416,979,228	$ 20,702,435	$ 382,348	$ 96,152,637	$ 534,216,648

Assets Measured at Fair Value on a Recurring Basis at June 30, 2019

	Fair Value at Reporting Date Using				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)	June 30, 2019 Total
Investments					
Fixed-income investments:					
Money market mutual funds	$ 30,167,223	$ -	$ -	$ -	$ 30,167,223
Bonds and bond mutual funds	47,164,649	18,984,595	-	-	66,149,244
TIPS mutual funds	17,734,125	-	-	-	17,734,125
Subtotal fixed income	95,065,997	18,984,595	-	-	114,050,592
Public equity investments:					
Domestic large-cap equity	134,070,736	-	-	-	134,070,736
Domestic small-cap equity	11,755,707	-	-	-	11,755,707
REITs	6,622,997	-	-	-	6,622,997
Developed international equity	102,934,002	-	-	-	102,934,002
Emerging markets international equity (1)	36,128,411	-	-	13,640,831	49,769,242
Subtotal public equity	291,511,853	-	-	13,640,831	305,152,684
Alternative investments:					
Hedge funds (2)	-	-	-	50,794,476	50,794,476
Private equity funds (3)	-	-	-	32,774,416	32,774,416
Private real estate funds (4)(6)	-	-	109,891	894,801	1,004,692
Venture capital funds (5)	-	-	-	451,453	451,453
Subtotal alternative investments	-	-	109,891	84,915,146	85,025,037
Total investments by fair value level	$ 386,577,850	$ 18,984,595	$ 109,891	$ 98,555,977	$ 504,228,313
Split-Interest Agreements					
Charitable gift annuity assets:					
Money market mutual funds	$ 37,236	$ -	$ -	$ -	$ 37,236
Bonds and bond mutual funds	944,201	35,502	-	-	979,703
Domestic equity	612,425	-	-	-	612,425
International equity	398,717	-	-	-	398,717
REITs	348,664	-	-	-	348,664
Total charitable gift annuity assets	$ 2,341,243	$ 35,502	$ -	$ -	$ 2,376,745
Charitable trust assets:					
Money market mutual funds	563,103	-	-	-	563,103
Bonds and bond mutual funds	9,246,823	-	-	-	9,246,823
Domestic equity	2,520,048	-	-	-	2,520,048
International equity	1,720,589	-	-	-	1,720,589
REITs	2,341,652	-	-	-	2,341,652
Private real estate (6)	-	-	542,448	-	542,448
Other (6)	-	-	175,678	-	175,678
Total charitable trust assets	$ 16,392,215	$ -	$ 718,126	$ -	$ 17,110,341
Total split-interest agreements	$ 18,733,458	$ 35,502	$ 718,126	$ -	$ 19,487,086
Total fair value measurements	$ 405,311,308	$ 19,020,097	$ 828,017	$ 98,555,977	$ 523,715,399

(1) Emerging markets international equity mutual funds include a fund which seeks to achieve total return in excess of the MSCI Emerging Markets Index through investing in the world's emerging stock markets. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

(2) Hedge funds are broadly diversified across managers, investment strategies, and investment venues. These include both fund investments, as well as fund of funds investments. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

(3) Private equity funds are broadly diversified across managers, investment stages, geography, industry sectors, and company size. These include individual fund investments, as well as fund of funds investments. The fair values of the investments in this class have been estimated using the net asset value of the Foundation's ownership interest in partners' capital. Distributions from each fund will be received only as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the fund will be liquidated over the next one to 13 years.

(4) Private real estate funds are broadly diversified across managers, investment strategies, geography, and industry sectors. The fair values of the investments in this class have been estimated using the net asset value of the Foundation's ownership interest in partners' capital. Distributions from each fund will be received only as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the fund will be liquidated over the next one to two years.

(5) Venture capital funds invest in early-stage business entities and enterprises with a primary focus on medical and information technologies. The fair values of the investments in this class have been estimated using the net asset value of the Foundation's ownership interest in partners' capital. Distributions from each fund will be received only as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the fund will be liquidated over the next one to two years.

(6) Level 3 assets represent real estate assets held in trust, as well as the present value of the revenue expected to be received from charitable trusts where the Foundation does not serve as trustee. The Foundation estimates the fair value of these assets based upon the present value of the expected future cash flows using management's best estimates of key assumptions including life expectancies of beneficiaries, payment periods, and a discount rate commensurate with market conditions and other risks involved. Significant changes in these key assumptions would result in a significantly lower or higher fair value measurement.

(7) Commodities funds invest in areas that offer strong relative performance in rising inflation environments. These are broadly diversified across the commodities markets, including futures, options on futures, and forward contracts on exchange traded agricultural goods, metals, minerals, and energy products. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

Investments are reported as Level 3 assets if the valuation is based on significant unobservable inputs. Often, these assets trade infrequently, or not at all. For some Level 3 assets, both observable and unobservable inputs may be used to determine fair value. As a result, the unrealized gains and losses presented in the tables below may include changes in fair value that were attributable to both observable and unobservable inputs.

The Foundation's policy is to recognize transfers between levels of the fair value hierarchy as of the beginning of the reporting period. For the fiscal years ended June 30, 2020 and June 30, 2019, there were no transfers between levels of the fair value hierarchy.

Additional information on the changes in Level 3 assets is summarized in the tables below as of June 30, 2020 and 2019:

Changes in Level 3 Assets Measured at Fair Value on a Recurring Basis for the Year Ended June 30, 2020

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
	Investments - Private Real Estate Funds	Charitable Trust Assets - Private Real Estate	Charitable Trust Assets - Other
Beginning balance	$ 109,891	$ 542,448	$ 175,678
Gains included in changes in net assets -			
Unrealized gains (losses)	17,989	-	-
Change in value of split-interest agreements included in changes in net assets:			
Payments to beneficiaries	-	(11,907)	(33,000)
Sale of trust investments	-	(480,000)	-
Realized gain (loss) on sale of trust investments	-	(2,566)	-
Change in actuarial estimate	-	(47,975)	111,790
Total change in value	-	(542,448)	78,790
Ending balance	$ 127,880	$ -	$ 254,468

Changes in Level 3 Assets Measured at Fair Value on a Recurring Basis for the Year Ended June 30, 2019

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
	Investments - Private Real Estate Funds	Charitable Trust Assets - Private Real Estate	Charitable Trust Assets - Other
Beginning balance	$ 90,765	$ 432,478	$ 224,221
Gains included in changes in net assets -			
Unrealized gains (losses)	19,126	-	-
Change in value of split interest agreements included in changes in net assets -			
Payments to beneficiaries	-	(6,144)	(33,000)
Change in actuarial estimate	-	116,114	(15,543)
Total change in value	-	109,970	(48,543)
Ending balance	$ 109,891	$ 542,448	$ 175,678

Investments in Entities that Calculate Net Asset Value per Share

The Foundation holds shares or interests in investment companies at year end whereby the fair value of the investment held is estimated based on the net asset value per share (or its equivalent) of the investment company.

The following table provides additional information regarding the fair value, liquidity, and unfunded commitment for investments where the NAV was used as a practical expedient.

Investments Reported at Net Asset Value

	June 30, 2020	June 30, 2019	June 30, 2020		
	Fair Value	Fair Value	Unfunded Commitment	Redemption Frequency, if Eligible	Redemption Notice Period
Developed international equity	$ 27,200,133			Daily	1 day
Emerging markets international equity	13,028,298	13,640,831	-	Monthly	1 day
Commodities	-	-	-	Monthly	30 days
Hedge funds	15,109,332	50,794,476	-	Monthly	30 days
Private equity funds	40,250,280	32,774,416	25,940,839	Quarterly or Annually	45-60 days
Private real estate funds	177,010	894,801	35,017	None	None
Venture capital funds	387,584	451,453	-	None	None
Total	$ 96,152,637	$ 98,555,977	$ 25,975,856		

Split-interest Agreements

Charitable Gift Annuities - Under charitable gift annuity agreements, all assets are held by the Foundation. Therefore, the Foundation has recorded the donated assets at fair value and the liabilities to the donor or his/her beneficiaries discounted to the present value of the estimated future payments to be distributed by the Foundation to such individuals. The amount of the contribution is the difference between the asset and liability and is recorded as contribution revenue. The Foundation uses the Internal Revenue Service (IRS) discount rate, or Applicable Federal Rate, to determine net present value of the liability. This rate is published monthly and represents the annual rate of return that the IRS assumes the gift assets will earn during the gift term. The discount rate for each charitable gift annuity is established at the beginning of the agreement. The discount rate applied to gift annuities held at June 30, 2020 and 2019 ranged from 1.2 to 8.2 percent.

Charitable Remainder Trusts - Under charitable remainder trust agreements, the Foundation serves as the remainderman and will receive the net assets of the trust upon death of the donor's beneficiary. During the life of the trust, the donor, or the donor-designated beneficiary, will receive regular payments as established by the trust.

In instances where the donor has not specifically reserved the right to change the remainderman, and all assets of the charitable remainder trust are maintained by a third-party trustee in an irrevocable trust for the benefit of the Foundation, the Foundation recognizes as contribution revenue the present value of the estimated future benefits to be received when the trust assets are distributed. The Foundation also recognizes a charitable trust asset at fair value, using as inputs the trust's investment market values, as well as the present value of the estimated future benefits to be received from the trust. The fair values of these trusts are disclosed as Level 3 assets. The trustee disburses income earned on the assets of the charitable remainder trust to the donor or donor-designated beneficiaries.

In instances where the donor has not specifically reserved the right to change the remainderman, and the Foundation serves as the trustee, the Foundation will recognize the fair market value of the assets of the trust, as well as a liability for the net present value of future payments to be distributed by the Foundation to the donor or his/her designated beneficiaries. The amount of the contribution is the difference between the asset and liability at the inception of the trust. The Foundation uses the IRS discount rate, or Applicable Federal Rate, to determine net present value of the liability. This rate is published monthly and represents the annual rate of return that the IRS assumes the gift assets will earn during the gift term. The discount rate for each charitable remainder trust is established at the beginning of the agreement. The discount rate applied to charitable remainder trusts held at June 30, 2020 and 2019 ranged from 2.0 to 8.2 percent.

Certain charitable remainder trust transactions are not reported on the consolidated statements of financial position or the consolidated statements of activities as, in these cases, the remainderman can be changed by the donor prior to his/her death.

Adjustments to the charitable trust asset to reflect amortization of the discount, revaluation of the present value of the estimated future payments to the donor-designated beneficiaries, and changes in actuarial assumptions during the term of the trust are recognized as changes in the value of split-interest agreements. Upon the death of the donor-designated beneficiaries, the receivable is closed, the assets received from the trust are recognized at fair value, and any difference is reported as a change in the value of split-interest agreements.

Lead Trusts - Charitable lead trusts provide an income stream to the Foundation for a set period of time established by the donor. The income stream is recorded at the net present value of the payments. Once the set period of time ends, the Foundation will no longer receive the income stream and the remaining principal is transferred back to the donor. If the Foundation serves as trustee, an asset and a liability will be recorded for the trust. The asset is booked at the fair market value. The liability is recorded at fair market value less the net present value of the income stream. If the Foundation does not serve as trustee, only the asset, at the net present value of the income stream, will be recorded for the trust. The Foundation uses the IRS discount rate, or Applicable Federal Rate, to determine net present value of the income stream. This rate is published monthly and represents the annual rate of return that the IRS assumes the gift assets will earn during the gift term. The discount rate for each charitable lead trust is established at the beginning of the agreement. The discount rate applied to the lead trusts held at June 30, 2020 and 2019 was 1.07 percent.

Perpetual and Other Trusts - Perpetual trusts are those trusts that provide a perpetual income stream to the Foundation but are held by a third party. An asset and revenue are recorded for the fair market value of the instrument. Each year, the net change in fair market value to the asset is recorded as an increase or decrease in revenue.

Pooled Income Fund - A pooled income fund allows a donor to place funds into an investment pool from which an income stream is provided. The income stream is paid to the donor and/or the donor-designated beneficiaries, and the Foundation will receive the net assets of the fund upon their death.

Revocable Trusts - Under revocable trust agreements, the Foundation serves as the remainderman and will receive the net assets of the trust upon death of the donor's beneficiary. All assets of the trust may be maintained by a third-party trustee for the benefit of the Foundation, or by the Foundation if named as a trustee. The trustee disburses income earned on the assets of the trust to the donor or donor-designated beneficiaries. Under revocable trust agreements, the donor maintains the ability to legally dissolve the trusts and may or may not reserve the right to change the remainderman. For these reasons, the Foundation does not report revocable trust transactions on the consolidated statements of financial position or the consolidated statements of activities if the trust is held by a third-party trustee.

Property and Equipment

As of June 30, 2020 and 2019, property and equipment are as follows:

	2020	2019
Land	$ 3,293,174	$ 2,863,512
Land improvements	967,476	936,115
Building and building improvements	14,016,044	14,045,288
Furnishings, fixtures, and equipment	6,742,484	6,226,397
Gifted collections	1,080,000	-
Construction in progress	683,464	24,243
Subtotal	26,782,642	24,095,555
Less accumulated depreciation	(14,965,919)	(13,785,158)
Property and equipment - Net	$ 11,816,723	$ 10,310,397

Total depreciation expense of $1,180,763 and $1,139,771 was recorded in fiscal years 2020 and 2019, respectively.

Related-Party Debt

In March 2019, the Foundation entered into an internal loan agreement for $1,712,750 with Ohio University to fund the renovation of the Konneker Alumni Center, which is owned by the Foundation. Both the University and Foundation Boards of Trustees approved the project and funding it through an internal loan. The loan is to be repaid over a period of no more than 10 years, and the interest rate at June 30, 2020 is 4.75 percent, compounded quarterly, and is variable, based on the blended cost of the University's outstanding debt, plus an administrative fee.

Maturities of this loan as of June 30, 2020 are as follows:

Years Ending June 30	Amount
2021	$ 149,193
2022	156,407
2023	163,970
2024	171,898
2025	180,210
Due thereafter	648,074
Total	$ 1,469,752

Net Assets

The Foundation's net assets, by restriction, as of June 30, 2020 and 2019, include:

	2020	2019
With Donor Restrictions:		
Donor-restricted endowments, perpetual in nature	$ 320,545,291	$ 321,544,976
Board-designated (quasi) endowments created with donor-restricted funds	52,478,054	57,633,729
Property, plant and equipment	1,346,875	359,047
Planned gift expectancies	24,499,317	26,887,546
Unexpended gift balances	48,153,330	43,135,864
Sugar Bush Foundation	5,664,370	5,673,767
Net assets with donor restrictions	452,687,237	455,234,929
Without Donor Restrictions:		
Earnings on board-designated (quasi) endowments	95,152,150	94,589,461
Property, plant and equipment	1,781,300	757,492
Equity in the OU Inn	5,555,237	5,675,670
Russ LLCs	4,635,081	4,935,514
Unspent board-designated endowment distributions	507,926	410,632
Undesignated	259,651	1,289,565
Net assets without donor restrictions	107,891,345	107,658,334
Total net assets	$ 560,578,582	$ 562,893,263

The Foundation's net assets, by purpose, as of June 30, 2020 and 2019, include:

	2020	2019
Net assets with donor restrictions:		
Discretionary/General Support	$ 106,332,250	$ 109,383,970
Chairs and Professorships	57,455,574	58,780,020
Research	19,295,796	20,003,809
Scholarships, Fellowships and Awards	174,493,328	171,599,549
Capital Improvements and Renovation	3,681,207	3,705,892
Other	91,429,082	91,761,689
Total net assets with donor restrictions	452,687,237	455,234,929
Net assets without donor restrictions	107,891,345	107,658,334
Total net assets	$ 560,578,582	$ 562,893,263

Donor-restricted and Board-designated Endowments
The Foundation's endowment includes both donor-restricted endowment funds and board-designated (quasi) endowment funds created with net assets with donor restrictions. The Foundation's board-designated (quasi) endowments have been created with gifts that were restricted by the donor for the benefit of a particular college within the University. These quasi endowments have been included in the following schedules because they have been invested to provide income for a long, but unspecified period in accordance with board-imposed restrictions. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions or board-imposed restrictions.

Interpretation of Relevant Law - The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the contributed value of the original gift of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as endowment corpus, and presented within net assets with donor restrictions, (a) the original value of gifts donated to the endowment corpus, (b) the original value of subsequent gifts to the endowment corpus, and (c) accumulations to the endowment corpus made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as endowment corpus is classified as accumulated endowment gains and presented within net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to distribute or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund

(2) The purposes of the gifting organization or individual and the donor-restricted endowment fund

(3) General economic conditions

(4) The possible effect of inflation and deflation

(5) The expected total return from income and the appreciation of investments

(6) Other resources of the Foundation

(7) The investment policies of the Foundation

Endowment Net Asset Composition by Type of Fund as of June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment	$ -	$ 320,545,291	$ 320,545,291
Board-designated (quasi) endowment created with donor-restricted funds	95,152,150	52,478,054	147,630,204
Total funds	$ 95,152,150	$ 373,023,345	$ 468,175,495

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Market value - Beginning of the year	$ 94,589,461	$ 379,178,705	$ 473,768,166
Net realized and unrealized gains	$ -	$ -	
and losses and investment income	3,775,997	7,232,796	11,008,793
Contributions	-	6,985,640	6,985,640
Spending policy transfer	(304,785)	(16,038,926)	(16,343,711)
Transfers to board-designated (quasi)	-	-	
endowments	-	615,031	615,031
Administrative fee	(2,908,523)	(4,949,901)	(7,858,424)
Market value - End of the year	$ 95,152,150	$ 373,023,345	$ 468,175,495

Endowment Net Asset Composition by Type of Fund as of June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment	$ -	$ 321,544,976	$ 321,544,976
Board-designated (quasi) endowment created with donor-restricted funds	94,589,461	57,633,729	152,223,190
Total funds	$ 94,589,461	$ 379,178,705	$ 473,768,166

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Market value - Beginning of the year	$ 90,501,079	$ 373,244,473	$ 463,745,552
Net realized and unrealized gains and losses and investment income	7,149,344	12,868,870	20,018,214
Contributions	-	13,916,885	13,916,885
Spending policy transfer	(253,323)	(15,969,752)	(16,223,075)
Transfers to board-designated (quasi) endowments	-	138,956	138,956
Administrative fee	(2,807,639)	(5,020,727)	(7,828,366)
Market value - End of the year	$ 94,589,461	$ 379,178,705	$ 473,768,166

Accumulated Investment Income – The endowment tables above include both original investment, as well as accumulated investment income. For the fiscal year ended June 30, 2020, the $320.5 million reported as donor-restricted endowments with donor restrictions includes donor-restricted endowment corpus of $236.4 million and accumulated investment income of $84.1 million. The $147.6 million reported as board-designated (quasi) endowment created with donor restricted funds includes donor-restricted original investment of $52.5 million and accumulated investment income without donor restrictions of $95.1 million. For the fiscal year ended June 30, 2019, the $321.5 million reported as donor-restricted endowments with donor restrictions includes donor-restricted endowment corpus of $229.6 million and accumulated investment income of $91.9 million. The $152.2 million reported as board-designated (quasi) endowment created with donor restricted funds includes donor-restricted original investment of $57.6 million and accumulated investment income without donor restrictions of $94.6 million. As of the fiscal years ended June 30, 2020 and 2019, the Foundation did not have any board-designated (quasi) endowment funds that were created with funds without donor restrictions.

Funds with Deficiencies - From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the contributed value that the donor or UPMIFA requires the Foundation to retain as the corpus. These funds are known as "underwater accounts." These deficiencies resulted from unfavorable market fluctuations and allowable distributions made over time. The Foundation held 52 and 2 underwater endowment funds at June 30, 2020 and 2019, respectively. The detail of the underwater accounts' deficiency at June 30, 2020 and 2019 is as follows:

	2020	2019
Fair value of underwater endowment funds	$ 1,622,534	$ 12,611
Contributed value of gifts of underwater endowment funds	1,684,301	19,170
Deficiency	$ (61,767)	$ (6,559)

Return Objectives and Risk Parameters - The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the long-term purchasing power of the endowment assets. Endowment assets include donor-restricted funds that are held in perpetuity or for donor-specified periods, as well as board-designated funds. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to outperform, over rolling 36-month periods, a composite benchmark of appropriately weighted indices, while maintaining acceptable risk levels. The Foundation anticipates that the endowment funds will provide average annual rates of return of approximately 7.8 percent in the long-term and 6.7 percent in the intermediate-term, net of investment management fees approximately 0.6 percent. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives - To satisfy its long-term rate-of-return objectives, the Foundation relies on a total-return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy - For the fiscal year ended June 30, 2020, the Foundation's spending policy stipulated that 6 percent of a three-year moving average of the market value of the endowment was available to spend, with 2 percent of the amount being allocated to support the Foundation's administrative expenses. The spending rate applied to all endowment accounts except underwater accounts, where spending was limited to 1 percent of a three-year moving average of the market value. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow the endowment to grow at an average of 1.8 percent annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through investment returns and new gifts.

Support from Related Organizations

During 2020 and 2019, the University paid certain payroll costs amounting to $4,837,807 and $3,720,581 and additional costs of $283,685 and $905,557, respectively, for the Foundation's Development Office, Office of Alumni Relations, and Accounting Office. The support costs paid by the University are reflected in the consolidated statements of activities as University support, with a like amount included in expenses.

The University provides office space and the use of certain common facilities and services to the Foundation at no cost. These costs have not been recorded as University support because they are not considered to be significant to the results of activities of the Foundation.

The Foundation has a noncontrolling economic interest in Ohio South East Enterprise Development Fund, Inc. (SEED), a tax-exempt organization under Code Section 501(c)(4). SEED was created in July 1994 for the purpose of supporting the scientific and technological research, educational activities, and economic development of Ohio University. Currently, the Foundation is the named beneficiary of SEED's assets in the event that the entity is dissolved. Distributions from SEED are reflected in the consolidated statements of activities as gifts and contributions in the year they are received. However, SEED did not make any distributions to the Foundation during 2020 or 2019.

Functional and Natural Classification of Expenses

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions such as Instruction, Research and Fundraising. The following table provides further detail of these expenses, by showing both the functional and natural classification (Salaries, Maintenance, etc.) of each category of expenses for the years ended June 30, 2020 and June 30, 2019, respectively:

Year Ended June 30, 2020 Expenses by function:	Salaries & Benefits	Student Aid	Supplies & Services	Occupancy, Maintenance & Repairs	Travel & Entertainment	Other	Total
Program services:							
Academic support	$ 596,550	$ -	$ 252,214	$ 68,210	$ 211,877	$ 659	$ 1,129,510
Alumni relations	1,153,338	-	777,269	99,755	383,314	114,464	2,528,140
Institutional support	4,101	-	5,766	156,373	99,633	600	266,473
Instruction	2,246,673	-	452,316	138,999	187,010	429	3,025,427
Intercollegiate athletics	19,231	-	27,998	2,084,500	11,601	-	2,143,330
Public service	511,766	-	409,837	113,047	18,809	1,506	1,054,965
Research	1,353,673	-	689,117	1,393,584	195,263	468	3,632,105
Student aid	281,774	7,556,325	1,504	102	(16,225)	-	7,823,480
Student services	74,051	-	137,932	102,909	196,997	-	511,889
Total program services	6,241,157	7,556,325	2,753,953	4,157,479	1,288,279	118,126	22,115,319
Support services:							
Fundraising and development	8,534,267	-	1,650,010	117,325	714,893	2,787,030	13,803,525
Fund administration	945,457	-	206,397	7,330	(249)	120	1,159,055
Total support services	9,479,724	-	1,856,407	124,655	714,644	2,787,150	14,962,580
Related entity operations	1,689,916	-	758,677	1,931,755	20,613	1,447,243	5,848,204
Total expenses	$ 17,410,797	$ 7,556,325	$ 5,369,037	$ 6,213,889	$ 2,023,536	$ 4,352,519	$ 42,926,103

Year Ended June 30, 2019 Expenses by function:	Salaries & Benefits	Student Aid	Supplies & Services	Occupancy, Maintenance & Repairs	Travel & Entertainment	Other	Total
Program services:							
Academic support	$ 596,357	$ -	$ 761,396	$ 110,390	$ 922,823	$ 822	$ 2,391,788
Alumni relations	1,020,243	-	932,095	83,556	576,694	78,783	2,691,371
Institutional support	70,843	-	44,928	13,458	220,527	137	349,893
Instruction	2,691,691	-	282,302	596,093	314,271	904	3,885,261
Intercollegiate athletics	160,460	-	161,125	2,710,297	519,231	2,424	3,553,537
Public service	510,598	-	448,972	147,562	822,819	90	1,930,041
Research	1,186,555	-	760,140	563,691	273,377	370	2,784,133
Student aid	271,376	7,331,886	39,645	1,100	26,229	14,215	7,684,451
Student services	47,588	-	142,574	108,332	281,140	45	579,679
Total program services	6,555,711	7,331,886	3,573,177	4,334,479	3,957,111	97,790	25,850,154
Support services:							
Fundraising and development	7,742,192	-	1,498,964	325,512	1,069,504	4,745	10,640,917
Fund administration	1,102,029	-	214,281	8,157	213,864	13,207	1,551,538
Total support services	8,844,221	-	1,713,245	333,669	1,283,368	17,952	12,192,455
Related entity operations	2,427,812	-	811,611	1,388,508	58,042	1,992,510	6,678,483
Total expenses	$ 17,827,744	$ 7,331,886	$ 6,098,033	$ 6,056,656	$ 5,298,521	$ 2,108,252	$ 44,721,092

Inn-Ohio of Athens, Inc.

The Inn-Ohio of Athens, Inc. (the "Inn") was purchased by the Foundation on August 30, 1986. The primary purpose for which the Foundation invested in the Inn was to provide affordable and convenient housing, dining, and conference facilities for University employees, alumni, and guests. As a significant portion of the Inn's revenue is derived from these customers, the Foundation is committed to financially supporting the Inn.

The Inn's business is subject to all of the risks inherent in the lodging industry. These risks include, among other factors, varying levels of demand for rooms and related services, adverse effects of general and local economic and market conditions, changes in governmental regulations that influence wages or prices, changes in interest rates, the availability of credit, changes in real estate taxes and other operating expenses, and the recurring need for renovation, refurbishment, and improvements.

Operations - The Inn's operations for the years ended June 30, 2020 and 2019 are summarized below:

	2020	2019
Revenues:	$ 4,579,491	$ 6,053,847
Expenses:		
Operating and general expenses	3,941,611	4,688,533
Interest expense	16,703	25,035
Depreciation	788,072	767,573
Provision for income taxes	(46,462)	118,968
Total expenses	4,699,924	5,600,109
Net income	(120,433)	453,738
Distribuion to stockholder	-	(250,000)
Change in net assets	$ (120,433)	$ 203,738

For fiscal years 2020 and 2019, the Inn's other comprehensive income (losses) include distributions to the Foundation of $0 and $250,000, respectively.

The Foundation has entered into a management agreement with a property manager to operate the Inn. The manager's compensation is a base fee plus 15 percent of the hotel's net available operating profit as defined in the management agreement.

In fiscal years 2020 and 2019, base management fees incurred by the Inn with respect to the manager were $100,000 per year and incentive fees were $24,075 and $164,208, respectively.

Property and Equipment - Property and equipment of the Inn as of June 30, 2020 and June 30, 2019 consist of the following:

	2020	2019
Land	$ 323,978	$ 323,978
Land improvements	967,476	936,115
Buildings	7,865,444	7,765,480
Furnishings, fixtures, and equipment	5,956,132	5,492,752
Construction in progress	16,599	24,243
Total property and equipment	15,129,629	14,542,568
Less accumulated depreciation	(10,831,616)	(10,043,545)
Net property and equipment	$ 4,298,013	$ 4,499,023

Debt Obligations - Long-term debt of the Inn as of June 30, 2020 and June 30, 2019 consists of the following:

	2020	2019
Term loan due	$ 394,003	$ 769,800
Less current portion	(396,800)	(373,000)
Less unamortized loan costs	2,797	(4,895)
Total long-term debt	$ 0	$ 391,905

In June 2006, the Inn obtained a $4,000,000 term loan, the proceeds of which were used to pay a dividend of $3,000,000 in June 2006 and $1,000,000 of which was placed in the bond fund to retire the 1996 Serial and Term Project Bonds in November 2006. The term loan is guaranteed by the Foundation.

A significant portion of the property and equipment is pledged as collateral for the term loan. Principal payments on the Term Loan ranging from $32,100 to $34,100 are due in monthly installments through June 2021. The interest rate on the term loan was fixed at 6.20 percent through June 2011 and was adjusted to 3.31 percent as of July 1, 2011. The interest rate was adjusted to the index rate as defined in the agreement plus 1.40 percent in June 2016, effectively, 2.50 percent.

Sugar Bush Foundation

The Foundation entered into an agreement with The Sugar Bush Foundation (Sugar Bush), an Ohio not-for-profit corporation, in August 2005. Sugar Bush works with Ohio University and local communities to improve the quality of life in Appalachian Ohio by encouraging civic engagement and by fostering sustainable environmental, socioeconomic and human development.

Operations - Sugar Bush's operations for the years ended June 30, 2020 and 2019 are summarized below:

	2020	2019
Revenue:		
Contributions	$ 152,671	$ -
Interest and dividends	79,563	75,917
Realized gain (loss)	106,953	101,886
Unrealized gain (loss)	1,085	173,174
Total income	340,272	350,978
Expenses:		
Distribution to Foundation	349,669	344,263
Change in net assets	$ (9,397)	$ 6,715

Russ LLCs

During fiscal year 2009, the Foundation created three limited liability companies to receive property distributions from The Dolores H. Russ Trust (the "Trust") for the benefit of the Russ College of Engineering. A fourth limited liability company was established during fiscal year 2016. The four limited liability companies are the Fritz J. and Dolores H. Russ Holdings LLC, which is the sole member of the other LLCs; the Russ Research Center LLC, which operates a research park in Beavercreek, Ohio; the Russ North Valley Road LLC, which received and subsequently liquidated a real estate gift received from the Trust; and the Russ Center North LLC, which was established for the purpose of purchasing and holding property adjacent to the Russ Research Center LLC. The four LLCs were converted from for-profit LLCs to not-for-profit LLCs on April 20, 2020.

Operations – Russ LLCs' operations for the years ended June 30, 2020 and 2019 are summarized below:

	2020	2019
Revenue:		
Rental income	$ 543,592	$ 592,936
Donated Services	304,255	-
Total revenues and other support	847,847	592,936
Expenses:		
Operating and general expenses	629,163	610,468
Depreciation and amortization	378,211	357,718
Taxes and insurance	140,906	110,202
Total expenses	1,148,280	1,078,388
Change in net assets	$ (300,433)	$ (485,452)

During fiscal 2020 and 2019, leases with tenants responsible for a significant amount of Russ Research Center LLC revenue expired and were not renewed. The decrease in revenue resulted in net losses for the years ended June 30, 2020 and 2019. Management is collaborating with various professional organizations in and around the Dayton/Beavercreek area to forge new and expanded research partnerships. These partnerships have resulted in new tenants being secured for the Russ Research Center LLC.

Property and Equipment - Property and equipment of the Russ LLCs as of June 30, 2020 and June 30, 2020 consist of the following:

	2020	2019
Land	$ 1,707,792	$ 1,707,792
Buildings	5,476,857	5,455,654
Furnishings, fixtures, and equipment	786,353	733,645
Total property and equipment	7,971,002	7,897,091
Less accumulated depreciation	(3,580,467)	(3,202,256)
Net property and equipment	$ 4,390,535	$ 4,694,835

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Required Supplementary Information

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Schedule of University's Proportionate Share of the Net Pension Liability

Plan Year	University's proportion of the net pension liability	University's proportionate share of the net pension liability	University's covered payroll	University's proportionate share of the net pension liability, as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
STRS Ohio					
2020	0.907%	$ 200,611,979	$ 87,286,243	229.8%	77.4%
2019	0.960%	210,972,832	89,914,465	234.6%	77.3%
2018	1.003%	238,258,194	92,038,084	258.9%	75.3%
2017	1.019%	341,136,198	89,300,361	382.0%	66.8%
2016	0.992%	274,039,342	87,599,050	312.8%	72.1%
2015	0.999%	242,888,149	86,635,900	280.4%	74.7%
OPERS					
2020	0.915%	$ 181,028,559	$ 127,538,397	141.9%	82.4%
2019	0.797%	219,591,985	124,568,381	176.3%	74.9%
2018	0.878%	138,111,070	123,297,069	112.0%	84.9%
2017	0.894%	204,643,077	123,214,718	166.1%	77.4%
2016	0.910%	158,857,405	121,248,226	131.0%	81.2%
2015	0.878%	106,172,642	109,873,095	96.6%	86.5%

These are 10-year schedules. However, the information in these schedules are not required to be presented retroactively. Years will be added to these schedules in future fiscal years until 10 years of information is available.

Schedule of University's Proportionate Share of the Net Pension Liability – STRS Ohio. The amounts presented for each fiscal year were determined as of the yearend that occurred one year prior.

Schedule of University's Proportionate Share of the Net Pension Liability – OPERS. The amounts presented for each fiscal year were determined as of the December 31 yearend that occurred within the fiscal year.

Schedule of University Pension Contributions

Fiscal Year	Statutorily required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	University's covered payroll	Contributions as a percentage of covered payroll
STRS Ohio					
2020	$ 14,653,122	$ 14,653,122	$ -	$ 85,222,181	17.2%
2019	14,920,746	14,920,746	-	87,286,243	17.1%
2018	14,598,317	14,598,317	-	89,914,465	16.2%
2017	15,527,585	15,527,585	-	92,038,084	16.9%
2016	14,809,723	14,809,723	-	89,300,361	16.6%
2015	14,461,472	14,461,472	-	87,599,052	16.5%
OPERS					
2020	$ 18,447,892	$ 18,447,892	$ -	$ 123,802,447	14.9%
2019	18,996,110	18,996,110	-	126,721,759	15.0%
2018	17,759,151	17,759,151	-	123,083,009	14.4%
2017	15,956,637	15,956,637	-	123,682,003	12.9%
2016	17,518,016	17,518,016	-	122,635,620	14.3%
2015	17,091,376	17,091,376	-	118,482,020	14.4%

These are 10-year schedules. However, the information in these schedules are not required to be presented retroactively. Years will be added to these schedules in future fiscal years until 10 years of information is available.

Notes to Required Supplementary Information – Pension Plans

Changes in benefit terms: There were no changes in benefit terms affecting the STRS Ohio and OPERS plans for the plan years ended June 30, 2019 and December 31, 2019, respectively.

Changes in assumptions:

- STRS Ohio: During the plan year ended June 30, 2017, there were changes to several assumptions for STRS. The cost-of-living adjustment dropped from 2.00% to 0.00%. The wage inflation dropped from 2.75% to 2.50%. The investment rate of return decreased from 7.75% to 7.45%. The mortality tables used changed from RP-2000 to RP-2014.

- OPERS: During the plan year ended December 31, 2016, there were changes to several assumptions for OPERS. The long-term pension investment return assumption was reduced from 8.00% to 7.50%. The wage inflation dropped from 3.75% to 3.25%. The projected salary increase range changed from 4.25-10.05% to 3.25-10.75%. The mortality tables used changed from RP-2000 to RP-2014.

  During the plan year ended December 31, 2018, the long-term investment return assumption for pension was modified from 7.50% to 7.20% based on changes in the market outlook.

Schedule of University Pension Contributions – OPERS. The OPERS pension contribution is presented net of OPEB allocation starting in fiscal year 2017. 2017 OPEB allocation was higher compared to 2018 consequently, the OPERS net pension contribution was lower in 2017. The 2016 and 2015 OPERS contribution numbers were not adjusted to exclude OPEB allocation. There was no OPEB allocation in 2020 or 2019.

Schedule of University's Proportionate Share of the Net OPEB Liability/(Asset)

Plan Year	University's proportion of the net OPEB liability/(asset)	University's proportionate share of the net OPEB liability/(asset)	University's covered payroll	University's proportionate share of the net OPEB liability/(asset), as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability/(asset)
STRS Ohio					
2020	0.907%	$ (15,025,409)	$ 87,286,243	-17.2%	77.4%
2019	0.960%	(15,418,000)	89,914,465	-17.1%	176.0%
2018	1.003%	39,132,274	92,038,084	42.5%	47.1%
OPERS					
2020	0.907%	$ 125,213,548	$ 127,538,397	98.2%	47.8%
2019	0.789%	102,900,612	124,568,381	82.6%	46.3%
2018	0.870%	94,509,255	123,297,069	76.7%	54.1%

Schedule of University's Proportionate Share of the Net OPEB Liability/(Asset) – STRS Ohio. The amounts presented for each fiscal year were determined as of the yearend that occurred one year prior.

Schedule of University's Proportionate Share of the Net OPEB Liability – OPERS. The amounts presented for each fiscal year were determined as of the December 31 yearend that occurred within the fiscal year.

Schedule of University OPEB Contributions

Fiscal Year	Statutorily required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	University's covered payroll	Contributions as a percentage of covered payroll
STRS Ohio					
2020	$ -	$ -	$ -	$ 85,222,181	0.0%
2019	-	-	-	87,286,243	0.0%
2018	-	-	-	89,914,465	0.0%
OPERS					
2020	$ -	$ -	$ -	$ 123,802,447	0.0%
2019	-	-	-	126,721,759	0.0%
2018	618,683	618,683	-	123,083,009	0.5%

These are 10-year schedules. However, the information in these schedules are not required to be presented retroactively. Years will be added to these schedules in future fiscal years until 10 years of information is available.

Notes to Required Supplementary Information - OPEB

Changes in benefit terms: There were no significant changes in benefit terms affecting the STRS Ohio and OPERS plans for the plan years ended June 30, 2019 and December 31, 2019, respectively.

Changes in assumptions:

- STRS: During the plan year ended June 30, 2018 the health care cost trend rates decreased from 6.00% to 11.00% initial and 4.50% ultimate to minus 5.23% to 9.62% initial and 4% ultimate and the discount rate increased from 4.13% to 7.45%. During the plan year ended June 30, 2019 the health care trend rates changed to 4%-9.62% initial and 4% ultimate.

- OPERS: During the plan year ended December 31, 2018, the long-term investment return assumption for the Health Care portfolio was reduced from 6.50% to 6.00%. During the plan year ended December 31, 2019, OPERS increased the discount rate from 3.16% to 3.96%. In addition, the OPERS trend rate was changed from 10% initial, 3.25% ultimate in 2029 to 10.5% initial, 3.5% ultimate in 2030.

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Supplementary Information

Crowe LLP
Independent Member Crowe Global

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

Board of Trustees
Ohio University
Athens, Ohio

We have audited, in accordance with the 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 business-type activities and the aggregate discretely presented component units of Ohio University, a component unit of the State of Ohio, as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 15, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ohio University's internal control over financial reporting (internal control) as a basis for designing 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 Ohio University's internal control. Accordingly, we do not express an opinion on the effectiveness of Ohio 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 Ohio University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting 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.

Crowe LLP

Crowe LLP

Columbus, Ohio
October 15, 2020

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Ohio University
Athens, Ohio

Report on Compliance for Each Major Federal Program

We have audited Ohio University's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Ohio University's major federal programs for the year ended June 30, 2020. Ohio University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each of the Other Major Federal Programs

In our opinion, Ohio University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

(Continued)

Report on Internal Control Over Compliance

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

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

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

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

We have audited the financial statements of the business type activities of Ohio University (the "University"), a component unit of the State of Ohio, and the aggregate discretely presented component units as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated October 15, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Crowe LLP

Crowe LLP

Columbus, Ohio
January 25, 2021

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Agency/Pass-Through Grantor	CFDA No.	Federal /Pass-Through Grant Number	Pass-Through Subrecipients	Expenditures
STUDENT AID CLUSTER				
DEPARTMENT OF EDUCATION				
Direct Programs:				
Federal Supplemental Educational Opportunity Grants	84.007	P007A193342	$ -	$ 1,632,198
Federal Work-Study Program	84.033	P033A193342	-	1,132,672
Federal Perkins Loans Outstanding	84.038	UNKNOWN	-	8,128,172
Federal Pell Grant Program	84.063	P063P180345/190345/200345	-	32,207,893
Federal Direct Student Loan	84.268	P268K190345/200345/210345 P268K196641/206641/216641	-	209,332,882
Teacher Education Assistance for College and Higher Education Grants	84.379	P379T190345/200345	-	1,278,789
Total Department of Education			-	253,712,606
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Programs:				
Disadvantaged Student Loans Outstanding	93.342	UNKNOWN	-	2,699,232
Primary Care Loans (HPSL) Outstanding	93.342	UNKNOWN	-	2,225,982
Total Department of Health and Human Services			-	4,925,214
TOTAL STUDENT AID CLUSTER			-	**258,637,820**
RESEARCH AND DEVELOPMENT CLUSTER				
DEPARTMENT OF AGRICULTURE				
Direct Programs:				
U S DEPARTMENT OF AGRICULTURE	10.001	58-8040-5-006	-	13,060
U S DEPARTMENT OF AGRICULTURE	10.001	58-8020-8-002	-	8,260
U S DEPARTMENT OF AGRICULTURE	10.001	59-8040-9-001	-	241,160
U S DEPARTMENT OF AGRICULTURE	10.307	2019-51300-30257	-	30,393
U S DEPARTMENT OF AGRICULTURE	10.310	2019-67030-29670	13,752	120,339
U S DEPARTMENT OF AGRICULTURE	10.652	17-JV-11242309-118	-	3,451
Total Department of Agriculture			13,752	416,663
DEPARTMENT OF COMMERCE				
Pass-Through Programs From:				
TEXAS A&M UNIVERSITY	11.609	28-M1703108	-	70,532
Total Department of Commerce			-	70,532
DEPARTMENT OF DEFENSE				
Direct Programs:				
US Army				
U S ARMY MEDICAL RESEARCH AND MATERIAL COMMAND	12.420	W81XWH1810707	6,139	156,526
U S ARMY RESEARCH OFFICE	12.431	W911NF1920081	-	49,595
Defense Advanced Research Projects Agency				
SPACE AND NAVAL WARFARE SYSTEMS CENTER	12.910	N66001-16-1-4040	-	120,488
Pass-Through Programs From:				
BERRIEHILL RESEARCH CORPORATION	12.800	OU-S2001	-	69,050
Total Department of Defense			6,139	395,659
DEPARTMENT OF EDUCATION				
Direct Programs:				
U S DEPARTMENT OF EDUCATION	84.305A	R305A140356	67,410	100,772
U S DEPARTMENT OF EDUCATION	84.324A	R324A190154	-	345,979
Pass-Through Programs From:				
UNIVERSITY OF VIRGINIA	84.305N	GM10155-150691	-	38,573
UNIVERSITY OF BRITISH COLUMBIA	84.324A	12R73590	-	130,284
EAST CAROLINA UNIVERSITY	84.324A	A19-003-S001	-	225,915
Total Department of Education			67,410	841,523

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2020

Federal Agency/Pass-Through Grantor	CFDA No.	Federal /Pass-Through Grant Number	Pass-Through Subrecipients	Expenditures
DEPARTMENT OF ENERGY				
Direct Programs:				
U S DEPARTMENT OF ENERGY	81.049	DE-FG02-93ER40756	-	341,431
U S DEPARTMENT OF ENERGY	81.049	DE-FG02-02ER46012	-	75,437
U S DEPARTMENT OF ENERGY	81.049	DE-FG02-88ER40387	-	487,205
U S DEPARTMENT OF ENERGY	81.049	DE-FG02-06ER46317	-	177,623
U S DEPARTMENT OF ENERGY	81.049	DE-SC0014329	-	101,177
U S DEPARTMENT OF ENERGY	81.049	DE-SC0019042	-	152,995
U S DEPARTMENT OF ENERGY	81.049	DE-SC0019091	-	89,284
U S DEPARTMENT OF ENERGY	81.049	DE-SC0020231	-	79,506
U S DEPARTMENT OF ENERGY	81.087	DE-EE0007105	3,772	59,509
U S DEPARTMENT OF ENERGY	81.089	DE-FE0031709	-	350,621
U S DEPARTMENT OF ENERGY	81.089	DE-FE0031809	42,839	199,801
U S DEPARTMENT OF ENERGY	81.112	DE-NA0003883	-	242,190
U S DEPARTMENT OF ENERGY	81.112	DE-NA0003909	-	171,389
Total Department of Energy			46,611	2,528,168
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Programs:				
National Institutes of Health				
NATIONAL INSTITUTES OF HEALTH	93.113	1R15ES030140-01	6,454	128,198
NATIONAL INSTITUTES OF HEALTH	93.113	1R01ES030425	-	276,893
NATIONAL INSTITUTES OF HEALTH	93.113	9R15ES029723-02A1	-	4,511
NATIONAL INSTITUTES OF HEALTH	93.172	1R15HG009972-01	-	67,903
NATIONAL INSTITUTES OF HEALTH	93.173	1R15DC014587-01	-	(5,517)
NATIONAL INSTITUTES OF HEALTH	93.173	1R15DC07616-01A1	-	108,911
NATIONAL INSTITUTES OF HEALTH	93.173	1R15DC017032-01A1	-	70,743
NATIONAL INSTITUTES OF HEALTH	93.213	1R21AT009339-01	-	173,873
NATIONAL INSTITUTES OF HEALTH	93.242	1R15MH116311-01A1	3,637	140,031
NATIONAL INSTITUTES OF HEALTH	93.273	1R21AA025182-01A1	-	99,247
NATIONAL INSTITUTES OF HEALTH	93.286	1R21EB022356-01A1	-	43,222
NATIONAL INSTITUTES OF HEALTH	93.307	1R01MD012579-01A1	185,040	488,468
NATIONAL INSTITUTES OF HEALTH	93.396	1R15CA242177-01	-	155,444
NATIONAL INSTITUTES OF HEALTH	93.837	1R01HL127766-01A1	73,260	454,270
NATIONAL INSTITUTES OF HEALTH	93.837	1R15HL133885-01A1	-	33,784
NATIONAL INSTITUTES OF HEALTH	93.847	1R15DK118611-01	261	133,472
NATIONAL INSTITUTES OF HEALTH	93.847	2R01DK054254-15A1	-	270,263
NATIONAL INSTITUTES OF HEALTH	93.847	1R15DK121247-01	-	198,245
NATIONAL INSTITUTES OF HEALTH	93.847	1R01DK124126-01A1	-	23,714
NATIONAL INSTITUTES OF HEALTH	93.853	1R15NS111376-01	-	55,455
NATIONAL INSTITUTES OF HEALTH	93.855	1R21AI128376-01	-	361
NATIONAL INSTITUTES OF HEALTH	93.855	1R15AI130983-01	-	149,854
NATIONAL INSTITUTES OF HEALTH	93.855	1R03AI135788	-	36,421
NATIONAL INSTITUTES OF HEALTH	93.855	1R01AI143743-01	17,297	308,113
NATIONAL INSTITUTES OF HEALTH	93.855	1R15AI147238-01A1	-	5,107
NATIONAL INSTITUTES OF HEALTH	93.859	1R15GM116098-01	-	35,314
NATIONAL INSTITUTES OF HEALTH	93.859	1R15GM110602-01A1	-	72,963
NATIONAL INSTITUTES OF HEALTH	93.859	1R15GM132841-01	-	91,478
NATIONAL INSTITUTES OF HEALTH	93.865	1R15HD101984-01	-	813
NATIONAL INSTITUTES OF HEALTH	93.866	1R01AG044424-01A1	-	215,053
NATIONAL INSTITUTES OF HEALTH	93.866	1R01AG059779-01	-	596,161
NATIONAL INSTITUTES OF HEALTH	93.879	1R15LM012941-01	-	629
Pass-Through Programs From:				
CENTER FOR POLICY RESEARCH	93.086	90PR0006	-	7,443
OHIO STATE UNIVERSITY	93.279	60071382	-	82,385
NORTHEAST OHIO MEDICAL UNIVERSITY	93.788	G0305-A	-	16,604

See Notes to Schedule of Expenditures of Federal Awards

Federal Agency/Pass-Through Grantor	CFDA No.	Federal /Pass-Through Grant Number	Pass-Through Subrecipients	Expenditures
BOSTON UNIVERSITY	93.837	4500002694	-	279,160
AUGUSTA UNIVERSITY	93.847	30835-68	-	26,433
SAINT LOUIS UNIVERSITY	93.859	321232ERS22245	-	9,469
VIRGINIA COMMONWEALTH UNIVERSITY	93.865	FP00009022_SA001	-	53,021
AEIOU SCIENTIFIC LLC	93.866	AEIOU-OU-001	-	23,710
CLEMSON UNIVERSITY	93.879	2210-209-2013943	-	12,710
UNIVERSITY OF WASHINGTON	93.884	UWSC9343	-	101,685
OHIO DEPARTMENT OF HEALTH	93.898	UNKNOWN	-	6,912
Total Department of Health and Human Services			285,949	5,052,929
DEPARTMENT OF THE INTERIOR				
Direct Programs:				
U S GEOLOGICAL SURVEY	15.808	G17AC00188	-	1,560
NATIONAL PARK SERVICE	15.945	P18AC01292	-	32,006
Pass-Through Programs From:				
OHIO DEPARTMENT OF NATURAL RESOURCES	15.615	UNKNOWN	-	35,784
OHIO DEPARTMENT OF NATURAL RESOURCES	15.616	DNR01-0000040193	-	(900)
OHIO DEPARTMENT OF NATURAL RESOURCES	15.616	DNR01-0000043308	-	33,348
OHIO STATE UNIVERSITY	15.805	60071567	-	28,603
Total Department of the Interior			-	130,401
DEPARTMENT OF JUSTICE				
Direct Programs:				
U S DEPARTMENT OF JUSTICE	16.560	2016-R2-CX-0048	5,505	10,067
Pass-Through Programs From:				
HOUSTON FORENSIC SCIENCE CENTER, INC	16.560	S101	-	64,713
FOREVERDADS	16.812	UNKNOWN	-	527
Total Department of Justice			5,505	75,307
DEPARTMENT OF TRANSPORTATION				
Direct Programs:				
FEDERAL AVIATION ADMINISTRATION	20.108	16-G-012	-	154,998
U S DEPARTMENT OF TRANSPORTATION	20.200	693JK18500002	-	56,556
FEDERAL AVIATION ADMINISTRATION	20.XXX	DTFAWA-16-A-80014	-	1,051,734
Pass-Through Programs From:				
NATIONAL ACADEMY OF SCIENCES	20.200	HR 18-18	44,277	172,621
UNIVERSITY OF CINCINNATI	20.200	011606-002	-	22,523
Total Department of Transportation			44,277	1,458,432
ENVIRONMENTAL PROTECTION AGENCY				
Pass-Through Programs From:				
OHIO ENVIRONMENTAL PROTECTION AGENCY	66.605	EPA01-000005312	-	35,395
Total Environmental Protection Agency			-	35,395
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
Direct Programs:				
NASA SHARED SERVICES CENTER	43.007	80NSSC19K1481	-	19,278
Pass-Through Programs From:				
SMITHSONIAN ASTROPHYSICAL OBSERVATORY	43.001	DD8-19101B	-	9,970
SMITHSONIAN ASTROPHYSICAL OBSERVATORY	43.001	G09-20058B	-	7,238
SMITHSONIAN ASTROPHYSICAL OBSERVATORY	43.001	G09-20060B	-	10,195
SMITHSONIAN ASTROPHYSICAL OBSERVATORY	43.001	G09-20054B	-	21,350
OHIO WESLEYAN UNIVERSITY	43.007	32060	-	49,235
UNIVERSITY OF FLORIDA	43.007	SUB00001659	-	18,750
SPACE TELESCOPE SCIENCE INSTITUTE	43.XXX	HST-GO-15644.002-A	-	40,326
Total National Aeronautics and Space Administration			-	176,342

Federal Agency/Pass-Through Grantor	CFDA No.	Federal /Pass-Through Grant Number	Pass-Through Subrecipients	Expenditures
NATIONAL SCIENCE FOUNDATION				
Direct Programs:				
NATIONAL SCIENCE FOUNDATION	47.041	CBET-1554044	-	30,207
NATIONAL SCIENCE FOUNDATION	47.041	CMMI-1633500	-	35,577
NATIONAL SCIENCE FOUNDATION	47.041	CBET-1705817	-	103,052
NATIONAL SCIENCE FOUNDATION	47.041	CBET-1836905	-	33,588
NATIONAL SCIENCE FOUNDATION	47.041	CBET-1903568	-	57,362
NATIONAL SCIENCE FOUNDATION	47.041	CBET-1856058	17,015	116,000
NATIONAL SCIENCE FOUNDATION	47.041	CBET-1939948	-	35,014
NATIONAL SCIENCE FOUNDATION	47.049	DMR-1506836	-	5,028
NATIONAL SCIENCE FOUNDATION	47.049	DMR-1507670	-	37,904
NATIONAL SCIENCE FOUNDATION	47.049	PHY-1520972	-	11,430
NATIONAL SCIENCE FOUNDATION	47.049	CHE-1507321	-	24,124
NATIONAL SCIENCE FOUNDATION	47.049	PHY-1714008	-	158,808
NATIONAL SCIENCE FOUNDATION	47.049	DMS-1821162	-	23,170
NATIONAL SCIENCE FOUNDATION	47.049	DMS-1815079	-	43,602
NATIONAL SCIENCE FOUNDATION	47.049	PHY-1827893	-	186,965
NATIONAL SCIENCE FOUNDATION	47.049	PHY-1913170	-	156,438
NATIONAL SCIENCE FOUNDATION	47.049	CHE-1905238	-	64,531
NATIONAL SCIENCE FOUNDATION	47.049	CHE-1948611	-	65,014
NATIONAL SCIENCE FOUNDATION	47.050	PLF-1341602	-	(1,535)
NATIONAL SCIENCE FOUNDATION	47.050	EAR-1525915	-	11,042
NATIONAL SCIENCE FOUNDATION	47.050	OPP-1744998	-	31,578
NATIONAL SCIENCE FOUNDATION	47.050	AGS-1749504	-	57,112
NATIONAL SCIENCE FOUNDATION	47.070	CCF-1513606	-	81,738
NATIONAL SCIENCE FOUNDATION	47.070	CNS-1657279	-	49,007
NATIONAL SCIENCE FOUNDATION	47.070	CCF-1657358	-	57,967
NATIONAL SCIENCE FOUNDATION	47.070	CCF-1703013	-	48,638
NATIONAL SCIENCE FOUNDATION	47.070	CCF-1901192	-	84,686
NATIONAL SCIENCE FOUNDATION	47.074	IOS-1456810	-	24,019
NATIONAL SCIENCE FOUNDATION	47.074	IOS-1456503	-	3,393
NATIONAL SCIENCE FOUNDATION	47.074	DBI-1556316	-	56,287
NATIONAL SCIENCE FOUNDATION	47.074	IOS-1656765	-	49,414
NATIONAL SCIENCE FOUNDATION	47.074	DEB-1655230	-	30,959
NATIONAL SCIENCE FOUNDATION	47.074	MCB-1750361	-	143,841
NATIONAL SCIENCE FOUNDATION	47.075	SES-1557082	-	4,721
NATIONAL SCIENCE FOUNDATION	47.075	BCS-1638796	-	51,178
NATIONAL SCIENCE FOUNDATION	47.075	SMA-1659455	-	113,362
NATIONAL SCIENCE FOUNDATION	47.075	SES-1734567	-	3
NATIONAL SCIENCE FOUNDATION	47.076	DGE-1645419	-	104,554
NATIONAL SCIENCE FOUNDATION	47.076	DME-1758484	-	204,454
NATIONAL SCIENCE FOUNDATION	47.083	OIA-1834859	-	12,670
Pass-Through Programs From:				
THE CATHOLIC UNIVERSITY OF AMERICA	47.049	361226	-	49,394
UNIVERSITY OF CINCINNATI	47.076	L12-4500093879	-	19,343
Total National Science Foundation			17,015	2,475,639
TOTAL RESEARCH AND DEVELOPMENT CLUSTER			**486,658**	**13,656,990**
CHILD NUTRITION CLUSTER				
DEPARTMENT OF AGRICULTURE				
Pass-Through Programs From:				
OHIO DEPARTMENT OF EDUCATION	10.559	UNKNOWN	-	12,400
TOTAL CHILD NUTRITION CLUSTER			**-**	**12,400**

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2020

Federal Agency/Pass-Through Grantor	CFDA No.	Federal /Pass-Through Grant Number	Pass-Through Subrecipients	Expenditures
ECONOMIC DEVELOPMENT CLUSTER				
DEPARTMENT OF COMMERCE				
Direct Programs:				
ECONOMIC DEVELOPMENT ADMINISTRATION	11.307	06-79-06120	49,320	388,892
ECONOMIC DEVELOPMENT ADMINISTRATION	11.307	06-79-06147	-	56,827
TOTAL ECONOMIC DEVELOPMENT CLUSTER			**49,320**	**445,719**
477 CLUSTER				
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Pass-Through Programs From:				
OHIO ASSOCIATION OF COMMUNITY ACTION AGENCIES	93.569	UNKNOWN	-	10,000
TOTAL 477 CLUSTER			**-**	**10,000**
FISH AND WILDLIFE CLUSTER				
DEPARTMENT OF THE INTERIOR				
Pass-Through Programs From:				
OHIO DEPARTMENT OF NATURAL RESOURCES	15.611	427	-	41,667
TOTAL FISH AND WILDLIFE CLUSTER			**-**	**41,667**
HIGHWAY PLANNING AND CONSTRUCTION CLUSTER				
DEPARTMENT OF TRANSPORTATION				
Pass-Through Programs From:				
OHIO DEPARTMENT OF TRANSPORTATION	20.205	25160	-	(274)
OHIO DEPARTMENT OF TRANSPORTATION	20.205	30496	-	79,396
OHIO DEPARTMENT OF TRANSPORTATION	20.205	30791	11,821	60,066
OHIO DEPARTMENT OF TRANSPORTATION	20.205	30218	-	41,597
OHIO DEPARTMENT OF TRANSPORTATION	20.205	30409	63,682	77,459
OHIO DEPARTMENT OF TRANSPORTATION	20.205	30649	69,267	93,683
OHIO DEPARTMENT OF TRANSPORTATION	20.205	31795	80,870	66,344
OHIO DEPARTMENT OF TRANSPORTATION	20.205	32449	29,175	63,592
UNIVERSITY OF AKRON	20.205	04204_OU	-	7,717
OHIO DEPARTMENT OF TRANSPORTATION	20.205	33411	45,503	116,384
EL ROBINSON ENGINEERING	20.205	UNKNOWN	-	12,304
OHIO DEPARTMENT OF TRANSPORTATION	20.205	33809	41,947	96,921
OHIO DEPARTMENT OF TRANSPORTATION	20.205	33717	16,918	44,808
OHIO DEPARTMENT OF TRANSPORTATION	20.205	33719	1,047	26,367
TOTAL HIGHWAY PLANNING AND CONSTRUCTION CLUSTER			**360,230**	**786,364**
SPECIAL EDUCATION (IDEA) CLUSTER				
DEPARTMENT OF EDUCATION				
Pass-Through Programs From:				
UNIVERSITY OF CINCINNATI	84.027A	012122-003	2,998	33,060
UNIVERSITY OF CINCINNATI	84.027A	012498-002	-	21,419
MUSKINGUM VALLEY EDUCATIONAL SERVICE CENTER	84.027A	UNKNOWN	-	1
TOTAL SPECIAL EDUCATION (IDEA) CLUSTER			**2,998**	**54,480**
TRIO CLUSTER				
DEPARTMENT OF EDUCATION				
Direct Programs:				
U S DEPARTMENT OF EDUCATION	84.042A	P042A150073	-	261,638
TOTAL TRIO CLUSTER			**-**	**261,638**

See Notes to Schedule of Expenditures of Federal Awards

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2020

Federal Agency/Pass-Through Grantor	CFDA No.	Federal /Pass-Through Grant Number	Pass-Through Subrecipients	Expenditures
MEDICAID CLUSTER				
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Pass-Through Programs From:				
CASE WESTERN RESERVE UNIVERSITY	93.778	RES514875	-	150,894
CASE WESTERN RESERVE UNIVERSITY	93.778	RES514880	-	14,955
CASE WESTERN RESERVE UNIVERSITY	93.778	RES514853	-	37,826
OHIO DEPARTMENT OF JOBS AND FAMILY SERVICES	93.778	G-1617-06-0273	-	35
OHIO STATE UNIVERSITY	93.778	60060959	-	594
OHIO STATE UNIVERSITY	93.778	60065916	-	413,869
OHIO STATE UNIVERSITY	93.778	60069320	-	28,558
TOTAL MEDICAID CLUSTER			**-**	**646,731**
OTHER PROGRAMS				
APPALACHIAN REGIONAL COMMISSION				
Direct Programs:				
APPALACHIAN REGIONAL COMMISSION	23.001	PW-18610-IM-16	111,289	226,544
APPALACHIAN REGIONAL COMMISSION	23.002	PW-19369-IM-19	-	143,334
APPALACHIAN REGIONAL COMMISSION	23.002	PW-18918-IM-17	97,385	349,000
			97,385	492,334
Pass-Through Programs From:				
BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT	23.001	UNKNOWN	-	26,408
BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT	23.001	UNKNOWN	-	15,510
			-	41,918
SHAWNEE STATE UNIVERSITY	23.002	SSU004	-	196,447
EAST TENNESSEE STATE UNIVERSITY	23.011	19-297-1-S3.1	-	4,230
Total Appalachian Regional Commission			208,674	961,473
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
Pass-Through Programs From:				
OHIO COMMISSION ON SERVICE AND VOLUNTEERISM	94.006	15ACH-1502-18-OC068	-	12,043
OHIO COMMISSION ON SERVICE AND VOLUNTEERISM	94.006	19ESH-1502-20-OC068	-	235,966
			-	248,009
OHIO COMMISSION ON SERVICE AND VOLUNTEERISM	94.014	MLK202003	-	2,000
Total Corporation for National and Community Service			-	250,009
DEPARTMENT OF AGRICULTURE				
Direct Programs:				
U S DEPARTMENT OF AGRICULTURE	10.001	58-8020-9-008	-	7,420
U S DEPARTMENT OF AGRICULTURE	10.351	41-005-260238852-G05	-	20,103
U S DEPARTMENT OF AGRICULTURE	10.351	41-005-260238852-G06	-	10,777
U S DEPARTMENT OF AGRICULTURE	10.351	41-005-260238852	-	37,980
			-	68,860
Pass-Through Programs From:				
RURAL ACTION	10.762	1	-	1,997
Total Department of Agriculture			-	78,277
DEPARTMENT OF COMMERCE				
Pass-Through Programs From:				
BOWLING GREEN STATE UNIVERSITY	11.303	10008059-OU	-	78,949
Total Department of Commerce			-	78,949

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2020

Federal Agency/Pass-Through Grantor	CFDA No.	Federal /Pass-Through Grant Number	Pass-Through Subrecipients	Expenditures
DEPARTMENT OF DEFENSE				
Direct Programs:				
NATIONAL SECURITY AGENCY	12.900	H98230-19-1-0187	-	79,593
Pass-Through Programs From:				
OHIO DEVELOPMENT SERVICES AGENCY	12.002	SBEG18001	-	213,213
OHIO DEVELOPMENT SERVICES AGENCY	12.002	UNKNOWN	-	212,659
			-	425,872
Total Department of Defense			-	505,465
DEPARTMENT OF EDUCATION				
Direct Programs:				
U S DEPARTMENT OF EDUCATION	84.336	U336S190027	-	160,314
U S DEPARTMENT OF EDUCATION - HEERF Student Aid	COVID-19 - 84.425E	P425E200882	-	4,172,128
U S DEPARTMENT OF EDUCATION - HEERF Institutional	COVID-19 - 84.425F	P425F202450	-	9,737,715
			-	13,909,843
Pass Through Programs From:				
OHIO DEPARTMENT OF HIGHER EDUCATION	84.002	UNKNOWN	-	155,711
LOGAN HOCKING LOCAL SCHOOLS	84.184	UNKNOWN	-	30,688
ATHENS CITY SCHOOL DISTRICT	84.287	UT18278	-	180
SOUTHERN LOCAL SCHOOL DISTRICT (PERRY COUNTY)	84.287	UT19134	-	571
ALEXANDER LOCAL SCHOOL DISTRICT	84.287	UT19136	-	744
FEDERAL HOCKING LOCAL SCHOOL DISTRICT	84.287	UT19139	-	809
SOUTHERN LOCAL SCHOOL DISTRICT (PERRY COUNTY)	84.287	UT20213	-	894
TRIMBLE LOCAL SCHOOL DISTRICT	84.287	UT19612	-	1,119
ALEXANDER LOCAL SCHOOL DISTRICT	84.287	UT19618	-	866
FEDERAL HOCKING LOCAL SCHOOL DISTRICT	84.287	UT20673	-	(539)
ATHENS CITY SCHOOL DISTRICT	84.287	UT18278	-	182,852
SOUTHERN LOCAL SCHOOL DISTRICT (PERRY COUNTY)	84.287	UT19134	-	169,311
SOUTHERN LOCAL SCHOOL DISTRICT (PERRY COUNTY)	84.287	UT20213	-	148,309
FEDERAL HOCKING LOCAL SCHOOL DISTRICT	84.287	UT20673	-	177,085
FEDERAL HOCKING LOCAL SCHOOL DISTRICT	84.287	UT19139	-	179,019
ALEXANDER LOCAL SCHOOL DISTRICT	84.287	UT19136	-	165,337
FEDERAL HOCKING LOCAL SCHOOL DISTRICT	84.287	UNKNOWN	-	159
ALEXANDER LOCAL SCHOOL DISTRICT	84.287	UNKNOWN	-	475
			-	1,027,191
CORPORATION FOR PUBLIC BROADCASTING	84.295A	35050-EDU	-	260
OHIO DEPARTMENT OF HIGHER EDUCATION	84.334	UNKNOWN	-	64,956
ATHENS CITY SCHOOL DISTRICT	84.870	UNKNOWN	-	85
Total Department of Education			-	15,349,048
DEPARTMENT OF ENERGY				
Direct Programs:				
U S DEPARTMENT OF ENERGY	81.214	DE-EM0004147	-	1,008,034
Total Department of Energy			-	1,008,034

See Notes to Schedule of Expenditures of Federal Awards

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2020

Federal Agency/Pass-Through Grantor	CFDA No.	Federal /Pass-Through Grant Number	Pass-Through Subrecipients	Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Programs:				
Centers for Disease Control				
CENTERS FOR DISEASE CONTROL AND PREVENTION	93.262	5T03OH009841	-	89,618
Health Resources and Services Administration				
HEALTH RESOURCES AND SERVICES ADMINISTRATION	93.211	G25RH32459	45,294	107,499
HEALTH RESOURCES AND SERVICES ADMINISTRATION	93.732	T98HP33468	-	86,411
HEALTH RESOURCES AND SERVICES ADMINISTRATION	93.912	D04RH31792	40,700	130,096
HEALTH RESOURCES AND SERVICES ADMINISTRATION	93.912	GA1RH33529	107,593	231,552
			148,293	361,648
Substance Abuse and Mental Health Services Administration				
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION	93.243	1H79SP081638	27,642	62,777
Pass Through Programs From:				
OHIO DEPARTMENT OF YOUTH SERVICES	93.092	8AS4010	-	12,921
OHIO DEPARTMENT OF YOUTH SERVICES	93.092	8AS4010	-	43,938
			-	56,859
THE UNIVERSITY OF TOLEDO	93.107	F-2019-25	-	23,819
THE UNIVERSITY OF TOLEDO	93.107	F-2020-10	-	109,122
			-	132,941
FRANKLIN COUNTY PUBLIC HEALTH	93.136	CDCOD2A	-	75,280
HAMILTON COUNTY PUBLIC HEALTH	93.136	CDCOD2A	-	37,293
			-	112,573
NATIONAL RURAL HEALTH ASSOCIATION	93.155	UNKNOWN	-	4,029
NATIONAL RURAL HEALTH ASSOCIATION	93.155	UNKNOWN	-	6,579
NATIONAL RURAL HEALTH ASSOCIATION	93.155	UNKNOWN	-	511
			-	11,119
NATIONAL AHEC ORGANIZATION	93.185	UNKNOWN	-	2,170
PACIFIC INSTITUTE	93.211	925	-	4,842
PACIFIC INSTITUTE	93.211	958	-	34,418
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL	93.211	5112961	-	55,536
			-	94,796
OHIO DEPARTMENT OF MENTAL HEALTH & ADDICTION SERVICES	93.243	1900525	75,191	200,199
OHIO DEPARTMENT OF JOBS AND FAMILY SERVICES	93.590	G-2021-22-0177	-	215
OHIO DEPARTMENT OF JOBS AND FAMILY SERVICES	93.590	G-2021-22-0169	-	285
			-	500
OHIO DEPARTMENT OF JOBS AND FAMILY SERVICES	93.645	G-1819-06-0341	-	3,449
OHIO DEPARTMENT OF JOBS AND FAMILY SERVICES	93.645	G-1617-06-0273	-	691
			-	4,140
OHIO DEPARTMENT OF JOBS AND FAMILY SERVICES	93.658	G-2021-06-0240	-	53,333
OHIO DEPARTMENT OF JOBS AND FAMILY SERVICES	93.658	G-1819-06-0341	-	22,154
OHIO DEPARTMENT OF JOBS AND FAMILY SERVICES	93.658	G-1617-06-0273	-	754
			-	76,241
OHIO DEPARTMENT OF JOBS AND FAMILY SERVICES	93.659	G-1819-06-0341	-	20,939
OHIO DEPARTMENT OF JOBS AND FAMILY SERVICES	93.659	G-1617-06-0273	-	1,104
			-	22,043

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2020

Federal Agency/Pass-Through Grantor	CFDA No.	Federal /Pass-Through Grant Number	Pass-Through Subrecipients	Expenditures
OHIO DEPARTMENT OF JOBS AND FAMILY SERVICES	93.667	G-1617-06-0273	-	4
TRINITY HOSPITAL TWIN CITY	93.912	UNKNOWN	-	3,508
HOPEWELL HEALTH CENTERS	93.912	HRSA-OU	-	12,590
			-	16,098
OHIO DEPARTMENT OF HEALTH	93.913	DOH01-0000051964	-	12,572
OHIO DEPARTMENT OF HEALTH	93.913	UNKNOWN	-	47,445
			-	60,017
OHIO DEPARTMENT OF MENTAL HEALTH & ADDICTION SERVICES	93.958	2000549	78,027	139,827
OHIO SUICIDE PREVENTION FOUNDATION	93.958	UNKNOWN	19,420	76,638
NORTHEAST OHIO MEDICAL UNIVERSITY	93.958	G0261-A	-	45,783
			97,447	262,248
OHIO DEPARTMENT OF MENTAL HEALTH & ADDICTION SERVICES	93.959	1900157	-	(72)
OHIO DEPARTMENT OF MENTAL HEALTH & ADDICTION SERVICES	93.959	2000147	22,900	178,869
			22,900	178,797
Total Department of Health and Human Services			416,767	1,938,698
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Pass-Through Programs From:				
ATHENS COUNTY COMMISSIONERS	14.228	UNKNOWN	-	90,000
Total Department of Housing and Urban Development			-	90,000
DEPARTMENT OF THE INTERIOR				
Pass-Through Programs From:				
RACCOON CREEK PARTNERSHIP	15.253	UNKNOWN	-	1,856
Total Department of the Interior			-	1,856
DEPARTMENT OF JUSTICE				
Pass-Through Programs From:				
OHIO ATTORNEY GENERAL'S OFFICE	16.575	2020-VOCA-132921132	-	48,298
OHIO STATE LEGAL SERVICES ASSOCIATION	16.582	2018-V3-GX-0067	-	15,524
Total Department of Justice			-	63,822
DEPARTMENT OF STATE				
Pass-Through Programs From:				
AMIDEAST	19.400	20320-19	-	55,826
INSTITUTE OF INTERNATIONAL EDUCATION	19.400	FST1901 OHIOU EGSP 2019	-	216,572
			-	272,398
FHI360	19.421	102362.001.002	-	31,971
FHI360	19.421	102465.001.003	-	22,607
FHI360	19.421	102465.001.003	-	6,270
			-	60,848
Total Department of State			-	333,246
DEPARTMENT OF TRANSPORTATION				
Direct Programs:				
FEDERAL AVIATION ADMINISTRATION	20.106	3-39-0006-021-2017	-	1,466,544
FEDERAL AVIATION ADMINISTRATION	COVID-19 - 20.106	3-39-0006-022-2020	-	11,969
Total Department of Transportation			-	1,478,513

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2020

Federal Agency/Pass-Through Grantor	CFDA No.	Federal /Pass-Through Grant Number	Pass-Through Subrecipients	Expenditures
ENVIRONMENTAL PROTECTION AGENCY				
Pass-Through Programs From:				
OHIO ENVIRONMENTAL PROTECTION AGENCY	66.460	17(h)EPA-08	250,000	255,674
OHIO ENVIRONMENTAL PROTECTION AGENCY	66.460	15(h)EPA-35	-	13,608
OHIO ENVIRONMENTAL PROTECTION AGENCY	66.460	16(H)EPA-46	-	13,779
OHIO DEPARTMENT OF NATURAL RESOURCES	66.460	DNR01-0000043487	-	87,861
Total Environmental Protection Agency			250,000	370,922
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
Pass-Through Programs From:				
OHIO AEROSPACE INSTITUTES	43.008	UNKNOWN	-	2,500
Total National Aeronautics and Space Administration			-	2,500
NATIONAL ENDOWMENT FOR THE HUMANITIES				
Direct Programs:				
NATIONAL ENDOWMENT FOR THE HUMANITIES	45.169	HZ-265426-19	-	1,686
Pass-Through Programs From:				
ARTS MIDWEST TOURING FUND	45.025	22234	-	3,200
STATE LIBRARY OF OHIO	45.310	UNKNOWN	-	4,999
Total National Endowment for the Humanities			-	9,885
SMALL BUSINESS ADMINISTRATION				
Pass-Through Programs From:				
OHIOSE	59.037	UNKNOWN	-	25,994
OHIO DEVELOPMENT SERVICES AGENCY	59.037	OSBG-19-324	-	63,801
OHIO DEVELOPMENT SERVICES AGENCY	59.037	OSBG-20-324	-	222,929
OHIO DEVELOPMENT SERVICES AGENCY	COVID-19 - 59.037	OSBG-20-342	-	18,499
Total Small Business Administration			-	331,223
TOTAL OTHER PROGRAMS			**875,441**	**22,851,920**
GRAND TOTAL FEDERAL AWARDS			**$ 1,774,647**	**$ 297,405,729**

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Ohio University (the "University") under programs of the federal government for the year ended June 30, 2020. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net position, or cash flows of the University.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-21, *Cost Principles for Educational Institutions*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

The University has elected not to use the 10 percent de minimis indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

Note 3 - Noncash Assistance

During the year ended June 30, 2020, Ohio University did not receive any nonmonetary assistance.

Note 4 - Adjustments and Transfers

During the year ended June 30, 2020, the University transferred $661,786 of the 2019-2020 FWS Program (84.033) award to the Supplemental Educational Opportunity Grant (SEOG) Program (84.007).

Note 5 - Loan Balances

Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule of Expenditures of Federal Awards. The balances of loans outstanding at June 30, 2020 consist of the following:

Cluster/Program Title	CFDA Number	Loan Balance
Student Aid Cluster/Federal Perkins Loans Outstanding	84.038	$ 6,803,767
Student Aid Cluster/Disadvantaged Student Loans Outstanding	93.342	1,887,628
Student Aid Cluster/Primary Care Loans (HPSL) Outstanding	93.342	1,564,019
		$ 10,255,414

Note 6 - CARES Act Higher Education Emergency Relief Fund (HEERF) Institutional Award Disclosure and Education Stabilization Fund (ESF)

The reporting of CARES Act expenditures on the Schedule of Expenditures of Federal Awards is independent of the determination of revenue recognition under GAAP. Therefore, the institutional costs incurred through June 30, 2020 where revenue was recognized after that date is disclosed as follows:

Cluster/Program	CFDA Number	Disclosure Amount	
Other Programs/U S Department of Education HEERF Institutional	COVID-19 - 84.425F	$	5,565,587

The total for the CARES Act Education Stabilization Fund (ESF) programs on the Schedule of Expenditures of Federal Awards for CFDA 84.425 is as follows:

Cluster/Program	CFDA Number	Expenditure Amount	
Other Programs/U S Department of Education HEERF Student Aid	COVID-19 - 84.425E	$	4,172,128
Other Programs/U S Department of Education HEERF Institutional	COVID-19 - 84.425F		9,737,715
		$	13,909,843

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	____ Yes	X No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	____ Yes	X None reported
Noncompliance material to financial statements noted?	____ Yes	X None reported

Federal Awards

Internal control over major programs:		
• Material weakness(es) identified?	____ Yes	X No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	____ Yes	X None reported
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?	____ Yes	X No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster	Opinion
84.007, 84.033, 84.038, 84.063, 84.268, 84.379, and 93.342	Student Financial Assistance Cluster	Unmodified
84.425E, 84.425F	Higher Education Emergency Relief Fund	Unmodified
20.106	Airport Improvement Program	Unmodified
84.287	Twenty-first Century Community Learning Centers	Unmodified

Dollar threshold used to distinguish between type A and type B programs:	$1,163,037	
Auditee qualified as low-risk auditee?	X Yes	____ No

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None

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OHIO AUDITOR OF STATE
KEITH FABER

OHIO UNIVERSITY

ATHENS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.

Certified for Release 2/16/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370