YOUNGSTOWN STATE UNIVERSITY

BOARD OF TRUSTEES
AUDIT SUBCOMMITTEE

Wednesday, December 6, 2023
11:00 a.m. or immediately following previous meeting

Board Room
Tod Hall

AGENDA

A. Disposition of Minutes for Meeting

B. Old Business

C. Subcommittee Item

1. Discussion Items

C.1.a. = Tab 1 **a. Required Communication with the Board of Trustees**
Plante & Moran, PLLC, will report.

C.1.b. = Tab 2 **b. Audit Report on Banner Access**
Michelle DiLullo, Staff Auditor, will report.

C.1.c. = Tab 3 **c. Anonymous Reporting Hotline Stats Update**
Michelle DiLullo, Staff Auditor, will report.

C.1.d. = Tab 4 **d. FY24 First Quarter Internal Audit Plan Update**
Michelle DiLullo, Staff Auditor, will report.

C.1.e. = Tab 5 **e. Audit Matrix Open Audit Recommendations Update**
This matrix tracks the progress of the implementation of recommendations for improvement or correction made by internal and external auditors.
Michelle DiLullo, Staff Auditor, will report.

f. Update on Enterprise Risk Management
Julie Gentile, Director of Environmental and Occupational Health and Safety, will report.

C.1.g. = Tab 6 **g. Audited Financial Report for Fiscal Years 2023 and 2022**
Neal McNally, Vice President for Finance and Business Operations, and Katrena Davidson, Associate Vice President for Finance and Controller, will report.

C.1.h. = Tab 7 **h. Ohio Senate Bill 6 Financial Ratio Analysis for Fiscal Year 2023**
Neal McNally, Vice President for Finance and Business Operations, will report.

D. New Business

E. Adjournment

Plante & Moran, PLLC
Suite 100
250 S. High Street
Columbus, OH 43215
Tel: 614.849.3000
Fax: 614.221.3535
plantemoran.com

October 12, 2023

To the Audit Subcommittee of the Board of Trustees
Youngstown State University

We have audited the financial statements of Youngstown State University (the "University") as of and for the year ended June 30, 2023 and have issued our report thereon dated October 12, 2023. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated July 5, 2023, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the University. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our audit of the University's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of the University, including compliance with certain provisions of laws, regulations, contracts, and grant agreements; certain instances of error or fraud; illegal acts applicable to government agencies; and significant deficiencies in internal control that we identify during our audit. Toward this end, we issued a separate letter dated October 12, 2023 regarding our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on August 3, 2023.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the University are described in Note 1 to the financial statements.

As described in Note 1, the University changed accounting policies related to leases with the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, resulting in approximately $13 million of subscription assets and liabilities being recognized as of the implementation date. Accordingly, the accounting change has been retrospectively applied to prior periods presented as if the policy had always been used.

We noted no transactions entered into by the University during the year for which there is a lack of authoritative guidance or consensus.

We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were as follows:

- **Student Accounts Receivable Allowance for Uncollectible Accounts** - The University's management has established the student accounts receivable allowance by applying estimated uncollectible percentages to the balances based upon the aging. The uncollectible percentages were estimated based upon prior experience at the University.

- **Liability for Accrued Compensated Absences** - Management calculates the liability for compensated absences based on eligible service requirements and hours accumulated. We have evaluated this estimated liability by reviewing the reasonableness of the methodology and assumptions used by the University, testing data related to the calculation, and performing clerical tests on the calculation itself.

- **Liability for Group Employee Benefit Self-insurance** - The University's management has established an estimated liability for group employee benefit self-insurance liability claims based on historical experience.

- **Net Pension and OPEB Liabilities** - Management's estimate of the unfunded liability for the pension plan and the OPEB plan was calculated by multiplying the University's portion of the contributions made to the respective plans by the total pension liability of the plans provided by an independent actuary. The independent actuary used a number of assumptions to determine the overall unfunded liability of each plan.

We evaluated the key factors and assumptions used to develop the estimates described above in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in performing and completing our audit.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report.

We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

The attached schedule summarizes uncorrected misstatements of the financial statements that were requested to be recorded. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. However, uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future period financial statements to be materially misstated.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the University, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the University's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 12, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the University's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.

To our knowledge, there were no such consultations with other accountants.

This information is intended solely for the use of the audit subcommittee of the board of trustees and management of the University and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Plante & Moran, PLLC

Keith S. Martinez, CPA
Partner

Attachment

Client: **Component Unit of Youngstown State University**
Y/E: **6/30/2023**

SUMMARY OF UNRECORDED POSSIBLE ADJUSTMENTS

The effect of misstatements and classification errors identified would be to increase (decrease) the reported amounts in the financial statement categories identified below:

Ref. #	Description of Misstatement	Current Assets	Long-term Assets	Current Liabilities	Long-term Liabilities	Net Assets	Revenue	Expenses	Impact to Net Assets
FACTUAL MISSTATEMENTS:									
A1	Adjustment to record activity of The Penguin Club, Inc. as a discretely presented component unit of the University	$ 3,461,000		$ 389,000		$ 2,502,000	$ 2,062,000	$ 1,492,000	$ 570,000
									-
JUDGMENTAL ADJUSTMENTS:									-
B1	None								-
									-
PROJECTED ADJUSTMENTS:									
C1	None	-	$ -	-	$ -	-	-	-	-
	Total	$ 3,461,000	$ -	$ 389,000	$ -	$ 2,502,000	$ 2,062,000	$ 1,492,000	$ 570,000

PASSED DISCLOSURES AND FINANCIAL STATEMENT PRESENTATION ISSUES:

D1 None

KENT STATE UNIVERSITY

Office of Internal Audit

Katrena Davidson, Associate VP, Finance and Controller
Elaine Ruse, Associate VP, Student Enrollment & Business Services
Jennifer J. Lewis-Aey, Exec Director and Chief Human Resources Officer
Tysa Egleton, University Registrar
Angela Rovnak, Associate Director, IT Application Services
Dennis Gajdos, Associate Director, Business Operations, Division of IT
Michel Nahas, Chief Data Officer, KSU
Jeremy Yerse, Director, IT Infrastructure Services

November 17, 2023
Audit #2023-1057

Dear Ms. Davidson, Ms. Ruse, Ms. Lewis-Aey, Ms. Egleton, Ms. Rovnak, Mr. Gajdos, Mr. Nahas and Mr. Yerse:

The Internal Audit Department has completed an audit of access to sensitive data in Banner. The scope of the Banner audit administered by the KSU Division of IT, YSU Division of IT, and YSU data custodians for each of the Banner modules includes Banner Finance, Financial Aid, Human Resources, and Student. Authorized and appropriate level of access to data in Banner is essential for assuring integrity of sensitive university data and restricted access to powerful actions.

Objectives

The primary objectives of this audit was to assess the efficiency and effectiveness of operations and policies for the protection of sensitive data and powerful actions in Banner modules as follows:

- Processes are in place to approve and add new access to Banner users.
- Processes are in place to remove Banner access when no longer needed.
- Access is appropriately adjusted when a user changes jobs.
- Student employees are removed from access in a timely manner.
- Access to sensitive information and powerful functions is restricted to only those users who require access to perform job functions

Internal Audit promotes continuous improvement of security controls. However, management is responsible for establishing and maintaining effective operational activities to ensure internal operating controls are present and operating effectively.

An audit of operations and system of internal controls was performed to provide management with reasonable but not absolute assurance that procedures and transactions are executed in an efficient manner. This internal audit was performed using a risk-based approach that did not include evaluation and testing of every transaction. Thus, assurance cannot be provided that all errors, irregularities, and instances of non-compliance occurring during the audit period were identified.

Scope

The audit scope included Banner Finance, Financial Aid, Human Resources, and Student modules. Meetings with the respective data custodians were completed to identify and evaluate controls in operating procedures for access to data in Banner modules.

Background

Ellucian Banner Enterprise Resource Planning System (ERP) is an integrated database system used at YSU. Banner ERP consists of four modules that are interconnected in the backend database. The modules in use are as follows: Finance, Financial Aid, Human Resources, and Student.

Banner access is granted based on a class, profile, or security group which are customized for specified users needing to perform a business function. Each class, profile or security group is comprised of various forms (screens) and queries (reports) that are unique to a user's job function and are accessible only to its assigned users.

A data custodian is responsible for the design and maintenance of classes for a specified Banner module. A user or supervisor will submit a request for access which is routed for management approval and then to the appropriate data custodian who will determine what access is appropriate to fulfill the security request. After access is determined by the data custodian, the IT Infrastructure Services team in the Division of IT fulfills the approved request for Banner access. Then notification of access is sent to the data custodian who notifies the user.

There are currently 10 Banner access data custodians (including backups) across the university.

This audit was conducted via interviews with data custodians responsible for the various Banner modules, employees in the Division of IT, and database administrators for Banner who are Kent State University employees employed under a Shared Services Agreement. Since Internal Audit interacted with various process owners, the audit comments indicate the process owner for which Management Responses are requested.

Overview of Banner Modules:

- The Banner Finance module provides a comprehensive, integrated financial management system that enables KSU to track, maintain, and process relevant financial data.
- The Banner Financial Aid module contains the following integrated components: applicant record creation, requirements tracking, student budget assignment, need analysis, and packaging. Also included are funds management, disbursement, award history, direct lending, electronic data exchange (EDE), reporting, loan processing, Transfer Monitoring, Financial Aid Self-Service, and Athletics.
- The Banner Human Resources module supports the full range of functions necessary for human resource administration, including employment and compensation; position control and staffing; applicant tracking, requisitioning and processing; EEO, W-2, and 1095 reporting; payroll processing; labor relations; and administration of benefits and leaves.
- The Banner Student module contains information relating to all aspects of student processing, including student information, registration, admissions, course fees, course scheduling and enrollment, and student billing.

Opinion
Based on the results of the procedures performed in the Banner Access Audit, the internal controls related to the key processes **Require Improvement.**

A **Require Improvement Opinion** necessitates that Internal Audit perform follow-up on corrective actions noted in management responses based on dates provided.

Internal Audit thanks you and your staff for their time and assistance during the audit process. Please call X28617 with any questions regarding the contents of this Report.

Sarah Gampo

Sarah Gampo, CPA, CIA
Director, Internal Audit

Annette M. Alboreo

Annette M. Alboreo, CISA, CRISC
IT Audit Manager

cc: M. Cohol
M. DiLullo
R. Geilhard
H. Lafferty
N. McNally
M. Polatajko
J. Yukech
YSU Audit Subcommittee

Office of Internal Audit
226 Schwartz Center • Kent, Ohio 44242-0001
Office (330) 672-861

Acknowledgement of Responsibility

The Audit Comments include Management's Responses to audit observations and recommendations contained in this Report. These respective responses have been prepared and approved by the following individual(s) who acknowledge responsibilities for directing the implementation of corrective action plans.

Marianne Cohol 11/15/23

Marianne Cohol
Director, IT Application PMO Services
Date

Angela Rovnak 11-15-23

Angela Rovnak
Associate Director, IT Application Services
Date

11-15-23

Jeremy Yerse
Director, IT Infrastructure Services
Date

YSU Banner Access Audit
Audit #2023-1057
Executive Summary

This below table summarizes the results of the audit and the corrective actions to which management has committed. The audit comments are further detailed in the pages following this summary.

Summary of Audit Comments			
Audit Comment *(Risk Level)*	**Observation**	**Recommendation**	**Management Response**
#1 IT Access in Banner ***(High)*** **Process Owner: Division of IT**	Division of IT employees had maintenance access to business transactions in the production system.	Division of IT employees should have restricted maintenance access in the production system. Review of Division of IT access should be completed annually.	**Agree.** Actions were taken to limit KSU database administrators' Banner access and YSU IT employee access as needed. Completed on 8/8/2023.
#2 PII Access in Banner ***(High)*** **Process Owner: Division of IT and Data Custodians**	Access to view full Personally Identifiable Information (PII) is available to more users than require for business purposes.	Access to view sensitive PII data should be masked or restricted to only those users who require for business purposes.	**Agree.** Solutions to be reviewed that would accomplish this but need to be cognizant of a potential move to Banner SaaS, where customizations are not allowed. Approach to be identified by 6/30/24 by Director of Application Services.
#3 Retained Access after Termination ***(Medium)*** **Process Owner: Division of IT**	Users are locked when they leave the university, but their locked account still retains access to sensitive business transactions.	Banner access to sensitive transactions should be removed from a user's account when an employee is terminated to prevent fraudulent activity.	**Agree.** Mitigations are in place at multiple levels to ensure no terminated employee gains access after termination. Removing user's security classes is another layer of security and YSU will work towards developing a new process where this can be accomplished in an automated way. This approach is to be identified by 12/31/24 by the Director of Infrastructure Services.
#4 Inappropriate Access in Banner ***(High)*** **Process Owner: Division of IT and Data Custodians**	Data Custodians reviewed access to sensitive and powerful transactions in Banner and identified many users with inappropriate access. There is not a consistent review of access by all Data Custodians to ensure access to sensitive information and powerful transactions is appropriate.	An annual, centrally facilitated review should be completed by all Data Custodians to confirm access is appropriate.	**Agree.** A new process will be implemented to update Banner access and include a new change job report when a person changes jobs. This process will provide Data Custodians with visibility to identify any inappropriate Banner access. Work will begin in April 2024 and will work towards a defined approach by 6/30/24.

Summary of Audit Comments			
Audit Comment *(Risk Level)*	**Observation**	**Recommendation**	**Management Response**
#5 Standard Operating Procedure for Banner Access Review ***(High)*** **Process Owner: Division of IT and Data Custodians**	A standard operating procedure for Banner user access review does not exist.	A standard operating procedure for Banner user access review should be created and used by Data Custodians.	**Agree**. An access review process will be identified and formalized over time, as YSU is in the process of forming a new Data Governance/Data Integrity team. Data owners will be identified, standards enforced, and policies will be reviewed by 12/31/24.

Audit Comments
YSU Banner Access Audit
Audit #2023-1057

Audit Comment #1 Division of Information Technology Access in Banner (High)
Observation: Division of Information Technology employees had maintenance access to many sensitive business transactions in the production Banner system. This includes Kent State University (KSU) database administrators who perform Banner system administrator functions for Youngstown State University (YSU) as part of a shared service agreement, and also YSU IT employees who support the Banner system.

While it may be acceptable for supporting IT users to have view only access to some business transactions in the production Banner system, maintenance access is not needed per their job function and represents a potential weakness in security of sensitive and powerful actions in Banner.

Recommendation: Maintenance access to business transactions should be removed from Division of IT users. Some actions were taken during the audit to remove maintenance access, but additional access remains that should be removed.

Management Response: We agree with the recommendations. Actions were taken by Division of IT to limit KSU database administrators' Banner access and YSU IT employee access as needed. Completed on 8/8/2023.

Audit Comment #2 PII Access in Banner (High)
Observation: Sensitive Personally Identifiable Information (PII) can be viewed by many users. Not all users who have access require the ability to see full PII. PII can be seen in full display in transactions in Finance, Financial Aid, Human Resources, Student, and some general screens.

The Finance Data Custodians noticed this during their review of user access and addressed the issue by removing users who do not require access to view the full PII from their classes. While this solution was plausible for Finance, it may not be an acceptable solution in other modules. Masking of PII in Banner is possible through a customized security solution if access cannot be removed in all cases.

Recommendation: YSU should consider solutions to removing access to full PII or masking PII for users who do not require access per job function. A consistent approach to restricting access is preferable for maintaining access across all Banner modules.

Management Response: We agree that masking PII is a good idea. We will continue to review solutions that would accomplish this but need to be cognizant of a potential move to Banner SaaS, where customizations are not allowed. Approach to be identified by 6/30/2024 by Director of Application Services.

Audit Comment #3 Retained Security Roles on Locked User after Termination (Medium)
Observation: When an employee is terminated from the university, their access is locked in the Banner system. However, their user ID still has security/classes that provide access to business transactions. While locking the ID prevents a user from being able to log in to the system, it does not provide full assurance that inappropriate access is mitigated.

Best practices for removing users from access include removing the privileges on the user account. In addition, some situations require that the user retain a minimal level of access to read email, view tax forms, or obtain pay statements, for example. By removing business classes that contain sensitive business functionality, the possibility of an ex-employee gaining access to sensitive information are minimized, in addition to preventing fraudulent activity that could occur since access remains on the account.

Recommendation: YSU should consider removing business security/classes when a user no longer works for the university. It may be possible to run scripts that would remove user access after a period of time and can also be used to remove access to nonactive employees that currently exist in the system.

Management Response: YSU believes that locking users at the highest level satisfies the needs of both Data Custodians and IT Infrastructure, security staff, where accounts are locked, preventing access to Banner information, but still available for modeling security for a given position. YSU mitigates risk by having these safeguards in place:

- User's Banner Oracle account is locked
- User's Account Profile is configured to prevent a password reset and prevent unlocking
- User's Banner Enterprise Access record is removed so user cannot login to Banner Admin Pages

We agree that removing user's security classes is another layer of security and YSU will work towards developing a new process where this can be accomplished in an automated way. This approach is to be identified by 12/31/2024 by the Director of Infrastructure Services.

Audit Comment #4 Inappropriate Access in Banner (High)
Observation: Based on the review of user access by Data Custodians, many users had inappropriate access to sensitive and powerful transactions in Banner. This was expected since an organized effort across all Banner modules had not taken place prior to the audit.

Summary of the types of exceptions found are listed below:

- Job Change: a user who previously worked in the business area but who no longer requires access in Banner. This was the most prevalent exception found.
- Terminated employee: a user who has left the university. Exceptions found may have been a timing issue related to when the user access report was run and when the user was locked following termination.
- Student ID: a student employee who previously worked in the business area but who no longer requires access in Banner. Not a frequent or common exception since there are not many students at YSU with access to Banner business transactions.

Recommendation: A centrally facilitated, organized approach to reviewing access in Banner is needed to provide assurance that access to sensitive information and powerful actions is restricted to only those users who require it. A report showing job transfers may provide Data Custodians with visibility to job changes that may impact security.

Management Response: We agree with the recommendations. We will work to implement a new process to update Banner access and include a new change job report when a person changes jobs. This process will provide Data Custodians with visibility to identify any inappropriate Banner access. Division of IT and HR Data Custodians will begin a project in April 2024 and will work towards a defined approach by 6/30/2024.

Audit Comment #5 Standard Operating Procedure for Banner Access Review (High)
Observation: Per inquiry of access control review procedures, a consistent review process is not in place for all Data Custodians.

The result of testing showed exceptions for various types of inappropriate access and includes access to sensitive information and powerful actions.

Due to the high number of exceptions in access to sensitive information and powerful actions, recurring reviews by Data Custodians are necessary to find users with inappropriate access. Standard Operating Procedures are needed to strengthen the control environment.

Recommendation: Standard Operation Procedures should be developed to provide additional structure around the control environment and assurance that Banner access is appropriate. The Division of IT, with input from the Data Custodians should create a centralized access clean-up (or recertification) procedure. Characteristics to strengthen the control environment include:

- Ongoing notice of employee job position changes (including new and old job position) so that proper assessment of user access can occur.
- Consistent review activity among all Data Custodians is needed, coordinated by a central group to initiate the review process, gather evidence of access changes, and confirm all reviews are completed.
- Verification and documentation of access changes following a review/update of user access.
- A risk-based approach to identify and focus the reviews on sensitive data and powerful actions and appropriate segregation of duties. Banner forms with sensitive information should be identified and used during the recertification process.
- Review of student access to ensure access is appropriate and relevant.

Management Response: We agree with the recommendations and believe this process could formalize over time, as YSU is in the process of forming a new Data Governance/Data Integrity team. Data owners will be identified, standards enforced, and policies will be reviewed. Progress will be reported on 5/31/2024.

YSU Anonymous Reporting Hotline
Aggregated Statistics
Fiscal Year 2024 Quarter 1

Hotline Activity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Fiscal Year To Date Total
Reports received	3	-	-	-	**3**
Closed					
Unsubstantiated/insufficient information	0	-	-	-	0
Process enhancements noted	0	-	-	-	0
Investigation	1	-	-	-	1
Referred	2	-	-	-	2
Total Closed	**3**				**3**
Under review at quarter end	-	-	-	-	-

Reporting Method	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Fiscal Year To Date Total
Ethicspoint Phone	0	-	-	-	**0**
Ethicspoint Website	3	-	-	-	**3**
Total:	**3**	-	-	-	**3**

Reporter Anonymity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Fiscal Year To Date Total
Anonymous	3				**3**
Not anonymous	0				**0**
Total:	**3**	-	-	-	**3**

Youngstown State University
Quarterly Internal Audit Plan Update
FY24 Q1 July 1 - September 30, 2023

Projects									
Project Area	Risk Category	Risk Level*	Status**	Actual Q1 Hours	Actual Q2 Hours	Actual Q3 Hours	Actual Q4 Hours	Actual YTD Hours	*Audit Plan Budgeted Hours*
Current Year Audits:									
Student Billing, Collections, and Accounts Receivable	Financial & Operational	High	Completed	25	-	-	-	25	*0*
Banner User Access (KSU IT Audit)	IT & Compliance	High	Completed	5	-	-	-	5	*0*
Division of Workforce Education & Innovation	Operational, Financial, & Compliance	High	In Process	112	-	-	-	112	*410*
Division of Workforce Education & Innovation Student Information System (KSU IT Audit)	IT & General Controls	High	Planned	-	-	-	-	-	*0*
Facilities and Building Access	Facilities, Operational, & Compliance	High	Planned	-	-	-	-	-	*225*
Conflict of Interest	Compliance & Operational	High	Planned	-	-	-	-	-	*225*
Consulting & Advisory				-					
Consulting & Advisory/ERM	Various	Moderate	Ongoing	67	-	-	-	67	*50*
Continuous Auditing Analytics				-					
Payroll	Financial, Operational, Compliance	Moderate	Ongoing	30	-	-	-	30	*150*
Accounts Payable	Financial, Operational, Compliance	Moderate	Ongoing	32	-	-	-	32	*150*
EthicsPoint Hotline Monitoring	Various	High	Ongoing	15	-	-	-	15	*100*
Follow-up on Open Audit Recommendations	Various	Various	Ongoing	2	-	-	-	2	*120*
			Total Project Hours	**288**	**-**	**-**	**-**	**288**	**1,430**

***Risk Level**
Assessment of potential impact of risks and likelihood of risk events occurring; rating drives Internal Audit plan priorities:

High - significant risk area, high priority for Internal Audit coverage

Medium - moderate risk area, moderate priority for Internal Audit coverage

Non-Project Hours						
Category	Actual Q1 Hours	Actual Q2 Hours	Actual Q3 Hours	Actual Q4 Hours	Actual YTD Hours	*Audit Plan Budgeted Hours*
Professional Development	10			-	10	*100*
Administrative:	**222**				**222**	*550*
Total Administrative Hours	**232**		**-**		**232**	**650**
Total Hours	**520**	**-**	**-**	**-**	**520**	**2,080**

****Status Definitions**
Planned - as per audit plan, schedule to start in current FY
In Process - in progress at quarter end
Complete - audit procedures concluded and results communicated
Deferred - moved from current FY plan per updated risk assessment

Audit Recommendations Status- FY2024 Q1

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2020-01-01	Policies and Procedures Student Organizations Audit	Update policies to address financial management requirements including tax status, accounting concepts, record keeping, contract requirements, funding mechanisms and procedures, disbursement controls, agency account and off-campus cash accounts.	Policies will be developed in this area.	The Office of Student Activities has recently upgraded to a new management system called CampusGroups which trains and tracks members of student organizations. It will track and tag all student treasurers to complete the training module. The new program should be fully implemented by the fall of 2023.	The CampusGroups implementation has been taking longer than expected. Work is being done to set up all the components of the new system. We are on track to complete this recommendation by mid-semester.
Dated Issued	2/17/2020					
Risk Category	Financial					
Risk Level	Low					
Division	Student Experience					
Deadline	8/31/2020					
New Deadline	12/31/2023					
Current Status	Deadline Revised					

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2023-01	Student Bill Presentation Student Billing, Collections, & Accounts Receivable Audit	Evaluate developing script to combine charges for more simplified, condensed presentation on student bills.	Discussions have occurred and meetings are scheduled with Kent State to explore opportunities for YSU to utilize and modify existing script used by Kent State. An IT work order has been established to move forward to simplify and condense the presentation of the student bills. The implementation depends on IT resources and the complexity of the script needed.		Work order has been created for IT to review and discussions have been initiated between Bursar and IT office. Further discussions will take place as progress on work order continues.
Dated Issued	8/10/2023					
Risk Category	Operational					
Risk Level	Medium					
Division	Finance/Business Operations					
Deadline	6/30/2024					
New Deadline						
Current Status	On Schedule					

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2023-01	Reducing Cash Collections Student Billing, Collections, & Accounts Receivable Audit	Consider implementing policies and procedure to further reduce the amount of cash payments collected and processed.	Realizing the inherent risk of collecting and handling cash the Bursar office collaborated with PNC and the Penguin Service Center earlier this year and implemented potential opportunities to reduce cash payments received from students. Continued efforts will be made to further reduce the amount of cash payments collected and processed.		Bursar and Student Experience offices have met with PNC representative to discuss a more efficient way for students (particularly international students) to open accounts with the bank. If alternatives can be established with PNC so students can easily deposit the cash with the bank students can then process payments online by ACH transactions which will reduce the cash processed by YSU cashiers. The first meeting was on 10/13 with a follow-up meeting scheduled for 11/9.
Dated Issued	8/10/2023					
Risk Category	Financial					
Risk Level	Medium					
Division	Finance/Business Operations					
Deadline	2/1/2024					
New Deadline						
Current Status	On Schedule					

Audit Recommendations Status- FY2024 Q1

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2023-01	Student Write-Off Review	Enhance internal controls to ensure write-off transactions are accurate and proper. Complete the process to automate the write off process to ensure accuracy and efficiency reducing the volume of manual transactions for posting and manual review.	A review of write-offs in total is completed by the Bursar and Controller's office on an annual basis. Discussions and documentation for a work order to automate the write-off process was already in place prior to this audit.		A work order was created to automate the write-off process prior to the audit. IT created the job and Bursar office is in the process of testing it.
Dated Issued	8/10/2023					
Risk Category	Financial, Operational	Student Billing, Collections, & Accounts Receivable Audit				
Risk Level	Medium					
Division	Finance/Business Operations					
Deadline	12/31/2023					
New Deadline						
Current Status	On Schedule					

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2023-01	Student Billing Procedures	Enhance internal controls by implementing a recurring periodic, such as annual, review of the Student Billing Procedures to ensure they are updated and complete.	Periodic review and updates for continual improvements are done at least annually and as staff are trained to ensure accurate documentation is maintained and up to date.		The Student Billing procedures have been updated several times since the audit with the last update being 10/26/23. The Student Billing procedures have been used as part of the current cross-training for the Accountant Examiner III position and are revised as needed.
Dated Issued	8/10/2023					
Risk Category	Financial	Student Billing, Collections, & Accounts Receivable Audit				
Risk Level	High					
Division	Finance/Business Operations					
Deadline	7/1/2023					
New Deadline						
Current Status	CLOSED					

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2023-01	Daily Balancing Documentation	Enhance daily balancing procedures to ensure documentation is complete including date of balancing, explanation of variance, and separate preparer/reviewer sign-off. Ensure documented procedures for daily balancing include these items.	Documented procedures for daily balancing include the recommended items but reconciliation spreadsheet was updated to include that credit card differences are a timing difference. Revised spreadsheet used beginning July 2023.		Date, preparer signature, reviewer signature, and explanation of variances other than credit card timing differences were corrected in fall of 2022, prior to the audit. Spreadsheet was revised in July to reflect the credit card timing differences more clearly.
Dated Issued	8/10/2023					
Risk Category	Financial	Student Billing, Collections, & Accounts Receivable Audit				
Risk Level	Medium					
Division	Finance/Business Operations					
Deadline	7/1/2023					
New Deadline						
Current Status	CLOSED					

Audit Recommendations Status- FY2024 Q1

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2023-01	Review of Appeals Posting	Enhance controls to ensure consistent review of recording of approved student appeals. Ensure the review is included in documented procedures and procedures are periodically reviewed and communicated to appropriate Bursar's office staff.	Workpapers were updated to include evidence of review to make sure that there is a consistent review of appeal calculations. Documented procedures will be periodically reviewed.		Workpaper was updated to add a column for supervisor review. It has been reviewed every month since the audit.
Dated Issued	8/10/2023					
Risk Category	Financial	Student Billing, Collections, & Accounts Receivable Audit				
Risk Level	Low					
Division	Finance/Business Operations					
Deadline	6/1/2023					
New Deadline						
Current Status	CLOSED					

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2023-01	Documentation of Supervisory Review of TGRCHSR Report	Enhance controls by implementing a sign-off to document weekly review of the TGRCSHR report.	A spreadsheet has been developed to document evidence of review.		Spreadsheet created to reflect evidence of Bursar review of TGRCSHR reports. Spreadsheet includes activity period, date reviewed, reviewer, and note of any discrepancies or unusual items.
Dated Issued	8/11/2023					
Risk Category	Financial					
Risk Level	Low	Student Billing, Collections, & Accounts Receivable Audit				
Division	Finance/Business Operations					
Deadline	7/1/2023					
New Deadline						
Current Status	CLOSED					

Plante & Moran, PLLC
Suite 100
250 S. High Street
Columbus, OH 43215
Tel: 614.849.3000
Fax: 614.221.3535
plantemoran.com

To Management and the Board of Trustees
Youngstown State University

This report is subject to review and acceptance by the Auditor of State's office, and the requirements of Ohio Revised Code § 117.25 are not met until the Auditor of State certifies this report. This process will be completed by the Auditor of State in a reasonable time frame, and reports are subject to change if the Auditor of State determines that modification of a report is necessary to comply with required accounting or auditing standards or Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Plante & Moran, PLLC

October 12, 2023

YOUNGSTOWN STATE UNIVERSITY

CONTENTS

YOUNGSTOWN STATE UNIVERSITY

MESSAGE FROM INTERIM PRESIDENT LAFFERTY

October 13, 2023

As the 2022-23 academic year began, Youngstown State University embarked on a momentous transition as President Jim Tressel, who served as our ninth president, announced that he would be stepping aside on January 31, 2023. While this marked the first change in leadership on our campus in 8.5 years, our unwavering focus on learning and service has allowed YSU to confront the evolving landscape of higher education with resilience. We remain committed to providing our students with opportunities to excel academically and professionally.

Notably, YSU students have continued to shine both inside and outside the classroom. Jason Hess, a Mechanical Engineering major and member of the Sokolov Honors College, was announced as a 2023 Truman Scholar by the Board of Trustees of the Harry S. Truman Scholarship Foundation. The Truman Scholarship is the premier graduate scholarship for aspiring public service leaders in the United States. Hess is YSU's first-ever recipient of the prestigious Truman Scholarship. Our Concrete Canoe team, for the second time in program history, placed second overall at the national American Society of Civil Engineers' annual Concrete Canoe Competition, and the Penguin Steel Bridge team's historic achievement at the national level are testaments to the dedication and talent of our students. Furthermore, YSU's faculty and staff have excelled in securing research and service grants, totaling nearly $16 million in the past fiscal year, a record high for our institution. This remarkable achievement underscores our commitment to advancing knowledge and making a positive impact on our community and beyond. In addition to academic excellence, YSU's Division of Workforce Innovation and Education continues to play a pivotal role in bridging the skills gap and contributing to regional economic growth.

Youngstown State University remains a robust institution with great momentum. Our exceptional students, dedicated faculty and staff, and the generous support of our alumni, donors, and stakeholders continue to propel us forward as a positive force in our region. YSU's economic impact on the Youngstown community and the region as a whole is substantial. Our contributions to job creation, industry partnerships, and community development initiatives have fostered economic growth, innovation, and employment opportunities. YSU's role in preparing a skilled workforce aligned with the needs of local industries further solidifies our commitment to driving economic development and prosperity in our region. We are confident that Youngstown State University will remain a catalyst for positive change, an engine of economic growth, and a place where learning and service thrive.

Sincerely,

Dr. Helen K. Lafferty

Helen K. Lafferty, Ph.D.
Interim President

plante moran

Plante & Moran, PLLC
Suite 100
250 S. High Street
Columbus, OH 43215
Tel: 614.849.3000
Fax: 614.221.3535
plantemoran.com

Independent Auditor's Report

To the Board of Trustees
Youngstown State University

Report on the Audits of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of Youngstown State University (the "University"), a component unit of the State of Ohio, as of and for the years ended June 30, 2023 and 2022 and the related notes to the financial statements, which collectively comprise Youngstown State University's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component unit of Youngstown State University as of June 30, 2023 and 2022 and the respective changes in its financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the University and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2023, the University adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

PRAXITY

To the Board of Trustees
Youngstown State University

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing audits in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the University's proportionate share of the net pension liability, the schedule of the University's pension contributions, the schedule of the University's proportionate share of the net OPEB liability (asset), and the schedule of the University's OPEB contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Trustees
Youngstown State University

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise Youngstown State University's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 US. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), is presented for the purpose of additional analysis 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Additional Information

Management is responsible for the message from President Lafferty, list of the board of trustees, and list of the executive officers, which are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Our opinion on the financial statements does not cover such information, and we do not express an opinion or any form of assurance thereon.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2023 on our consideration of Youngstown State University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Youngstown State 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 Youngstown State University's internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 12, 2023

The Management's Discussion and Analysis section of Youngstown State University's (the University or YSU) Financial Report presents a discussion and analysis of the financial performance of the University during the fiscal year ended June 30, 2023 with comparative information for the fiscal years ended June 30, 2022 and June 30, 2021. This discussion has been prepared by management and should be read in conjunction with the financial statements and the accompanying notes that follow.

Introduction

An Institution of Opportunity: YSU inspires individuals, enhances futures, and enriches lives.

As a student-centered university, Youngstown State University's mission is to provide innovative lifelong learning opportunities that will inspire individuals, enhance futures, and enrich lives. YSU inspires individuals by cultivating a curiosity for lifelong learning; enhances the futures of our students by empowering them to discover, disseminate, and apply their knowledge; and enriches the region by fostering collaboration and the advancement of civic, scientific, and technological development. YSU's culture of enrichment flourishes in our diverse, accessible, and quality education.

Youngstown State University is where students thrive in their educational and career pursuits, where scholarship creates innovative solutions, and where community engagement is a cornerstone of collaboration that collectively contribute to the sustainable prosperity of the region and beyond.

We - the faculty, staff, administrators, and students of Youngstown State University - hold the following values essential to achieving the mission and realizing the vision:

- Centrality of Students – We put students first, fostering their holistic and lifelong success.
- Excellence and Innovation – We bring academic excellence and innovation to learning and life for all stakeholders.
- Integrity and Human Dignity – We root all behaviors, decisions and actions in the achievement of integrity, mutual respect, collegiality, equity and inclusion.
- Collaboration and Public Engagement – We embrace collaboration and create innovative partnerships to foster sustainability and enrich our university, our culture, and region.

The University started out as a single commercial law course offered by the local YMCA. Over a century later, it serves the Youngstown area with the same passion, and consists of the College of Graduate Studies and five undergraduate colleges: the Beeghly College of Liberal Arts, Social Sciences, and Education; the Bitonte College of Health and Human Services; the Cliffe College of Creative Arts; the College of Science, Technology, Engineering, and Mathematics; and the Williamson College of Business Administration. The University offers degrees at the undergraduate, graduate, and doctoral levels.

The University is located on a 145-acre campus near downtown Youngstown, Ohio and is equidistant (approximately 60 miles) from both Pittsburgh and Cleveland. Fall 2023 enrollment was 10,993.

Using the Financial Statements

The University's financial report includes three basic financial statements: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. These financial statements are prepared in accordance with the financial reporting format required by the Governmental Accounting Standards Board's (GASB) Statements No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended; and No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, as amended. These statements establish standards for external financial reporting for public colleges and universities and require that financial statements be presented on a basis to focus on the financial condition of the University, the results of operations, and cash flows of the University as a whole.

During fiscal year 2018, the University adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB)* and during fiscal year 2015, the University adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. These statements significantly revised accounting for pension/OPEB costs and assets/liabilities.

Prior to GASBs 68 and 75, the accounting for pension/OPEB costs, was focused on a funding approach, which limited pension/OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each pension plan's net pension/OPEB asset/liability.

Under the standards required by these statements, the net pension/OPEB asset/liability equals the University's proportionate share of each pension/OPEB plan's collective present value of estimated future pension/OPEB benefits attributable to employees' past service minus plan assets available to pay these benefits. Pension/OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits and the promise of a future pension and OPEB. The unfunded portions of these pension/OPEB promises are a present obligation, part of a bargained-for benefit to the employee, and are reported by the University as liabilities since the benefit of the exchange was received.

The nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements. The University is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by the State statute. A change in these caps requires action by both Houses of the General Assembly, and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system against the public employer. State law operates to mitigate the obligation of the public employer to the employee because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension/OPEB asset/liabilities. Changes in pension/OPEB benefits, contribution rates, and return on investments affect the balances of the net pension/OPEB asset/liabilities, but are outside the control of the public employer. In the event that contributions, investment returns and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension/OPEB asset/liabilities are satisfied, these assets and liabilities are separately identified within the noncurrent asset and noncurrent liability sections of the Statement of Net Position.

In accordance with GASBs 68 and 75, the University's statements, prepared on an accrual basis of accounting, include an annual pension/OPEB expense for the proportionate share of each pension plan's *change* in net pension/OPEB asset/liability.

Overall key presentation elements of the financial statements include:

- Assets and liabilities are categorized as either current or noncurrent. Current assets and liabilities will be consumed or fulfilled within one year.
- Revenues and expenses are categorized as either operating or non-operating. Significant recurring sources of the University's revenues, including State of Ohio (State) appropriations, certain grants, gifts and investment income are considered non-operating, as defined by GASB Statement No. 35.
- University scholarships that represent reduced tuition (i.e., are applied to student accounts rather than refunded to students) are shown as a reduction of tuition, fees and other student charges, while payments made directly to students are presented as scholarship expense. Third party scholarships are treated as though the students made the payments themselves.
- Capital assets are reported net of accumulated depreciation and amortization.

In accordance with GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, The Youngstown State University Foundation (YSUF or Foundation) is treated as a component unit of the University. The Foundation is discretely presented in this report by presentation of the individual financial statements immediately following the University's respective GASB financial statements. Additional information on this component unit is contained in Note 15. Management's Discussion and Analysis focuses on the University and does not include the component unit.

In fiscal year 2022, the University adopted GASB Statement No. 87 *Leases* the objective of which is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases. This resulted in a change in accounting principle that was reflected as of July 1, 2020.

In fiscal year 2023, the University adopted GASB Statement No. 96 *Subscription-Based Information Technology Arrangements* (SBITAs) the objective of which is to better meet the needs of financial statement users by improving accounting and financial reporting for subscription-based information technology arrangements. This resulted in a change in accounting principle and has been reflected as of July 1, 2021. Refer to Note 1 for details.

The Statement of Net Position

The Statement of Net Position presents the financial position of the University at the end of the fiscal year and includes all assets (current and noncurrent), deferred outflows of resources, liabilities (current and noncurrent), deferred inflows of resources, and net position of the University. Current assets are classified as such if they are available to satisfy current liabilities, which are generally defined as being due within one year of the date of the Statement of Net Position. Net position is one indicator of the financial condition of the University, while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year.
A summarized comparison of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30, 2023, 2022, and 2021 follows:

	June 30, 2023	As Restated June 30, 2022	June 30, 2021
Assets			
Current assets	$ 79,812,952	$ 86,366,161	$ 94,074,484
Noncurrent assets			
Capital assets, net	232,127,268	233,704,247	226,308,045
Other assets	35,505,385	39,870,619	38,723,748
Total noncurrent assets	267,632,653	273,574,866	265,031,793
Total Assets	347,445,605	359,941,027	359,106,277
Deferred Outflows of Resources	47,522,270	25,271,598	19,957,699
Liabilities			
Current liabilities	31,618,258	30,735,060	27,328,028
Noncurrent liabilities	200,887,528	132,223,262	182,111,301
Total Liabilities	232,505,786	162,958,322	209,439,329
Deferred Inflows of Resources	20,470,496	79,906,614	43,242,835
Net Position			
Net investment in capital assets	$ 160,487,997	$ 157,722,125	$ 156,049,345
Restricted	37,998,645	37,343,505	28,284,607
Unrestricted	(56,495,049)	(52,717,941)	(57,952,140)
Total Net Position	$ 141,991,593	$ 142,347,689	$ 126,381,812

Current assets include unrestricted and restricted cash and cash equivalents, investments that mature within one year, receivables, inventories, and other short-term assets. Noncurrent assets include unrestricted investments that mature in more than one year and investments that are restricted by donors or external parties as to their use. Also included are receivables deemed to be collectible in more than one year, capital assets, and net OPEB assets. Current assets decreased

$6.6 million from fiscal year 2022 to fiscal year 2023 and decreased $7.7 million from fiscal year 2021 to fiscal year 2022. Noncurrent assets decreased $5.9 million from fiscal year 2022 to fiscal year 2023 and increased $8.5 million from fiscal year 2021 to fiscal year 2022.

Deferred outflows of resources include resources where the consumption is applicable to a future reporting period, but does not require further exchange of service. Deferred outflows, which include items relating to pensions/OPEB, increased $22.2 million from fiscal year 2022 to fiscal year 2023 and increased $5.3 million from fiscal year 2021 to fiscal year 2022.

Current liabilities include all liabilities that are payable within the next fiscal year. Unearned revenues, principally from summer programs, are also presented as current liabilities. Liabilities that are due to be paid beyond the next fiscal year are reported as noncurrent liabilities and include debt, leased liabilities, compensated absences, and net pension/OPEB asset/liabilities. Current liabilities increased $.9 million from fiscal year 2022 to fiscal year 2023 and increased $3.4 million from fiscal year 2021 to fiscal year 2022. Noncurrent liabilities increased $68.6 million from fiscal year 2022 to fiscal year 2023 and decreased $49.9 million from fiscal year 2021 to fiscal year 2022.

Deferred inflows of resources represent the acquisition of resources that are applicable to a future reporting period. Deferred inflows of resources which include unamortized concession arrangements and items relating to pensions/OPEB decreased $59.4 million from fiscal year 2022 to fiscal year 2023 and increased $36.7 million from fiscal year 2021 to fiscal year 2022.

Assets

Assets primarily consist of cash and cash equivalents, investments, receivables and capital assets. The following table summarizes balances at:

	June 30, 2023	As Restated June 30, 2022	June 30, 2021
Cash and cash equivalents	$ 20,392,242	$ 29,097,272	$ 26,292,042
Investments	76,557,949	70,088,007	76,697,768
Accounts, loans, and pledges receivable, net	9,619,205	11,994,668	18,574,813
Net OPEB asset	6,776,000	13,227,241	9,486,443
Capital assets, net	232,127,268	233,704,247	226,308,045
Other	1,972,941	1,829,592	1,747,166
Total Assets	$ 347,445,605	$ 359,941,027	$ 359,106,277

Cash and cash equivalents decreased $8.7 million or 30% from fiscal year 2022 to fiscal year 2023. The decrease was due to a combination of $71.4 million used in operating activities, $77.1 million provided by noncapital financing activities, $.2 million used in investing activities, and $14.2 million used in capital and related financing activities.

Investments increased $6.4 million or 9% from fiscal year 2022 to fiscal year 2023. Unrestricted investments increased $5.1 million whereas endowments and restricted investments increased $1.3

million. The increase was primarily due to investment income and unrealized gains resulting from a favorable market environment.

Overall accounts, loans, and pledges receivable decreased $2.4 million or 20% from fiscal year 2022 to fiscal year 2023. The decrease was primarily due to a decrease in net accounts receivable. Net accounts receivable decreased $2.2 million from $11.7 million at June 30, 2022 to $9.5 million at June 30, 2023, including a $.5 million decrease is net student accounts, a $1.3 million decrease in grants and contracts receivable, and a $.4 million decrease in state appropriations receivable. The decrease in grants and contracts receivables was due to the drawdown of prior year unreimbursed HEERF funds and receivables relating to the Energy Storage Report and Roadmap, and construction of the Excellence Training Center. State capital appropriation receivables decreased due to decreased year end activity on capital projects funded from state capital appropriations.

Net OPEB assets decreased $6.5 million or 49% from fiscal year 2022 to fiscal year 2023. The decrease was primarily due to a combination of a $7.3 million decrease in the OPERS net OPEB asset and a $.8 increase in the STRS net OPEB asset. The STRS Ohio and OPERS net OPEB asset balances were $6.8 million and $0 at June 30, 2023 and $5.9 million and $7.3 million at June 30, 2022, respectively.

Cash and cash equivalents increased $2.8 million or 11% from fiscal year 2021 to fiscal year 2022. This increase was due to a combination of $97.4 million used in operating activities, $108.7 million provided by noncapital financing activities, $.8 million used in investing activities, and $7.7 million used in capital and related financing activities.

Investments decreased $6.6 million or 9% from fiscal year 2021 to fiscal year 2022. Unrestricted investments decreased $4.5 million whereas endowments and restricted investments decreased $2.1 million. This decrease was primarily due to unrealized losses resulting from an unfavorable market environment. Investments in equity mutual funds and common stock funds decreased $9.2 million and $2.7 million, respectively, whereas alternative investments increased $5 million.

Overall accounts, loans, and pledges receivable, net decreased $6.6 million or 35% from fiscal year 2021 to fiscal year 2022. This decrease was primarily due to a decrease in net accounts receivable. Net accounts receivable decreased $6.3 million from $18 million at June 30, 2021 to $11.7 million at June 30, 2022. Student accounts, net decreased $1.1 million, largely due to the utilization of $2.7 million of HEERF funds to discharge student debt. Grants and contracts receivables, net decreased $5.8 million due to the draw down of $2.6 million in unreimbursed uses of HEERF funds and receipt of $2.7 million in grants receivables relating to the construction of the Excellence Training Center. State capital appropriations receivables increased $1 million due to increased year end activity on capital projects funded from state capital appropriations.

Net OPEB assets increased $3.7 million or 39% from fiscal year 2021 to fiscal year 2022. The increase was primarily due to a $3.3 million increase in the OPERS net OPEB asset. The STRS Ohio and OPERS net OPEB asset balances were $5.9 million and $7.3 million at June 30, 2022 compared to $5.5 million and $4 million at June 30, 2021, respectively.

Refer to Note 3 for additional information on cash and cash equivalents, Note 4 for details on investments, Note 5 for information on accounts and loans receivable, and Note 6 for information on pledges receivable.

At June 30, 2023, the University had $232.1 million in capital assets, net of accumulated depreciation and amortization. Depreciation and amortization totaled $17.9 million, $15.5 million, and $14.1 million in fiscal years 2023, 2022, and 2021 respectively.

Details of net capital assets are shown below.

	June 30, 2023	As Restated June 30, 2022	June 30, 2021
Land	$ 18,608,679	$ 18,538,609	$ 17,810,443
Buildings, net	87,670,344	92,196,287	96,922,214
Improvements to buildings, net	85,333,457	80,215,957	81,347,110
Improvements other than buildings, net	18,768,673	19,866,589	20,994,408
Construction in progress	5,410,041	5,553,563	1,515,662
Moveable equipment and furniture, net	6,364,831	6,016,480	4,857,512
Vehicles, net	361,187	363,254	218,327
Historical treasures	1,056,488	1,041,338	1,021,538
Right-to-use assets - equipment, net	992,357	1,212,198	1,620,831
Right-to-use assets - SBITAs, net	7,561,211	8,699,972	-
Total Capital Assets, net	$ 232,127,268	$ 233,704,247	$ 226,308,045

Major capital activity during fiscal year 2023 included the completion of the Watson Team Center, a facility designed for the University's engineering students to prepare for competitions. Improvements to various buildings across campus were also completed to address the exterior deterioration of the building envelopes, upgrades to HVAC and air handling units and upgrades to doors to enhance campus safety. In addition, the Korandovich Sports Medicine Center located in Beeghly Center, a space to serve the health care needs of the University's student-athletes, and the DiBacco Family Leadership Center, a multi-purpose meeting and classroom located in Stambaugh Stadium, were completed. Parking improvements included the completion of several new surface lots on the west side of campus as well as repairs to the M30 parking deck. Renovations were made to the first floor and basement of Moser Hall, the first floor of Silvestri Hall, the bathrooms in the east wing of Lyden House and the elevators in Jones Hall. In addition, a portion of Kohli Hall roof was replaced, as well as the Cafaro House hot water tank and flooring in various parts of the Andrews Recreation Center. Construction in progress includes the Arlington parking lot located at the site of the previous M60 parking deck, upgrades to the utility distribution systems, repairs to the M30 parking deck, renovations to the Lyden House bathrooms in the south wing, replacement of the Cushwa Hall and E.J. Salata Complex roofs, repairs to the elevators in Silvestri Hall and Beeghly Center, renovations to the STEM science labs in Ward Beecher Hall, renovations to the auditorium and classrooms in Moser Hall and renovations to the second floor of Silvestri Hall.

Right-to-use assets additions included printer/copier equipment and various information technology software leases.

YOUNGSTOWN STATE UNIVERSITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Major capital activity during fiscal year 2022 included the completion of the campus development project to upgrade and replace various walkways, entrances, retaining walls and other exterior elements. Parking improvements included repairs and renovations to the parking decks during 2021 and the resurfacing of the M63 parking lot. Building improvements included the completion of the third phase of renovations in Ward Beecher Hall as well as renovations to the greenhouse. In addition, the third phase of renovations to the Physical Therapy department in Cushwa Hall were completed as well as the second phase of renovations in Fedor Hall. Renovations were also made in the Edward J. Salata Complex, the restrooms in Kilcawley Center and the Alumni Events office in Tod Hall. The chiller in Kilcawley House was replaced and upgrades were made to the air handling unit in Bliss Hall. Multiple parcels of land were purchased including parcels on Fifth Avenue and West Commerce Street with the intent of creating additional parking areas as well as parcels on West Rayen Avenue with the intent of creating the Watson Team Center, a space to house the University's engineering and engineering technology competition teams. Construction in progress includes the Watson Team Center and renovations to various buildings across campus to address the exterior deterioration of building envelopes, upgrade HVAC and air handling units, repair and replace elevators, upgrade the utility distribution systems and upgrade doors to enhance campus safety. In addition, renovations are underway in Moser Hall and the Lyden House bathrooms as well as repairs and renovations to Kohli Hall's roof.

In addition, the impact of the July 1, 2021 implementation of GASB 96 in fiscal year 2022 was an increase of $8.7 million in net Right-to-use assets – SBITAs, including a $7.6 million restatement of beginning balances, current year SBITA additions of $3.5 million and current year amortization of $2.4 million.

Major capital activity during fiscal year 2021 included the completion of the Excellence Training Center located in Kohli Hall as well as renovations to Fedor Hall and the two pedestrian bridges on campus. The second phase of renovations to the Physical Therapy department in Cushwa Hall was completed as well as renovations in Maag Library and the Natatorium in the Beeghly Center. In addition, restrooms in Sweeney Hall and Cushwa Hall were updated, the roofs on Fok Hall and Ward Beecher Hall were replaced, and structural improvements were made to Ward Beecher Hall. Also, renovations took place in Stambaugh Stadium to create office and locker room space for swimming and lacrosse, and the Beede Field artificial turf was replaced. Parking improvements included repairs and renovations to the M30 and M60 parking decks and the resurfacing of the M70 parking lot. Construction in progress includes Campus Development which will upgrade and replace various walkways, entrances, retaining walls and other exterior elements, repairs and renovations to the M30 and M60 parking decks, the second phase of renovations to Fedor Hall, the third phase of renovations to the Physical Therapy Department in Cushwa Hall, and the replacement of the Kilcawley House chiller.

See Note 7 for additional information on capital assets and Note 11 for leased liabilities related to right-to-use assets.

Other assets remained flat from fiscal year 2022 to fiscal year 2023, and from fiscal year 2021 to fiscal year 2022.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent the consumption of resources that are applicable to a future reporting period, but do not require further exchange of goods or services; whereas deferred inflows of resources represent the acquisition of resources that are applicable to a future reporting period. The following table summarizes balances at:

Deferred Outflows of Resources	June 30, 2023	June 30, 2022	June 30, 2021
Related to pension	$ 41,260,805	$ 23,035,309	$ 15,805,606
Related to OPEB	4,932,333	780,035	2,597,825
Bond refunding	1,329,132	1,456,254	1,554,268
Total Deferred Outflows of Resources	$ 47,522,270	$ 25,271,598	$ 19,957,699

Deferred Inflows of Resources	June 30, 2023	June 30, 2022	June 30, 2021
Service concession agreements	$ 45,000	$ 132,500	$ 220,000
Related to pension	14,043,127	65,195,303	22,329,129
Related to OPEB	6,382,369	14,578,811	20,693,706
Total Deferred Inflows of Resources	$ 20,470,496	$ 79,906,614	$ 43,242,835

Included in deferred outflows of resources and deferred inflows of resources are items relating to pensions, OPEB, bond refunding, and service concession agreements. Certain elements impacting the changes in the net pension/OPEB asset/liabilities have a longer-term perspective than the current year, therefore to reduce volatility these elements are amortized over a closed period of specified duration. These include differences between expected and actual experience, changes of assumptions, net differences between projected and actual earnings of investments, and changes in the proportionate share of contributions. These elements can be reflected as either a deferred outflow of resources or a deferred inflow of resources.

Deferred outflows of resources increased $22.2 million or 88% from fiscal year 2022 to fiscal year 2023. Deferred outflows of resources related to pension increased $18.2 million or 79% primarily due to a combination of a $22.2 million increase in the net difference between projected and actual earnings on pension plan investments, including a $20.2 million increase related to the OPERS plan and a $2 million increase in the STRS Ohio plan; and a $4.8 million decrease in changes in assumptions, including a $1.8 million decrease in the OPERS plan and a $3 million decrease in the STRS Ohio plan. Deferred outflows of resources related to OPEB increased $4.1 million or 532% primarily due a $3 million increase in the net difference between projected and actual earnings on OPEB plan investments, including a $2.9 million increase in the OPERS plan and a $0.1 million increase in the STRS Ohio plan, and a $1.3 million increase in changes in assumptions, including a $1.4 million increase in the OPERS plan and a $0.1 decrease in the STRS plan.

Deferred inflows of resources decreased $59.4 million or 74% from fiscal year 2022 to fiscal year 2023. Deferred inflows of resources related to pension decreased $51.1 million or 78% primarily due to a combination of a $55.7 million decrease in the net difference between projected and actual earning on pension plan investments, including a $24.7 million decrease in the OPERS plan and a $31 million decrease in the STRS Ohio plan; a $5.2 million increase in changes in assumptions in

the STRS Ohio plan; and a $0.5 million decrease in the differences between expected and actual experience in the OPERS plan. Deferred inflows of resources related to OPEB decreased $8.2 million or 56% primarily due to a combination of a $0.8 million decrease in differences between expected and actual experience in the OPERS plan; a $1.6 million decrease in changes in assumptions, including a $2.8 million decrease in the OPERS plan and a $1.2 million increase in the STRS Ohio plan; a $5.1 million decrease in the net difference between projected and actual earnings on OPEB plan investments, including a $3.5 million decrease in the OPERS plan and a $1.6 million decrease in the STRS Ohio plan; and a $0.7 million decrease in changes in proportion and differences between Reporting Unit contributions and proportionate share of contributions in the OPERS plan.

Deferred outflows of resources increased $5.3 million or 27% from fiscal year 2021 to fiscal year 2022. Deferred outflows of resources related to pension increased $7.2 million or 46% primarily due to a combination of a $2 million increase in the difference between expected and actual experience, including a $1.1 million increase related to the OPERS plan and a $0.9 million increase related to the STRS Ohio plan; an $8.5 million increase in change in assumptions, including a $2.6 million related to the OPERS plan and a $5.9 million increase to the STRS Ohio plan; and a $3.7 million decrease in the net difference between projected and actual earnings on pension plan investments related to the STRS Ohio plan. Deferred outflows of resources related to OPEB decreased $1.8 million or 70% primarily due to a $1.6 million decrease in the changes in assumptions, including a $1.9 million decrease related to the OPERS plan and a $0.3 million increase related to the STRS Ohio plan.

Deferred inflows of resources increased $36.7 million or 85% from fiscal year 2021 to fiscal year 2022. Deferred inflows of resources related to pension increased $42.9 million or 192% primarily due to a $42.7 million increase in the net difference between projected and actual earnings on pension plan investments, including an $11.6 million increase related to the OPERS plan and a $31 million increase to the STRS Ohio plan. Deferred inflows of resources related to OPEB decreased $6.1 million or 30% primarily due to a combination of a $2.5 million decrease in the differences between expected and actual experience related to the OPERS plan; a $5.2 million decrease in the changes in assumptions, including a $3.5 million decrease related to the OPERS plan and a $1.7 million decrease related to the STRS Ohio plan; a $3 million increase in the net difference between projected and actual earnings on OPEB plan investments, including a $1.4 million increase related to the OPERS plan and a $1.6 million increase related to the STRS Ohio plan; and a $1.5 million decrease in the changes in proportion and differences between contributions and proportionate share of contributions related to the OPERS plan.

See Note 13 for additional information on employee benefit plans.

Liabilities

Liabilities largely consist of accounts and construction payable, accrued payroll and payroll withholdings, debt, leased liabilities, compensated absences, unearned revenue and net pension liability. The following table summarizes balances at:

	June 30, 2023	As Restated June 30, 2022	June 30, 2021
Accounts and construction payable	$ 6,698,832	$ 7,006,100	$ 5,277,472
Payroll liabilites	8,465,249	8,708,877	8,418,693
Bonds payable, net	53,117,998	55,327,063	56,985,643
Notes payable	11,030,839	12,109,512	13,059,956
Leased liabilities - equipment	1,405,400	1,500,240	1,767,369
Leased liabilities - SBITAs	7,415,065	8,501,561	-
Compensated absences	6,244,572	6,314,388	6,595,243
Unearned revenue	7,414,928	6,618,717	7,155,847
Refundable advance	-	172,310	670,781
Other	1,605,899	1,232,497	1,001,475
Net pension liability	127,641,526	55,467,057	108,506,850
Net OPEB liability	1,465,478	-	-
Total Liabilities	$ 232,505,786	$ 162,958,322	$ 209,439,329

Total liabilities increased $69.5 million or 43% from fiscal year 2022 to fiscal year 2023. Bonds payable decreased $2.2 million and notes payable decreased $1.2 million due to scheduled debt service payments. Leased liabilities – SBITAs decreased a $1.1 million due to a combination of current year additions of $1.8 million and current year reductions of $2.9 million. The net pension liability increased $72.2 million, including a $22.2 million increase in the STRS Ohio net pension liability and a $50 million increase in the OPERS net pension liability. The STRS Ohio and OPERS net pension liability balances were $58.2 million and $69.4 million at June 30, 2023 compared to $36 million and $19.4 million at June 30, 2022, respectively. The OPERS net OPEB liability increased from $0 at June 30, 2022 to $1.5 million at June 30, 2023.

Total liabilities decreased $46.5 million or 22% from fiscal year 2021 to fiscal year 2022. Accounts and construction payable increased $1.7 million largely due to increased year end activity on construction projects. Bonds payable decreased $1.7 million due to scheduled debt service payments. Leased liabilities – SBITAs increased $8.5 million due to the implementation of GASB 96, including a $7.6 restatement of beginning balances, current year additions of $3.5 million and current year reductions of $2.6 million. The net pension liability decreased $53 million, including a $40.1 million decrease in the STRS Ohio net pension liability and a $12.9 million decrease in the OPERS net pension liability. The STRS Ohio and OPERS net pension liability balances were $36 million and $19.4 million at June 30, 2022 compared to $76.1 million and $32.4 million at June 30, 2021, respectively.

See Note 8 for a further breakout of payroll and other liabilities, Notes 9 and 10 for detailed information about the University's debt, Note 12 for information on long-term liabilities, and Note 13 for information on employee benefit plans.

Net Position

Net position represents the residual interest in the University's assets after deferred outflows of resources are added, and liabilities and deferred inflows of resources are deducted. The reconciliation below presents the University's total net position removing the impact of the deferred inflows and outflows relating to pensions/OPEB as presented in the Statement of Net Position.

	June 30, 2023	As Restated June 30, 2022	June 30, 2021
Total Net Position	$ 141,991,593	$ 142,347,689	$ 126,381,812
Add			
Deferred inflows of resources related to pension/OPEB	20,425,496	79,774,114	43,022,835
Net pension/OPEB liability	127,641,526	55,467,057	108,506,850
Subtract			
Deferred outflows of resources related to pension/OPEB	(46,193,138)	(23,815,344)	(18,403,431)
Net pension/OPEB asset	(5,310,522)	(13,227,241)	(9,486,443)
Total Net Position without GASBs 68 and 75	$ 238,554,955	$ 240,546,275	$ 250,021,623

The following table summarize the categories of net position including segregation of the unrestricted net position relating to the impact of GASBs 68 and 75.

	June 30, 2023	As Restated June 30, 2022	June 30, 2021
Net investment in capital assets, net of related debt	$ 160,487,997	$ 157,722,125	$ 156,049,345
Restricted, nonexpendable - endowments	5,793,286	5,755,537	5,674,506
Restricted, expendable - gifts, grants, and student loans	32,205,359	31,587,968	22,610,101
Unrestricted (without GASBs 68 and 75)	40,068,313	45,480,645	65,687,671
GASBs 68 and 75	(96,563,362)	(98,198,586)	(123,639,811)
Total Net Position	$ 141,991,593	$ 142,347,689	$ 126,381,812

Overall, the University's total net position decreased $.3 million or .3% from $142.3 at June 30, 2022 to $142 million at June 30, 2023. This resulted from an excess of expenses over revenues and includes a $2.8 million increase in the net amount invested in capital assets, a $.7 million increase in restricted net position, a $5.4 decrease in unrestricted net position excluding the impact of GASBs 68 and 75 and a $1.6 million increase in unrestricted net position attributed to the impact of GASBs 68 and 75.

Overall, the University's total net position increased $15.9 million or 12.6% from $126.4 million at June 30, 2021 to $142.3 million at June 30, 2022. This resulted from an excess of revenues over expenses and includes a $1.7 million increase in the net amount invested in capital assets, a $9 million increase in restricted net position, a $20.2 million decrease in unrestricted net position excluding the impact of GASBs 68 and 75, and a $25.4 million increase in unrestricted net position attributed to the impact of GASBs 68 and 75.

The net investment in capital assets consists of capital assets net of accumulated depreciation and amortization and deferred outflows of resources relating to bond refunding reduced by the outstanding balance of bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

The increase of $2.8 million from fiscal year 2022 to fiscal year 2023 was primarily due to net capital additions of $16.3 million, a decrease in outstanding debt of $4.5 million and current year depreciation and amortization of $18 million. Outstanding debt was $72.9 million at June 30, 2023 compared to $77.4 million at June 30, 2022.

The increase of $1.7 million from fiscal year 2021 to fiscal year 2022 was due to net capital additions of $24.6 million, an increase in outstanding debt of $5.6 million and current year depreciation and amortization of $17.3 million. The impact of the July 1, 2021 implementation of GASB 96 on net capital additions, was an increase of $8.7 million, including a $7.6 million restatement of beginning balances, current year SBITA additions of $3.5 million and current year amortization of $2.4 million. The impact of the implementation of the GASB 96 on outstanding debt was an increase of $8.5 million including a $7.6 restatement of beginning balances, current year additions of $3.5 million and current year reductions of $2.6 million. Outstanding debt was $77.4 million at June 30, 2022 compared to $71.8 million at June 30, 2021.

Restricted, non-expendable net position consists primarily of endowment funds held by the University. Changes in this category are driven by additions or deductions to corpus.

Restricted, expendable net position is subject to externally imposed restrictions governing their use. Changes in this category are due to the timing of revenues and expenses in funds provided by donors and grantors. The following table summarizes restricted, expendable net position at:

	June 30, 2023	June 30, 2022	June 30, 2021
Gifts, grants, and contracts	$ 27,814,231	$ 26,981,009	$ 26,854,723
COVID-19 relief funds	-	45,733	(9,104,861)
Plant funds	3,195,283	4,294,855	4,714,765
Other	1,195,845	266,371	145,474
Total Net Position	$ 32,205,359	$ 31,587,968	$ 22,610,101

Gifts, grants and contracts include grants and sponsored programs, scholarship donations and program support, and undistributed and distributed but unspent investment earnings on University endowment funds. COVID-19 relief funds include funds authorized through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Coronavirus Relief & Recovery Supplemental Appropriations Act (CRRSAA), and the American Rescue Plan Act of 2021. Plant funds primarily include donations for construction or renovation projects. Other includes non-endowed restricted gifts designated by management to function similar to an endowment fund and gifts established for loan programs for students.

Total restricted expendable net position was $32.2 million at June 30, 2023 compared to $31.6 million at June 30, 2022, an overall increase of $.6 million or 2%. Overall, gifts, grants, and contracts increased $.8 million due to a combination of a $1.8 million increase in gift fund

balances, a $.7 million increase in undistributed investment earnings on University endowments resulting from a favorable investment environment and a $1.7 decrease in grant funds. COVID-19 Relief funds were fully expended as of June 30, 2023. Plant funds decreased $1.1 million primarily due to a combination of construction activity on projects supported with gift funds received in prior years and a large gift in the current year for a future Student Center. Other increased $.9 million due to a large gift being internally designated as a quasi-endowment fund.

Total restricted expendable net position was $31.6 million at June 30, 2022 compared to $22.6 million at June 20, 2021, an overall increase of $9 million or 11%. Overall gifts, grants, and contracts remained flat due to a combination of a $2.4 million increase in gifts fund balances and a $2 million decrease in undistributed investment earnings on University endowments resulting from an unfavorable investment environment. COVID-19 relief funds increased $9.2 million primarily due to the recognition of the $9.3 million attributed to HEERF III funds that were expensed in fiscal year 2021 but not reimbursable until fiscal year 2022. Overall plant funds remained flat.

Unrestricted net position is not subject to externally imposed restrictions and is designated for future operations, plant construction and maintenance, and debt service. The following table summarizes unrestricted net position at:

	June 30, 2023	June 30, 2022	June 30, 2021
Operating and designated funds	$ 19,868,694	$ 22,651,471	$ 44,129,811
Operating reserves	8,837,981	8,837,982	8,837,982
Plant funds	11,339,119	13,968,673	12,697,359
Loan funds	22,519	22,519	22,519
Total without GASBs 68 and 75	40,068,313	45,480,645	65,687,671
GASB 68 (Pension fund)	(100,423,848)	(97,627,051)	(115,030,373)
GASB 75 (OPEB fund)	3,860,486	(571,535)	(8,609,438)
Total Unrestricted Net Position	$ (56,495,049)	$ (52,717,941)	$ (57,952,140)

Total unrestricted net position was ($56.5) million at June 30, 2023 compared to ($52.7) million at June 30, 2022. The decrease of $3.8 million from fiscal year 2022 to fiscal year 2023 reflects an excess of expenses over revenues during fiscal year 2023 from noncapital activity. Total unrestricted net position without funds relating to pension/OPEB decreased $5.4 million whereas the funds relating to pension/OPEB increased $1.6 million.

The overall decrease of $5.4 million unrestricted net position excluding GASBs 68 and 75 was due to a $2.8 million decrease in operating and designated funds and a $2.6 million decrease in plant funds. The $2.8 million decrease in operating and designated funds was due to an increase in the fair market value of investments at June 30, 2023 as compared to June 30, 2022 due to a favorable market environment and planned utilization of one-time funds to support the fiscal year 2023 operating budgets and designated COVID-19 related projects.

The GASB 68 (Pension) fund decreased $2.8 million from ($97.6) million at June 30, 2022 to ($100.4) million at June 30, 2023, whereas the GASB 75 (OPEB) fund increased $4.4 million from ($.6) million at June 20, 2022 to $3.8 million at June 30, 2023.

Total unrestricted net position was ($52.7) million at June 30, 2022 compared to ($57.9) million at June 30, 2021. The increase of $5.2 million from fiscal year 2021 to fiscal year 2022 reflects an excess of revenues over expenses during fiscal year 2022 from noncapital activity. Total unrestricted net position without funds relating to pension/OPEB decreased $20.2 million whereas the funds relating to pension /OPEB increased $25.4 million.

The overall decrease of $20.2 million unrestricted net position excluding GASBs 68 and 75 was due to a combination of a decrease of $21.5 million in operating and designated funds and an increase of $1.3 million in plant funds. The $21.5 million decrease in operating and designated funds was primarily due to a decrease in the fair market value of investments at June 30, 2022 as compared to June 30, 2021 due to an unfavorable market environment and planned utilization of one-time funds to support the fiscal year 2022 operating budgets.

The GASB 68 (Pension) fund increased $17.4 million from ($115) million at June 30, 2021 to ($97.6) million at June 30, 2022, whereas the GASB 75 (OPEB) fund increased $8 million from ($8.6) million at June 30, 2021 to ($.6) million at June 30, 2022.

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

These statements present the operating results and the non-operating revenues and expenses of the University. Annual State appropriations, while budgeted for operations, are considered non-operating revenues according to generally accepted accounting principles. Pell grants dispersed to students and scholarships supported by restricted gifts are considered operating expenses; whereas the revenues supporting the expenses are considered nonoperating.

A summary of revenues, expenses, and changes in net position follows:

	June 30, 2023	As Restated June 30, 2022	June 30, 2021
Operating Revenues			
Net tuition, fees and other student charges	$ 80,343,181	$ 79,392,052	$ 82,277,583
Auxiliary enterprises	17,542,203	15,700,492	13,261,789
Grants and contracts	15,603,351	14,202,141	15,942,273
Other	3,379,788	3,191,121	3,766,968
Total Operating Revenues	116,868,523	112,485,806	115,248,613
Operating Expenses	206,692,943	200,335,221	165,297,531
Operating Loss	(89,824,420)	(87,849,415)	(50,048,918)
Nonoperating Revenues (Expenses)			
State appropriations	46,396,314	44,378,444	43,927,035
Federal appropriations	352,430	33,228,720	24,976,068
Gifts, grants, and contracts	29,800,277	29,075,594	29,868,317
Investment income	6,373,244	(7,367,959)	13,779,629
Other	(1,442,229)	(1,341,001)	(2,396,430)
Net Nonoperating Revenues	81,480,036	97,973,798	110,154,619
Gain (Loss) Before Other Revenues, Expenses, and Changes	(8,344,384)	10,124,383	60,105,701
Other Revenues, Expenses, and Changes			
State capital appropriations	5,831,180	3,023,039	9,345,533
Capital grants and gifts	2,149,411	2,844,595	6,387,877
Other	7,697	(26,140)	(519,902)
Total Other Revenues, Expenses, and Changes	7,988,288	5,841,494	15,213,508
Change in Net Position	(356,096)	15,965,877	75,319,209
Net Position at Beginning of the Year	142,347,689	126,381,812	51,202,527
Adjustment for Change in Accounting Principle	-	-	(139,924)
Net Position at Beginning of the Year, as restated	142,347,689	126,381,812	51,062,603
Net Position at End of the Year	$ 141,991,593	$ 142,347,689	$ 126,381,812

Revenues

Following is a recap of revenues by source (operating, non-operating, and other sources), which were used to fund the University's activities for the years ended:

	June 30, 2023	June 30, 2022	June 30, 2021
Net tuition, fees, and other student charges	$ 80,343,181	$ 79,392,052	$ 82,277,583
Gifts, grants and contracts	47,553,039	46,122,330	52,198,467
State appropriations	46,396,314	44,378,444	43,927,035
Auxiliary enterprises	17,542,203	15,700,492	13,261,789
Investment income	6,373,244	(7,367,959)	13,779,629
State capital appropriations	5,831,180	3,023,039	9,345,533
Other revenue	3,824,934	3,491,536	4,420,799
Federal appropriations	352,430	33,228,720	24,976,068
Total Revenues	$ 208,216,525	$ 217,968,654	$ 244,186,903

Overall, the University's total revenues decreased $9.8 million or 5% between fiscal year 2022 and fiscal year 2023 from $218 million to $208.2 million.

Net tuition, fees and other student charges increased $1 million or 1% from fiscal year 2022 to fiscal year 2023. This was due to a combination of a $1.1 million decrease in gross tuition and a $2.1 million decrease in scholarship allowance. Gross tuition and fees were $103.7 million in fiscal year 2023 compared to $104.8 million in fiscal year 2022; whereas scholarship allowance was $23.3 million and $25.4 million, respectively. Gifts, grants and contracts revenue increased $1.4 million or 3% from fiscal year 2022 to fiscal year 2023, primarily due to a combination of a $1.6 million increase in private gifts largely due to an increase in annual financial support from the YSUF for scholarships and other programs, a $1.5 million increase in federal grant activity related to the Excellence Training Center, a $.9 million decrease in private grants activity, and a $.7 million decrease in Pell grants due to decreased enrollment. Federal appropriations decreased $32.8 million or 99% from $33.2 million in fiscal year 2022 to $.4 million in fiscal year 2023. The $.4 million in fiscal year 2023 related to the Higher Education Emergency Relief Funds (HEERF) Institutional Portion; whereas the $33.2 million in fiscal year 2022 included $15.3 million of HEERF Student Aid, $17.3 million HEERF Institutional Portion and $.6 million in Coronavirus Relief Funds (CRF). As of June 30, 2023, all COVID-19 related funds awarded have been utilized. Auxiliary enterprises revenue increased $1.8 million or 12% primarily due to increased student housing occupancy, including a $1.2 million increase in room rentals; and increased Intercollegiate Athletic revenue, including $.3 million in NCAA revenue sharing. State capital appropriations increased $2.8 million or 93% due to increased activity on capital projects funded with state capital dollars, largely related to IT infrastructure upgrades, building renovations and utility distribution upgrades. Investment income increased $13.7 million or 186% from fiscal year 2022 to fiscal year 2023 primarily due to unrealized gains resulting from a favorable investment environment.

Overall, the University's total revenues decreased $26.2 million or 11% between fiscal year 2021 and fiscal year 2022 from $244.2 million to $218 million.

Net tuition, fees and other student charges decreased $2.9 million or 4% from fiscal year 2021 to fiscal year 2022. This was due to combination of a $4.1 million decrease in gross tuition, the result of increased tuition and fees and decreased enrollment and a $1.2 million decrease in scholarship allowance. Gross tuition and fees were $104.9 million in fiscal year 2022 compared to $109 million in fiscal year 2021; whereas scholarship allowance was $25.5 million and $26.7 million, respectively. Gifts, grants and contracts revenue decreased $6.1 million or 12% from fiscal year 2021 to fiscal year 2022, primarily due to a combination of a $.8 million increase in gifts, a $1.9 million increase in non-capital federal grants and contracts activity, a $3.8 million decrease in federal capital grant activity related to the construction of the Excellence Training Center, a $3.6 million decrease in a private grants for workforce development and energy storage training and a $1.4 million decrease in Pell grants due to decreased enrollment. State appropriations increased slightly from fiscal year 2021 to fiscal year 2022. Federal appropriations increased $8.2 million or 33% from $25 million in fiscal year 2021 to $33.2 million in fiscal year 2022. The $33.2 million in fiscal year 2022 included $15.3 million of HEERF Student Aid, $17.3 million HEERF Institutional Portion and $.6 million in Coronavirus Relief Funds (CRF); whereas the $25 million in fiscal year 2021 included $7.2 million HEERF Student Aid, $11.9 million Institutional Portion $5.7 CRF and $.2 million in other grant revenue for the University's radio station. Auxiliary

enterprises revenue increased $2.4 million or 18% from fiscal year 2021 to fiscal year 2022 primarily due to increased Intercollegiate Athletic revenue including $.7 million in football guarantees and $.8 million in NCAA revenue sharing. State capital appropriations decreased $6.3 million or 68% from fiscal year 2021 to fiscal year 2022 due to decreased activity on capital projects funded with state capital dollars, primarily the Excellence Training Center. Investment income decreased $21.1 million or 153% from fiscal year 2021 to fiscal year 2022 due to significant unrealized losses resulting from an unfavorable environment.

Expenses

Operating expenses can be displayed by either functional classification or natural classification. The functional classification can be found on the Statements of Revenues, Expenses, and Changes in Net Position. The University has no control over the pension/OPEB expenses attributed to the implementations of GASBs 68 and 75; therefore, these expenses are segregated for presentation purposes.

Following is a recap of total operating expenses by functional classification.

	June 30, 2023	As Restated June 30, 2022	June 30, 2021
Instruction	$ 62,897,721	$ 65,647,172	$ 61,991,169
Research	4,936,481	3,265,810	2,798,779
Public service	5,427,647	6,463,004	4,994,104
Academic support	17,952,268	14,986,216	14,762,463
Student services	13,049,607	12,646,989	11,226,734
Institutional support	18,273,525	24,311,866	19,982,616
Operation and maintenance of plant	19,292,126	21,357,439	17,803,456
Scholarships	20,977,118	35,103,587	27,886,962
Auxiliary enterprises	27,577,345	24,785,497	20,594,663
Depreciation and amortization	17,944,329	17,208,866	14,105,532
Total operating expenses	208,328,167	225,776,446	196,146,478
GASB 68 pension expense accruals	2,796,797	(17,403,322)	(4,840,743)
GASB 75 OPEB expense accrual	(4,432,021)	(8,037,903)	(26,008,204)
Total operating expenses	$ 206,692,943	$ 200,335,221	$ 165,297,531

Following is a recap of total operating expenses by natural classification.

	June 30, 2023	June 30, 2022	June 30, 2021
Compensation	$ 118,003,512	$ 120,317,543	$ 110,767,229
Operations	51,403,208	53,156,486	43,431,298
Scholarships	20,977,118	35,093,551	27,842,419
Depreciation and amortization	17,944,329	17,208,866	14,105,532
Operating expenses without GASBs 68 and 75 accruals	208,328,167	225,776,446	196,146,478
GASB 68 pension expense accruals	2,796,797	(17,403,322)	(4,840,743)
GASB 75 OPEB expense accrual	(4,432,021)	(8,037,903)	(26,008,204)
Total operating expenses	$ 206,692,943	$ 200,335,221	$ 165,297,531

Excluding the impact of the pension and OPEB accruals, total operating expenses decreased $17.5 million or 8% from $225.8 million during fiscal year 2022 to $208.3 million during fiscal year 2023. The net decrease was due to decreases of $2.3 million in compensation, $1.8 million in operations, $14.1 million in scholarships and a $.7 million increase in depreciation and amortization.

Total expenses supported with COVID-19 relief funds decreased $23.1 million from $24 million in fiscal year 2022 compared to $.9 million in fiscal year 2023, including a $7.4 million decrease in operations, a $.4 million decrease in compensation, and a $15.3 million decrease in scholarships.

Overall compensation decreased $2.3 million or 2% from $120.3 million in fiscal year 2022 to $118 million in fiscal year 2023. Salaries and wages remained relatively flat from $87.3 million in fiscal year 2022 compared to $86.7 million in fiscal year 2023; whereas fringe benefits decreased $1.8 million or 5% from $33 million in fiscal year 2022 to $31.2 million in fiscal year 2023. Overall fringe benefits as a percentage of salaries and wages was 36% in fiscal year 2023 compared to 37.8% in fiscal year 2022. The overall decrease was primarily due to a $1.7 million decrease in health care expense from fiscal year 2022 to fiscal year 2023.

Operations decreased $1.8 million or 8% from $53.2 million in fiscal year 2022 to $51.4 million in fiscal year 2023. Excluding the impact of the $7.4 million decrease related to the COVID-19 relief funds, operations increased $5.6 million or 12%, including a $1.4 million increase in travel and a $.7 million increase in repairs and maintenance largely due to clean-up costs related to a fire in Ward Beecher Hall and flood damage to multiple buildings across campus during winter break.

A large portion of aid is classified as scholarship allowance on the Statement of Revenues, Expenses and Changes in Net Position. Overall, the University disbursed $44.3 million to students in fiscal year 2023 compared to $60.5 million in fiscal year 2022, a decrease of $16.2 million. The net decrease was primarily due to the prior year including $15.3 million in federal aid to students from HEERF funds. In addition, there was a decrease of $2.2 million of scholarships supported by operating funds, an increase of $1.4 million supported by restricted funds, a $.8 million decrease in federal Pell grants, and a $.7 million increase in state grants.

Depreciation and amortization increased $.7 million or 4% from $17.2 million in fiscal year 2022 to $17.9 million in fiscal year 2023.

Pension expense attributed to GASB 68 increased $20.2 million from ($17.4) million in fiscal year 2022 to $2.8 million in fiscal year 2023; whereas OPEB expense attributed to GASB 75 increased $3.6 million from ($8) million in fiscal year 2022 to ($4.4) million in fiscal year 2023. The $20.2 million increase in pension expense was due to a $7.2 million increase in the STRS Ohio plan and a $13 million increase in the OPERS plan. The $3.6 million increase in the OPEB expense was due to an $.8 million decrease in the STRS Ohio plan and a $4.4 million increase in the OPERS plan. These expenses are the result of changes in the deferred outflows/inflows and liabilities related to pension/OPEB. The University has no control over the factors affecting these changes.

Excluding the impact of the pension and OPEB accruals, total operating expenses increased $29.8 million or 15% from $196.1 million during fiscal year 2021 to $226 million during fiscal year

2022. The increase was due to increases of $9.5 million in compensation, $12.3 million in operations, and $7.2 million in scholarships.

Overall compensation increased $9.5 million or 9% from $110.8 million in fiscal year 2021 to $120.3 million in fiscal year 2022. Salaries and wages increased $5.8 million or 7.1% from $81.5 million in fiscal year 2021 to $87.3 million in fiscal year 2022; whereas fringe benefits increased $3.7 million or 12.8% from $29.3 million in fiscal year 2021 to $33 million in fiscal year 2022. Overall fringe benefits as a percentage of salaries and wages was 37.8% in fiscal year 2022 compared to 35.9% in fiscal year 2021. The overall increase reflects planned actions including the call back of temporary layoffs, restoration of pay reductions, lifting of a hiring freeze and the cessation of furloughs made during fiscal year 2021 due to COVID-19. In addition, fiscal year 2022 reflects a voluntary separation or retirement program for faculty as part of an academic reorganization plan.

Operations increased $12.3 million or 28% from $43.4 million in fiscal year 2021 to $55.8 million in fiscal year 2022. The overall increase reflects planned actions as the University returns to pre COVID-19 level activity.

A large portion of aid is classified as scholarship allowance on the Statement of Revenues, Expenses and Changes in Net Position. Overall, the University disbursed $60.5 million to students in fiscal year 2022 compared to $54.5 million in fiscal year 2021, an increase of $6 million. This net increase includes a $1.4 million decrease in federal Pell grants and an $8.1 million increase in federal aid to students from HEERF funds. HERRF fund disbursements totaled $15.3 million in fiscal year 2022 compared to $7.2 million in fiscal year 2021.

Depreciation and amortization increased $3.1 million or 22% from $14.1 million in fiscal year 2021 to $17.2 million in fiscal year 2022. The increase was primarily due to amortization on right-to-use assets, resulting from the implementation of GASB 96.

Pension expense attributed to GASB 68 decreased $12.6 million from ($4.8) million in fiscal year 2021 to ($17.4) million in fiscal year 2022; whereas OPEB expense attributed to GASB 75 increased $18 million from ($26) million in fiscal year 2021 to ($8) million is fiscal year 2022. The $12.6 million decrease in pension expense was due to a $10.5 million decrease in the STRS Ohio plan and a $2.1 million decrease in the OPERS plan. The $18 million increase in OPEB expense was due to an increase in the OPERS plan. These expenses are the result of changes in the deferred outflows/inflows and liabilities related to pension/OPEB. The University has no control over the factors affecting these changes.

See Note 13 for additional information on pension plans and other post-employment benefits (OPEB).

Total operating and non-operating expenses for the University were $208,572,621, $202,002,777, and $168,867,694 in fiscal years 2023, 2022 and 2021, respectively.

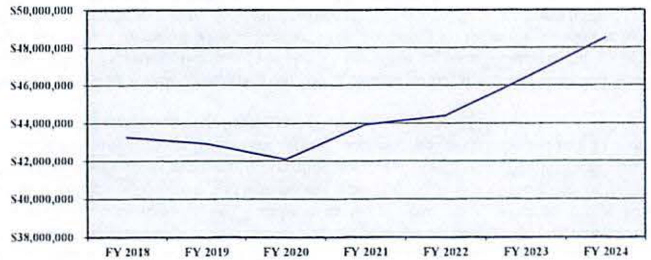
Economic Factors for the Future

Looking to the future, management believes the University is well-positioned to continue its favorable financial condition and level of excellence in service to students.

Based on the most recent estimate provided by the Ohio Department of Higher Education, State Share of Instruction (SSI) funding for the University for fiscal year 2024 is expected to be 5.1% greater than during fiscal year 2023. This increase is partially attributable to a roughly 1% increase in the total statewide SSI appropriation that was enacted in the state of Ohio's operating budget legislation for the fiscal year 2023-fiscal year 2024 biennium. The University's increase in SSI funding is also driven by improved performance with respect to student success outcomes, underscored by a 14% improvement in the University's six-year graduation rate between 2014 and 2021. SSI formula allocations continue to be tied to student success, with degrees awarded and course completions serving as the primary drivers of SSI funding. Datasets used in the formula are based on a three-year rolling average and are weighted to take into account various at-risk student characteristics. The SSI formula continues to factor in discipline and program costs and enrollment levels.

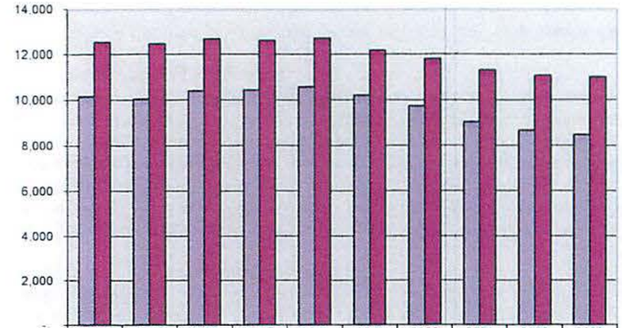
The following graph reflects six years actual data for State Appropriations plus the budgeted amount for fiscal year 2024.

State Appropriations
Fiscal Years 2018 through 2024



Fall Semester Enrollment Trends
2014 through 2023

The following graph reflects nine years of actual data for Fall enrollment trends plus the 14th day preliminary enrollment for Fall 2023.



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Full-Time Equivalent	10,149	10,034	10,389	10,432	10,566	10,185	9,739	9,031	8,673	8,474
Headcount	12,512	12,432	12,649	12,592	12,696	12,155	11,788	11,298	11,072	10,993

Fall 2023 enrollment is 2.3% lower than the prior Fall semester on a full-time equivalency (FTE) basis, while on a head-count basis enrollment is essentially flat (-0.7%). FTE enrollment increased from 10,149 in 2014 to a peak of 10,566 in 2018 while declining to 8,474 in 2023. The number of new incoming undergraduate students for Fall 2023 was up by 1.0% compared to Fall 2022. This increase was the result of having implemented an international student enrollment plan. Even though a decline in overall enrollment has continued, efforts to target special populations has counteracted demographic declines in a more strategic way.

Freshman GPA averages were maintained at 3.51 for Fall 2023 with the highest GPA's in University history at 3.52 during both Fall 2022 and Fall 2021 despite YSU's shift to a test optional policy for undergraduate admission over the last three years. The number of new Honors College freshmen for Fall 2023 was 362, a 2.3% decrease from Fall 2022. Honors College freshmen continuously contributes to the stabilization in and sustainability of the academic quality of YSU's student body. The impressive academic quality of our new students continues to be a point of pride. Nearly 60% of our new freshmen had a high school GPA of 3.5 or better. Multicultural freshman increased by 14.3%. The number of Ohio counties represented in the Fall 2023 freshman class stayed the same as Fall 2022 with 39 counties represented.

The University's first year freshmen that were retained to the second year decreased to 75.5% from 77.5% from last year. To improve retention, two years ago a First-year Student Success Seminar was initiated. It is required of all new incoming students and provides low student to instructor ratio for direct attention that focuses on the skills, capabilities, and capacities necessary to persist and complete a degree. In addition, the advising structures across the colleges have been redesigned with a director of advising who helps coordinate advising activities in a more proactive fashion. In addition, the University has invested heavily in technology to enhance student success including a degree-audit system (Penguin Pass) and a student advising system called CRM Advise.

Student and parent expectations are evolving and require dramatically different recruitment and enrollment strategies with targeted messaging. Accordingly, efforts are underway to widen the University's appeal beyond its traditional footprint. These efforts advanced this fall with financial investments made to YSU's marketing campaign targeting special populations. For Fall 2024 and beyond, many initiatives are underway to sustain and gain market share, including a new multifaceted brand launch, known as KnowY, which will play a significant role in the University's ongoing marketing and recruitment efforts.

YSU leadership understands the imperative need to align its academic programs with the needs of the region, in the context of emerging accountability measures, that also intersects with workforce education and innovation, to assure YSU has a strong presence in most career pathways, and as an anchor institution, is a major contributor to regional sustainable prosperity by working to ensure a bright and vibrant YSU future state.

STATEMENTS OF NET POSITION AT JUNE 30, 2023 AND 2022

	June 30, 2023	As Restated June 30, 2022
ASSETS		
Current Assets		
Cash and cash equivalents	$ 20,392,242	$ 29,097,272
Investments	47,663,275	42,995,687
Restricted investments	403,240	732,941
Interest receivable	259,236	145,994
Accounts receivable, net	9,472,130	11,692,607
Pledges receivable, net	58,320	63,171
Loans receivable, net	-	98,137
Inventories	59,754	56,212
Prepaid expenses and unearned charges	1,504,755	1,484,140
Total Current Assets	79,812,952	86,366,161
Noncurrent Assets		
Investments	15,274,436	14,805,228
Endowments and other restricted investments	13,216,998	11,554,151
Pledges receivable, net	88,755	140,753
Other noncurrent assets	149,196	143,246
Net OPEB asset	6,776,000	13,227,241
Nondepreciable capital assets	25,075,208	25,133,510
Depreciable capital assets, net	207,052,060	208,570,737
Total Noncurrent Assets	267,632,653	273,574,866
Total Assets	347,445,605	359,941,027
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	41,260,805	23,035,309
Deferred outflows related to OPEB	4,932,333	780,035
Bond refunding	1,329,132	1,456,254
Total Deferred Outflows of Resources	47,522,270	25,271,598
LIABILITIES		
Current Liabilities		
Accounts payable	4,994,677	4,680,963
Construction payable	1,704,155	2,325,137
Payroll liabilities	8,465,249	8,708,877
Bonds payable	2,351,056	2,209,065
Notes payable	1,203,118	1,078,673
Leased liabilities - equipment	264,734	247,691
Leased liabilities - SBITAs	2,755,447	2,683,306
Compensated absences	858,095	950,134
Unearned revenue	7,414,928	6,618,717
Other liabilities	1,606,799	1,232,497
Total Current Liabilities	31,618,258	30,735,060
Noncurrent Liabilities		
Bonds payable, net	50,766,942	53,117,998
Notes payable	9,827,721	11,030,839
Leased liabilities - equipment	1,139,766	1,252,549
Leased liabilities - SBITAs	4,659,618	5,818,255
Compensated absences	5,386,477	5,364,254
Refundable advance	-	172,310
Net pension liability	127,641,526	55,467,057
Net OPEB liability	1,465,478	-
Total Noncurrent Liabilities	200,887,528	132,223,262
Total Liabilities	232,505,786	162,958,322
DEFERRED INFLOWS OF RESOURCES		
Service concession agreements	45,000	132,500
Deferred inflows related to pension	14,043,127	65,195,303
Deferred inflows related to OPEB	6,382,369	14,578,811
Total Deferred Inflows of Resources	20,470,496	79,906,614
NET POSITION		
Net investment in capital assets	160,487,997	157,722,125
Restricted, nonexpendable - endowments	5,793,286	5,755,537
Restricted, expendable - gifts, grants, and student loans	32,205,359	31,587,968
Unrestricted	(56,495,049)	(52,717,941)
Total Net Position	$ 141,991,593	$ 142,347,689

See accompanying notes to financial statements.

THE YOUNGSTOWN STATE UNIVERSITY FOUNDATION

STATEMENTS OF FINANCIAL POSITION AT JUNE 30, 2023 AND 2022

	June 30, 2023	June 30, 2022
ASSETS		
Cash and cash equivalents	$ 2,288,180	$ 1,630,642
Investments	310,743,903	306,116,478
Investment settlement receivable	5,000,000	-
Pledges receivable, net	3,894,936	5,170,262
Pledges receivable for Youngstown State University, net	8,667,495	3,982,190
Prepaid expenses and other assets	2,621,547	1,160,165
Right-of-use operating lease assets	502,777	-
Property and equipment, net	209,156	209,391
TOTAL ASSETS	$ 333,927,994	$ 318,269,128
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 851,728	$ 691,352
Grant commitments to Youngstown State University	10,902,150	10,907,374
Accrued liabilities and other	77,590	75,042
TOTAL LIABILITIES	11,831,468	11,673,768
NET ASSETS		
Without donor restrictions	163,890,047	159,593,219
With donor restrictions	158,206,479	147,002,141
TOTAL NET ASSETS	322,096,526	306,595,360
TOTAL LIABILITIES AND NET ASSETS	$ 333,927,994	$ 318,269,128

See accompanying notes to financial statements

YOUNGSTOWN STATE UNIVERSITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	June 30, 2023	As Restated June 30, 2022
OPERATING REVENUES		
Tuition, fees, and other student charges (net of scholarship allowance of $23,342,167 in 2023 and $25,458,962 in 2022)	$ 80,343,181	$ 79,392,052
Federal grants and contracts	8,079,823	6,568,342
State grants and contracts	6,661,393	5,878,067
Local grants and contracts	355,290	355,094
Private grants and contracts	506,845	1,400,638
Sales and services	497,285	408,408
Auxiliary enterprises	17,542,203	15,700,492
Other operating revenues	2,882,503	2,782,713
Total Operating Revenues	116,868,523	112,485,806
OPERATING EXPENSES		
Instruction	60,537,909	55,477,683
Research	4,951,037	3,104,125
Public service	5,475,200	5,392,882
Academic support	18,106,534	11,915,867
Student services	13,168,959	10,075,030
Institutional support	18,430,101	20,859,807
Operation and maintenance of plant	19,393,582	19,158,856
Scholarships	20,977,118	35,103,587
Auxiliary enterprises	27,708,174	22,038,518
Depreciation and amortization	17,944,329	17,208,866
Total Operating Expenses	206,692,943	200,335,221
Operating Loss	(89,824,420)	(87,849,415)
NONOPERATING REVENUES (EXPENSES)		
State appropriations	46,396,314	44,378,444
Federal appropriations	352,430	33,228,720
Federal grants	14,899,919	15,653,766
Private gifts	14,900,358	13,421,828
Unrestricted investment (loss) income, net of investment expense	5,081,079	(5,795,281)
Restricted investment (loss) income, net of investment expense	1,292,165	(1,572,678)
Interest on capital asset-related debt	(1,862,977)	(1,739,167)
Other nonoperating revenues, net	420,748	398,166
Net Nonoperating Revenues	81,480,036	97,973,798
Gain Before Other Revenues, Expenses, and Changes	(8,344,384)	10,124,383
OTHER REVENUES, EXPENSES, AND CHANGES		
State capital appropriations	5,831,180	3,023,039
Capital grants and gifts	2,149,411	2,844,595
Other revenue (expense), net	7,697	(26,140)
Total Other Revenues, Expenses, and Changes	7,988,288	5,841,494
Change In Net Position	(356,096)	15,965,877
NET POSITION		
Net Position at Beginning of the Year	142,347,689	126,381,812
Net Position at End of the Year	$ 141,991,593	$ 142,347,689

See accompanying notes to financial statements

THE YOUNGSTOWN STATE UNIVERSITY FOUNDATION

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions of cash and other financial assets	$ 2,221,609	$ 11,625,616	$ 13,847,225
Contributions of nonfinancial assets	53,799	1,936,790	1,990,589
Investment earnings	3,696,161	3,096,769	6,792,930
Net realized gains on sale of investments	2,932,882	2,455,195	5,388,077
Net unrealized change in long-term investments	3,654,737	2,400,247	6,054,984
Net assets released from restrictions	10,310,279	(10,310,279)	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	22,869,467	11,204,338	34,073,805
EXPENSES			
Distribution to Youngstown State University for scholarships and other programs	16,286,222	-	16,286,222
Administrative expenditures	2,286,417	-	2,286,417
TOTAL EXPENSES	18,572,639	-	18,572,639
INCREASE (DECREASE) IN NET ASSETS	4,296,828	11,204,338	15,501,166
Net Assets - Beginning of Year	159,593,219	147,002,141	306,595,360
Net Assets - End of Year	$ 163,890,047	$ 158,206,479	$ 322,096,526

	June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions of cash and other financial assets	$ 2,453,374	$ 16,014,223	$ 18,467,597
Contributions of nonfinancial assets	47,343	358,260	405,603
Investment earnings	3,796,889	2,988,965	6,785,854
Net realized gains on sale of investments	6,961,368	5,452,482	12,413,850
Net unrealized change in long-term investments	(22,381,356)	(17,417,457)	(39,798,813)
Net assets released from restrictions	8,116,455	(8,116,455)	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	(1,005,927)	(719,982)	(1,725,909)
EXPENSES			
Distribution to Youngstown State University for scholarships and other programs	16,561,532	-	16,561,532
Administrative expenditures	2,255,398	-	2,255,398
TOTAL EXPENSES	18,816,930	-	18,816,930
INCREASE (DECREASE) IN NET ASSETS	(19,822,857)	(719,982)	(20,542,839)
Net Assets - Beginning of Year	179,416,076	147,722,123	327,138,199
Net Assets - End of Year	$ 159,593,219	$ 147,002,141	$ 306,595,360

See accompanying notes to financial statements

YOUNGSTOWN STATE UNIVERSITY

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	June 30, 2023	As Restated June 30, 2022
Cash Flows from Operating Activities		
Student tuition and fees	$ 81,171,566	$ 80,436,200
Federal, state, and local grants and contracts	15,322,888	11,899,290
Private grants and contracts	629,693	1,297,054
Sales and services of educational and other departmental activities	18,290,991	16,849,090
Payments to suppliers	(50,683,797)	(52,412,524)
Payments to employees	(87,032,640)	(87,027,622)
Payments for benefits	(31,276,974)	(33,188,169)
Payments for scholarships	(20,949,779)	(35,333,319)
Direct lending receipts	47,349,908	46,925,469
Direct lending disbursements	(47,048,678)	(47,247,452)
Other receipts, net	2,817,987	2,711,442
Total Cash Flows Used In Operating Activities	(71,408,835)	(95,090,541)
Cash Flows from Noncapital Financing Activities		
Federal grants	14,721,401	15,199,219
Federal educational appropriations	870,544	35,357,833
State educational appropriations	46,396,314	44,378,444
Private gifts	14,791,665	13,503,303
Other nonoperating expenses	318,433	298,473
Student loans collected	4,194	263,918
Student loan interest and fees collected	369	18,567
Total Cash Flows Provided by Noncapital Financing Activities	77,102,920	109,019,757
Cash Flows from Investing Activities		
Proceeds from sale of investments	25,752,922	23,841,587
Purchase of investments	(29,238,889)	(29,655,107)
Interest on investments	3,276,027	5,013,012
Total Cash Flows Used In Investing Activities	(209,940)	(800,508)
Cash Flows from Capital and Related Financing Activities		
State capital appropriations	6,273,794	2,022,796
Private capital gifts and grants	2,623,019	6,502,334
Purchase of capital assets	(14,942,258)	(11,627,896)
Principal payments on capital debt	(5,482,556)	(5,108,741)
Bonds payable proceeds	-	286,375
Interest payments on capital debt	(2,661,174)	(2,398,346)
Total Cash Flows Used In Capital and Related Financing Activities	(14,189,175)	(10,323,478)
Change in Cash and Cash Equivalents	(8,705,030)	2,805,230
Cash and Cash Equivalents, Beginning of Year	29,097,272	26,292,042
Cash and Cash Equivalents, End of Year	$ 20,392,242	$ 29,097,272

STATEMENTS OF CASH FLOWS (CONT.)
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

Reconciliation of Operating Loss to Net Cash Used in Operating Activities

	June 30, 2023	June 30, 2022
Operating loss	$ (89,824,420)	$ (87,849,415)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation and amortization	17,944,329	17,208,866
Provision for bad debts	(11,139)	275,909
Perkins adjustment-to agree to principal collected	92,642	-
Gain on sale of fixed asset	(12,232)	-
Changes in assets and liabilities		
Accounts receivable, net	860,280	942,296
Inventories	(3,542)	4,643
Prepaid expenses and unearned charges	(20,615)	(38,116)
Net OPEB assets	7,916,719	(3,740,798)
Accounts payable	313,714	42,685
Accrued and other liabilities	166,928	588,444
Unearned revenue	790,261	(543,773)
Compensated absences	(69,816)	(280,855)
Net pension/OPEB liability	72,174,468	(53,039,793)
Deferred outflows-pensions and OPEB	(22,377,794)	(5,411,913)
Deferred inflows-pensions and OPEB	(59,348,618)	36,751,279
Net Cash Flows Used In Operating Activities	$ (71,408,835)	$ (95,090,541)

Noncash Investing and Financing Transactions

Right-to-use asset - equipment	$ 159,498	$ -
Right-to-use asset - SBITA	$ 1,763,560	$ 3,547,555

See accompanying notes to financial statements

In July 2021, the University issued $28,065,000 in Series 2021 General Receipts bonds. The proceeds from the bond sale were used for a current refunding of the Series 2010 General Receipts bonds and Series 2011 General Receipts bonds, resulting in a retirement of these bonds for $20,305,000 and $13,185,000 respectively. See Note 9 for further discussion on this non-cash transaction.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

Note 1 – Organization and Summary of Significant Accounting Policies

Organization and Basis of Presentation

Youngstown State University (the University or YSU) is a coeducational, degree granting state-assisted metropolitan university and was established by the General Assembly of the State of Ohio in 1967. The University is a component unit of the State of Ohio. The University provides a wide range of opportunities in higher education primarily to residents in northeastern Ohio and western Pennsylvania. The University offers degrees at the undergraduate, graduate, and doctoral levels.

In accordance with Governmental Accounting Standards Board (GASB) Statement No.14, *The Reporting Entity*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, the University's financial statements are included, as a non-major discretely presented component unit, in the State of Ohio's (State) Annual Comprehensive Financial Report. In accordance with GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, Youngstown State University Foundation's (YSUF or Foundation) financial statements are included, as a discretely presented component unit, in the University's financial report by presentation of the individual financial statements of the entity immediately following the University's respective GASB financial statements. See Note 15 for additional information regarding the University's component unit.

The University's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the GASB.

As required by the GASB, resources are classified for accounting and reporting purposes into the following four net position categories:

- Net investment in capital assets – Capital assets, net of accumulated depreciation and amortization, reduced by outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

- Restricted, nonexpendable – Resources subject to externally imposed stipulations that they be maintained permanently by the University. Such resources include the University's permanent endowment funds.

- Restricted, expendable – Resources whose use by the University is subject to externally imposed stipulations that can be fulfilled by actions of the University pursuant to those stipulations or that expire by the passage of time.

- Unrestricted – Resources that are not subject to externally imposed stipulations. Unrestricted resources may be designated for specific purposes by action of management, Board of Trustees or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted resources are designated for academic and research programs and initiatives, capital projects, and operating reserves.

Summary of Significant Accounting Policies

The accompanying financial statements have been prepared on the accrual basis. The University reports as a business type activity, as required by the GASB. Business type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

Change in Accounting Principle – Effective for the fiscal year ended June 30, 2023, the University adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). This statement establishes new requirements for accounting and financial reporting of the University's subscription-based information technology arrangements. The adoption of GASB 96 has been reflected as of July 1, 2021.

Beginning net position as of July 1, 2021 was restated for the effects of the University's adoption of GASB 96 as follows:

	June 30, 2021 as Originally Reported	GASB 96 Adoption	July 1, 2021 as Restated
Current assets	$ 94,074,484	$ -	$ 94,074,484
Noncurrent assets	265,031,793	7,590,174	272,621,967
Total Assets	359,106,277	7,590,174	366,696,451
Deferred Outflows of Resources	19,957,699	-	19,957,699
Current liabilities	27,159,030	1,636,322	28,795,352
Noncurrent liabilities	182,280,299	5,953,852	188,234,151
Total Liabilities	209,439,329	7,590,174	217,029,503
Deferred Inflows of Resources	43,242,835	-	43,242,835
Net Position	$ 126,381,812	$ -	$ 126,381,812

The Statement of Net Position as of June 30, 2022 was restated for the effects of the University's adoption of GASB 96 as follows:

	June 30, 2022 as Originally Reported	GASB 96 Adoption	June 30, 2022 as Restated
Current assets	$ 86,366,161	$ -	$ 86,366,161
Noncurrent assets	264,874,894	8,699,972	273,574,866
Total Assets	351,241,055	8,699,972	359,941,027
Deferred Outflows of Resources	25,271,598	-	25,271,598
Current liabilities	27,162,689	2,683,306	29,845,995
Noncurrent liabilities	127,294,072	5,818,255	133,112,327
Total Liabilities	154,456,761	8,501,561	162,958,322
Deferred Inflows of Resources	79,906,614	-	79,906,614
Net Position	$ 142,149,278	$ 198,411	$ 142,347,689

The $198,411 is reflected as a reduction in operating expenses on the Statements of Revenues, Expenses, and Changes in Net Position.

Cash Equivalents – The University considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents are stated at cost, which approximates fair value and excludes amounts restricted by board designation or whose use is limited.

Investments – Investments are reported at fair value based on quoted market prices. Changes in unrealized gains (losses) on the carrying value of investments are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position. Restricted investments are comprised of endowment corpus and related spending funds. Alternative investments are generally less liquid than publicly traded securities. These alternative investments are intended to reduce market risk, credit risk and interest rate risk. The University believes the carrying amounts of these holdings (net asset values) are reasonable estimates of the fair values as of year-end. Because these investments are not readily marketable, the estimated value is subject to uncertainty, and therefore, may differ from the value that would have been used had a ready market for the investment existed. Such difference could be material.

Endowment Policy – Under Ohio law set forth in the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted in Ohio in 2009, the Board acts in a fiduciary capacity as trustee of its endowment funds. UPMIFA requires that the Board exercise its fiduciary duties prudently and consider both the charitable purposes and needs of the University and the purposes of the specific endowment regarding current expenditures and preservation of the purchasing power of the funds. The University Endowment Fund consists of 90 named funds. Each named fund is assigned a number of shares in the University Endowment Fund based on the value of the gifts to that named fund. The University's endowment spending policy states that annual distributions each fiscal year are set to 5% of the twelve-quarter average of the market value for the preceding twelve calendar quarters ended September 30. Distributions greater than the calculated amount require written justification and Board of Trustees' approval.

Accounts Receivable – Accounts receivable consist of transactions relating to tuition and fees, auxiliary enterprise sales, grants and contracts, and miscellaneous sales and services. Accounts receivable are recorded net of allowance for uncollectible amounts.

Pledges Receivable – The University has a development services agreement with the Foundation. As part of the agreement, the majority of new pledges are recorded by the Foundation and payments on University pledges are collected by the Foundation and remitted to the University on a monthly basis. Prior to the agreement, the University received pledges and bequests of financial support from corporations, foundations, and individuals. Revenue is recognized when a gift representing an unconditional promise to pay is received and all eligibility requirements have been met. In the absence of a conditional pledge, revenue is recognized when the gift is received. Pledges are recorded net of an allowance for uncollectible amounts and are discounted to net present value.

Inventories – Inventories are stated at the lower of cost or fair value.

Capital Assets – Capital assets are stated at cost or acquisition value at date of gift. Right-to-use assets including equipment and subscription-based information technology arrangements (SBITAs) are stated at present value of the cost over the contract term. Infrastructure assets are included in the financial statements and are depreciated. The University's capitalization threshold for equipment, furniture, and vehicles is $5,000; and for buildings, building improvements, improvements other than buildings, and right-to-use assets is $100,000. Land is capitalized regardless of cost. Library purchases are excluded from capitalization and expensed as purchased.

Key estimates and judgments related to Right-to-use assets - SBITAs include how the university determines the discount rate it uses to discount the expected subscription payments to present value and the subscription term. The University uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the University generally uses its estimated incremental borrowing rate as the discount rate for subscriptions. The subscription term includes the noncancelable period of the subscription. The University monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability. Right-to-use assets - SBITAs are reported with other capital assets, and subscription liabilities are reported as leased liabilities – SBITAs in both the current and long-term sections of debt liabilities on the statement of net position.

Depreciation (including amortization of right-to-use assets) is computed using the straight-line method over the estimated useful life or subscription term of the asset and is not allocated to the functional expenditure categories. Historical collections, including assets that are held for public exhibition, education, or research in furtherance of public service, which are protected and preserved, are not depreciated.

When capital assets or right-to-use assets are sold, or otherwise disposed of, the carrying value of such assets and any accumulated depreciation and amortization is removed from asset accounts and the net investment in capital assets. The costs of normal maintenance and repairs that do not add to the value of the capital asset or right-to-use assets or materially extend the capital asset's life are expensed when incurred. Estimated lives for right-to-use equipment assets are amortized over the lesser of the estimated useful life or the lease term using the straight-line method. Estimated lives for right-to-use SBITAs are amortized over the shorter of the subscription term or the useful life. Estimated lives are as follows:

Classification	Estimated Life
Buildings	50 years
Improvements to buildings	10 to 50 years
Improvements other than buildings	15 years
Moveable equipment, furniture and vehicles	3 to 20 years
Right-to-use assets - equipment	3 to 20 years
Right-to-use assets – SBITAs	3 to 5 years

Unearned Revenue – Unearned revenue includes tuition and fee revenues billed or received prior to the end of the current fiscal year end, but related to the period after the current fiscal year. Also

included are amounts received from grants and contract sponsors that have not yet been earned and other resources received before the eligibility requirements are met.

Compensated Absences – Accumulated unpaid vacation and sick leave benefits are recorded as required by the GASB. The University uses the termination method to accrue sick leave compensated absences on the Statement of Net Position. University employees earn vacation and sick leave benefits based, in part, on length of service. Vacation pay is fully vested when earned. Upon separation from service, employees are paid accumulated vacation and sick pay based upon the nature of separation (death, retirement, or termination). Certain limitations have been placed on the hours of vacation and sick leave that employees may accumulate and carry over for payment at death, retirement, or termination. Unused hours exceeding these limitations are forfeited.

Refundable Advances from Government for Federal Loans – Funds provided by the United States government under the Federal Perkins Loan program are loaned to qualified students and re-loaned after collections. These funds are ultimately refundable to the government and, therefore, are recorded as a liability in the accompanying financial statements. Congress did not renew the program after September 30, 2017 and no disbursements were permitted after June 30, 2018. During fiscal year 2023, the University assigned all outstanding Perkins loans to the Department of Education and liquidated the program. This resulted in all outstanding loans and the refundable advance being removed from the University's Statement of Net Position as of June 30, 2023. See Note 5 and Note 12.

Deferred Outflows of Resources – In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expenses) until then. The University reports deferred outflows of resources for refunding of bonds and certain pension-related and OPEB-related amounts, including changes in expected and actual experience, changes in assumptions, change in proportionate share of contribution and certain contributions made to the plan subsequent to the measurement date. See Note 13 for more detailed information on the pension-related and OPEB-related amounts.

Deferred Inflow of Resources – In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The University reports deferred inflows of resources for service concession arrangements and certain pension-related and OPEB-related amounts, including changes in expected and actual experience, changes in assumptions, and the difference between projected and actual earnings of the plan's investments. See Note 13 for more detailed information on the pension-related and OPEB-related amounts.

Service Concession Arrangements – Service concession arrangements consist of an agreement with a food service provider and an agreement with a beverage company for exclusive pouring rights. Funds received are contingent upon utilization of services over a specified time period and are amortized over the term of the contract arrangement. Unamortized amounts are reflected as deferred inflows of resources on the Statement of Net Position.

Pensions – 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 positions of the State Teachers Retirement System of Ohio (STRS Ohio) and the Ohio Public Employees Retirement System (OPERS) Pension Plans and additions to/deductions from STRS Ohio's/OPERS' fiduciary net positions have been determined on the same basis as they are reported by STRS Ohio/OPERS. STRS Ohio/OPERS 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.

Other Postemployment Benefit Costs – For purposes of measuring the net other postemployment benefit (OPEB) asset/liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net positions of the Pension Plans (STRS Ohio/OPERS) and additions to/deductions from STRS Ohio's/OPERS' fiduciary net positions have been determined on the same basis as they are reported by STRS Ohio/OPERS. STRS Ohio/OPERS use the economic resources measurement focus and the full accrual basis of accounting. For this purpose, STRS Ohio/OPERS recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Income Taxes – The Internal Revenue Service has ruled that the University's income is generally exempt from Federal income taxes under Section 115 of the Internal Revenue Code. The University is subject to tax on unrelated business income.

Measurement Focus and Financial Statement Presentation – The accompanying financial statements have been prepared using the economic resource measurement focus, operating revenues and expenses generally result from providing educational and instructional service in connection with the University's principal ongoing operations. The principal operating revenues include student tuition, fees and other student charges. The University also recognizes as operating revenue grants classified as exchange transactions and auxiliary activities. Operating expenses include educational costs, administrative expenses and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition including State and Federal appropriations are reported as non-operating revenues and expenses.

Scholarship Allowances and Student Aid – Tuition, fees, and other student charges are reflected net of scholarship allowances in the Statements of Revenues, Expenses, and Changes in Net Position. Certain aid (such as loans and funds awarded to students by third parties) is accounted for as a third party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses, or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition.

Release of Restricted Funds – When an expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the University's policy to apply restricted resources first, then unrestricted resources as needed.

Management's Estimates – The preparation of the 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 amounts reported in the financial statements and disclosures in the notes to financial statements. Actual results could differ from these estimates.

Adoption of New Accounting Pronouncements – In fiscal year 2023, the provisions of the following GASB Statements became effective:

- GASB Statement No. 91, *Conduit Debt Obligations*, issued May 2019. As a result of the adoption of GASB Statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures.

- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued March 2020. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements.

- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued May 2020. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users.

- GASB Statement No. 99, *Omnibus 2022*, issued April 2022. The requirements of this statement are effective immediately, with the exception of requirements related to leases, PPPs and SBITAs effective June 30, 2023; and the requirements related to financial guarantees and the classification and reporting of derivative instruments effective June 30, 2024. The Statements enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature.

Except for the adoption GASB 96, the above standards had no impact on the statements as a whole. Refer to Change in Accounting Principle for details on the net position impact of GASB 96.

Upcoming Accounting Pronouncements – As of the report date, the GASB issued the following statements not yet implemented by the University:

- GASB Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62*, issued June 2022. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

- GASB Statement No. 101, *Compensated Absences*, issued June 2022. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

The University has not yet determined the effect these Statements will have on the University's financial statements and disclosures.

Note 2 – State and Federal Support

The University receives support from the State in the form of State appropriations and capital appropriations. As required by the GASB, these are reflected as non-operating revenues on the Statement of Revenues, Expenses, and Changes in Net Position.
State appropriations totaled $46,396,314 in fiscal year 2023 compared to $44,378,444 in fiscal year 2022. The State Share of Instruction (SSI) is determined annually by the Ohio Department of Higher Education.

Capital appropriations from the State totaled $5,831,180 in fiscal year 2023 compared to $3,023,039 in fiscal year 2022, and included funding for equipment and the construction/major renovations of plant facilities.

Funding for the construction of major plant facilities on the University campus is obtained from the issuance of revenue bonds by the Ohio Public Facilities Commission (OPFC).

University facilities are not pledged as collateral for the revenue bonds. Instead, the bonds are supported by a pledge of monies in the Higher Education Bond Service Fund established in the custody of the Treasurer of State of Ohio. If sufficient monies are not available from this fund, a pledge exists to assess a special student fee uniformly applicable to students in state-assisted institutions of higher education throughout the State.

Outstanding debt issued by OPFC is not included on the University's Statement of Net Position. In addition, the appropriations by the General Assembly to the Ohio Department of Higher Education for payment of debt service are not reflected as appropriation revenue received by the University, and the related debt service payments are not recorded in the University's accounts.

Note 3 – Cash and Cash Equivalents

For financial statement presentation purposes, cash in banks has been combined with the University's cash equivalents and temporary investments.

Depository funds held in the name of the University are secured by a pool of securities with a value of at least 105% of the total value of monies on deposit at the depository bank. All collateral, both specific and pooled, is held by the Federal Reserve Bank or by a designated trustee as agent for the public depositories used by the University.

Cash and Cash Equivalents at June 30, 2023 and June 30, 2022 consist of the following:

	2023	2022
Carrying Amount	$20,392,242	$ 29,097,272
FDIC Insured	$ 571,114	$ 750,000
Uninsured but collateralized by pools of securities pledged by the depository banks	1,668,881	1,263,509
Uninsured but assets held in name of YSU not pledged as collateral elsewhere	18,274,158	27,757,496
Bank Balance	$20,514,153	$ 29,771,005

The difference in carrying amount and bank balance is caused by items in transit and outstanding checks. Deposits held in safekeeping by a bank, as trustee or escrow agent, included in cash totaled $8,808 at June 30, 2023 and $47,230 at June 30, 2022, which approximates market. These deposits, including interest on the investments, are retained in the trust for payment of principal and interest on outstanding indebtedness.

Credit risk for deposits is the risk that, in the event of a bank failure, the University's deposits may not be returned to the University. At June 30, 2023 and June 30, 2022, all uncollateralized or uninsured deposits of the University are exposed to credit risk. The University's investment policy and asset allocation guidelines facilitate the management and monitoring of credit risk.

Note 4 – Investments

The University's investment policy authorizes the University to invest non-endowed and endowed University funds in compliance with provisions of the Ohio Revised Code including House Bill 524, Section 3345.05 of the Ohio Revised Code, and all other applicable laws and regulations.

In accordance with the Policies of the Board of Trustees of the University, investment types are not specifically limited but shall be made with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Furthermore, investments shall be managed for the use and benefit of the University in a diversified portfolio that focuses, over time, on the preservation of capital, minimization of cost and risk, and maintenance of required levels of liquidity in the overall portfolio to meet cash flow requirements. The University utilizes an investment advisor and investment manager for non-endowment funds.

The University's investments measured and reported at fair value are classified according to the following hierarchy:

Level 1 – Investments reflect prices quoted in active markets.

Level 2 – Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable sources.

Net Asset Value (NAV) – Investments valued at net asset value, therefore not subject to the hierarchy classification.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Assets classified in Level 1 of the fair value hierarchy are valued directly from a primary external pricing vendor. Level 2 inputs are valued using a matrix pricing model.

As of June 30, 2023, the University had the following investments measured at fair value:

	Fair Value Measurement				
Investment Type	Level 1	Level 2	Level 3	NAV	Total
U.S. Government Obligations	$ -	$ 9,026,379	$ -	$ -	$ 9,026,379
Corporate Bonds	-	9,615,662	-	-	9,615,662
Foreign Bonds	-	183,756	-	-	183,756
U.S. Government Bonds	-	1,155,392	-	-	1,155,392
Bond Mutual Funds	14,508,592	-	-	-	14,508,592
Common Stock	8,067,560	-	-	-	8,067,560
Equity Mutual Funds	27,063,210	-	-	-	27,063,210
Alternative Investments	-	-	-	6,937,398	6,937,398
Totals	$ 49,639,362	$ 19,981,189	$ -	$ 6,937,398	$ 76,557,949

As of June 30, 2022, the University had the following investments measured at fair value:

	Fair Value Measurement				
Investment Type	Level 1	Level 2	Level 3	NAV	Total
U.S. Government Obligations	$ -	$ 7,718,933	$ -	$ -	$ 7,718,933
Corporate Bonds	-	9,079,554	-	-	9,079,554
Foreign bonds	-	184,359	-	-	184,359
U.S. Government Bonds	-	1,137,368	-	-	1,137,368
Bond Mutual Funds	13,926,763	-	-	-	13,926,763
Common Stock	7,443,067	-	-	-	7,443,067
Equity Mutual Funds	25,597,963	-	-	-	25,597,963
Alternative Investments	-	-	-	5,000,000	5,000,000
Totals	$ 46,967,793	$ 18,120,214	$ -	$ 5,000,000	$ 70,088,007

Because alternative investments have no active market, they are valued using NAV, which is based on information such as historical and current performance of the underlying assets; cash flow projections, liquidity and credit premiums required by a market participant; and financial trend analysis with respect to the individual fund manager. Furthermore, the liquidity of these investments may be impacted by the lack of a present market of the interest in the funds, lock-up periods, redemption notice periods and limits to the frequency of redemptions.

The following table provides additional information for those investments valued using NAV:

	Fair Value June 30		Redemption	Redemption Notice	Unfunded
	2023	2022	Frequency	Period	Commitment
Alternative investments:					
Hedge funds (A)	$ 4,564,030	$ 5,000,000	Quarterly	65 days	$ -
Private credit (B)	$ 2,373,368	-	Annual	30 days	266,959
Totals	$ 6,937,398	$ 5,000,000			$ 266,959

(A) This category includes hedge funds through a limited partnership interest. The underlying hedge fund managers invest primarily in marketable securities that trade in well-established and liquid markets. Styles of managers include equity long-short, relative value, event driven, credit, or macro, among other sub-styles and specialties. The objective of the hedge funds is to achieve an attractive risk-adjusted return relative to other asset classes and provide diversification and long-term growth. The hedge funds are valued at fair value that are reported in the investment manager financial statements, based on net asset value of the fund at the end of the depicted time period.

(B) This category is a private credit strategy that originates loans for private companies. The fund provides senior secured loans to performing U.S. lower to middle market borrowers/companies with $8-$40 million in earnings before interest, taxes, depreciation and amortization (EBITDA). The fund provides customized credit solutions structured with strong downside protection characteristics to deliver consistent results through market cycles.

As of June 30, 2023, the University had the following investments and maturities using the segmented time distribution method:

		Investment maturities (in years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
U.S. Government Obligations	$ 9,026,379	$ 2,667,869	$ 5,709,069	$ 649,441	$ -
Corporate Bonds	9,615,662	864,515	7,871,007	830,672	49,468
Foreign Bonds	183,756	-	183,756	-	-
U.S. Government Bonds	1,155,392	-	59,407	504,549	591,436
Bond Mutual Funds	14,508,592	14,508,592	-	-	-
Common Stock	8,067,560	8,067,560	-	-	-
Equity Mutual Funds	27,063,210	27,063,210	-	-	-
Alternative Investments	6,937,398	6,937,398	-	-	-
Totals	$ 76,557,949	$ 60,109,144	$ 13,823,239	$ 1,984,662	$ 640,904

All callable stocks were assumed to mature in less than one year.

As of June 30, 2022, the University had the following investments and maturities using the segmented time distribution method:

		Investment maturities (in years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
U.S. Government Obligations	$ 7,718,933	$ 982,159	$ 6,445,624	$ 123,587	$ 167,563
Corporate Bonds	9,079,554	453,276	7,681,346	903,532	41,400
Foreign Bonds	184,359	-	184,359	-	-
U.S. Government Bonds	1,137,368	-	70,095	710,770	356,503
Bond Mutual Funds	13,926,763	13,926,763	-	-	-
Common Stock	7,443,067	7,443,067	-	-	-
Equity Mutual Funds	25,597,963	25,597,963	-	-	-
Alternative Investments	5,000,000	5,000,000	-	-	-
Totals	$ 70,088,007	$ 53,403,228	$ 14,381,424	$ 1,737,889	$ 565,466

All callable stocks were assumed to mature in less than one year.

As of June 30, 2023, investments had the following quality credit ratings:

Investment Type	Fair Value	Aaa	Aa	A	Baa	Unrated
Corporate Bonds	$ 9,615,662	$ 1,941,114	$ 63,478	$3,525,817	$3,059,820	$1,025,433
Foreign Bonds	183,756	-	-	183,756	-	-
U.S. Government Bonds	1,155,392	1,155,392	-	-	-	-
Bond Mutual Funds	14,508,592	5,670,597	515,661	1,332,472	6,314,646	675,216
Totals	$25,463,402	$ 8,767,103	$ 579,139	$5,042,045	$9,374,466	$1,700,649

As of June 30, 2022, investments had the following quality credit ratings:

Investment Type	Fair Value	Aaa	Aa	A	Baa	Unrated
Corporate Bonds	$ 9,079,554	$ 1,632,484	$ 50,920	$3,433,958	$2,956,725	$1,005,567
Foreign Bonds	184,359	-	-	184,359	-	-
U.S. Government Bonds	1,137,368	1,137,368	-	-	-	-
Bond Mutual Funds	13,926,763	5,658,197	462,062	1,259,113	5,806,951	740,440
Totals	$24,328,044	$ 8,428,049	$ 512,982	$4,877,430	$8,763,676	$1,746,007

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University's investment policy and asset allocation guidelines facilitate the management and monitoring of its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit quality, as commonly expressed in terms of credit ratings issued by nationally recognized statistical rating organizations such as Moody's Investors Services, Standard & Poor's or Fitch rating provides a current depiction of potential variable cash flows and credit risk. The University's investment policy and asset allocation guidelines contain provisions to manage credit risk.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the University will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. Investments that are both unregistered and uninsured are exposed to custodial credit risk if investments are held by the counterparty, or are held by the counterparty's trust department or agent but not in the name of the University. At June 30, 2023 and 2022, the University had no exposure to custodial credit risk. The University does not address custodial credit risk in its investment policy and asset allocation guidelines.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. As of June 30, 2023, $5,091,372 or 7% of the University's portfolio was held in an intermediate bond fund and $6,082,117 or 8% was held in a short-term bond fund. As of June 30, 2022, $5,113,700 or 7% of the University's portfolio was held in an intermediate bond fund and $5,343,570 or 8% was held in a short-term bond fund.

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. At June 30, 2023 and 2022, the University had no material exposure to foreign currency risk. The University does not address foreign currency risk in its investment policy and asset allocation guidelines.

Note 5 – Accounts and Loans Receivable

Accounts and loans receivable at June 30, 2023 and June 30, 2022 consist of the following:

	2023	2022
Accounts receivable, net:		
Student accounts, net of allowance for doubtful accounts of $1,262,617 in 2023 and $1,194,018 in 2022	$ 3,762,898	$ 4,279,832
Grants and contracts, net of allowance for doubtful accounts of $250 in 2023 and $246 in 2022	2,294,579	3,639,408
State capital appropriations	853,548	1,296,162
Other receivables, net of allowance for doubtful accounts of $69,993 in 2023 and $13,639 in 2022	2,561,105	2,477,205
Accounts receivable, net	$ 9,472,130	$ 11,692,607
Loans receivable - student notes, net of allowance for doubtful accounts of $0 in 2023 and $2,701 in 2022	-	98,137
Less: current portion	-	98,137
Loans receivable, noncurrent portion	$ -	$ -

Note 6 – Pledges Receivable

Unconditional promises to give to the University recorded as pledges receivable at June 30, 2023 and June 30, 2022 were as follows:

	2023	2022
Pledges receivable, net of allowance for doubtful accounts of $0 in 2023 and $0 in 2022, and present value discount of $11,245 in 2023 and $9,247 in 2022	$ 147,075	$ 203,924
Less: current portion	58,320	63,171
Pledges receivable, noncurrent portion	$ 88,755	$ 140,753

Pledges have been discounted to net present value using June 30, 2023 and June 30, 2022 U.S. Treasury Note rates of 4% (5-year) in fiscal year 2023 and 3.25% (5-year) in fiscal year 2022.

Note 7 – Capital Assets

Capital assets activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions/ Transfers	Reductions	Ending Balance
Nondepreciable assets:				
Land	$ 18,538,609	$ 70,070	$ -	$ 18,608,679
Construction in progress	5,553,563	(143,522)	-	5,410,041
Historical treasures	1,041,338	15,150	-	1,056,488
Depreciable assets:				
Buildings	289,233,637	10,830	9,713	289,234,754
Improvements to buildings	115,933,019	9,582,323	-	125,515,342
Improvements other than buildings	49,898,250	1,441,338	-	51,339,588
Moveable equipment and furniture	44,888,787	3,376,621	1,795,246	46,470,162
Vehicles	1,711,018	123,932	-	1,834,950
Right-to-use assets - equipment	2,048,730	159,498	105,391	2,102,837
Right-to-use assets - SBITAs	11,137,729	1,763,560	-	12,901,289
Total cost	539,984,680	16,399,800	1,910,350	554,474,130
Less accumulated depreciation and amortization				
Buildings	197,037,350	4,528,015	955	201,564,410
Improvements to buildings	35,717,062	4,464,823	-	40,181,885
Improvements other than buildings	30,031,661	2,539,254	-	32,570,915
Moveable equipment and furniture	38,872,307	3,013,757	1,780,733	40,105,331
Vehicles	1,347,764	125,999	-	1,473,763
Right-to-use assets - equipment	836,532	370,160	96,212	1,110,480
Right-to-use assets - SBITAs	2,437,757	2,902,321	-	5,340,078
Total accumulated depreciation and amortization	306,280,433	17,944,329	1,877,900	322,346,862
Capital assets, net	$ 233,704,247	$ (1,544,529)	$ 32,450	$ 232,127,268

Capital assets activity for the year ended June 30, 2022 was as follows:

	Restated Beginning Balance	Additions/ Transfers	Reductions	Restated Ending Balance
Nondepreciable assets				
Land	$ 17,810,443	$ 728,166	$ -	$ 18,538,609
Construction in progress	1,515,662	4,037,901	-	5,553,563
Historical treasures	1,021,538	19,800	-	1,041,338
Depreciable assets				
Buildings	289,171,279	62,358	-	289,233,637
Improvements to buildings	112,738,797	3,194,222	-	115,933,019
Improvements other than buildings	48,447,151	1,451,099	-	49,898,250
Moveable equipment and furniture	41,550,738	3,697,586	359,537	44,888,787
Vehicles	1,519,972	278,515	87,469	1,711,018
Right-to-use assets - equipment	2,048,730	-		2,048,730
Right-to-use assets - SBITAs	7,590,174	3,547,555	-	11,137,729
Total cost	523,414,484	17,017,202	447,006	539,984,680
Less accumulated depreciation and amortization				
Buildings	192,249,065	4,788,285	-	197,037,350
Improvements to buildings	31,391,687	4,325,375	-	35,717,062
Improvements other than buildings	27,452,743	2,578,918	-	30,031,661
Moveable equipment and furniture	36,693,226	2,536,310	357,229	38,872,307
Vehicles	1,301,645	133,588	87,469	1,347,764
Right-to-use assets - equipment	427,899	408,633		836,532
Right-to-use assets - SBITAs	-	2,437,757	-	2,437,757
Total accumulated depreciation and amortization	289,516,265	17,208,866	444,698	306,280,433
Capital assets, net	$ 233,898,219	$ (191,664)	$ 2,308	$ 233,704,247

Note 8 – Payroll and Other Liabilities

Payroll and other liabilities at June 30, 2023 and 2022 consist of the following:

	2023	2022
Payroll liabilities		
Accrued compensation	$ 5,178,077	$ 5,238,373
Accrued benefits	176,145	232,983
Accrued health care benefits and insurance payable	1,615,137	1,679,381
Retirement system contribution payable	1,495,890	1,558,140
Totals	$ 8,465,249	$ 8,708,877
Other liabilities		
Deposits held in custody	$ 837,789	$ 445,036
Interest payable	423,637	459,892
Other liabilities	345,373	327,569
Totals	$ 1,606,799	$ 1,232,497

Estimated expenses ultimately to result, if unperformed commitments in process at June 30, 2023 are completed, totaled $9.4 million compared to $12.4 million at June 30, 2022. These amounts do not constitute expense incurred or liabilities.

Note 9 – Bonds

In July 2021, the University issued $28,065,000 in Series 2021 General Receipts bonds. The proceeds from the bond sale were used for an advanced refunding of the Series 2010 General Receipts bonds and Series 2011 General Receipts bonds. As a result, $20,305,000 of the 2010 bonds and $13,185,000 of the 2011 bonds refunded are considered to be defeased and the liability was removed from the University's long-term obligations. For this current refunding, the reacquisition price exceeds the net carrying amount of the old debt by $29,017. This amount was recorded as a deferred outflow of resources and will be amortized over the remaining life of the new debt. As of June 30, 2023 and 2022, the amount recorded as a deferred outflow was $24,434 and $26,771, respectively. As of June 30, 2023 and 2022, the outstanding principal of the 2021 General Receipts bond was $28,065,000. Payments made in fiscal year 2023 were bond interest payments only. In connection with the issuance of the Series 2021 General Receipts bonds, the University also recognized a net bond premium in the amount of $5,872,342 which will be amortized against interest expense over the life of the bond.

Details of the bonds payable for the General Receipts Bonds, Series 2021 as of June 30, 2023 follow:

Bond Component	Rate	Yield	Maturity Through	Original Principal
Serial Bond	4.000%	0.25%	2024	$ 105,000
Serial Bond	4.000%	0.31%	2025	1,945,000
Serial Bond	4.000%	0.44%	2026	2,465,000
Serial Bond	4.000%	0.57%	2027	2,560,000
Serial Bond	4.000%	0.78%	2028	2,660,000
Serial Bond	4.000%	0.90%	2029	2,770,000
Serial Bond	4.000%	0.99%	2030	2,875,000
Serial Bond	4.000%	1.09%	2031	2,990,000
Serial Bond	4.000%	1.17%	2032	3,110,000
Serial Bond	4.000%	1.22%	2033	3,240,000
Serial Bond	3.000%	1.43%	2034	3,345,000
Total				$28,065,000

In January 2017, the University issued $25,525,000 in Series 2016 General Receipts bonds. The proceeds from the bond sale were used for a partial advanced refunding of the Series 2009 General Receipts bonds and to construct a bookstore. As a result, $19,930,000 of the 2009 bonds advanced refunded were considered to be defeased and the liability was removed from the University's long-term obligations. In addition, a deferred outflow of resources was recorded and will be amortized over the remaining life of the new debt. As of June 30, 2023 and 2022, the amount recorded as a deferred outflow was $1,304,698 and $1,429,483, respectively.

Details of the bonds payable for the General Receipts Bonds, Series 2016 as of June 30, 2023 follow:

Bond Component	Rate	Yield	Maturity Through	Original Principal
Serial Bond	5.000%	2.76%	2024	1,380,000
Serial Bond	5.000%	2.93%	2025	1,455,000
Serial Bond	5.000%	3.09%	2026	1,525,000
Serial Bond	5.000%	3.23%	2027	1,600,000
Serial Bond	3.000%	3.32%	2028	1,665,000
Serial Bond	3.250%	3.49%	2029	1,710,000
Serial Bond	5.000%	3.44%	2030	1,780,000
Serial Bond	5.000%	3.50%	2031	1,870,000
Serial Bond	3.500%	3.74%	2032	1,945,000
Serial Bond	3.625%	3.86%	2033	2,010,000
Serial Bond	3.625%	3.92%	2034	2,085,000
Term Bond	4.000%	4.12%	2035	310,000
Term Bond	4.000%	4.12%	2036	320,000
Term Bond	4.000%	4.12%	2037	335,000
Term Bond	4.000%	4.12%	2038	350,000
Total				$ 20,340,000

In June 2011, the Board of Trustees of Youngstown State University authorized through a Board resolution the issuance of General Receipts Bonds, Series 2011 in the amount of $18,660,000. The $19,006,093 in bond proceeds were received in July 2011. The Series 2011 Bonds were utilized to pay costs associated with acquiring the University Courtyard Apartments, any necessary related improvements thereto and to pay costs of issuing the Series 2011 Bonds. In July 2021, the remaining principal balance of $13,185,000 was refunded with the issuance of the Series 2021 General Receipts bonds and the liability was removed from the University's long-term obligation.

As part of the American Recovery and Reinvestment Act of 2009, states and local governments are permitted to issue two types of taxable obligations, referred to as Build America Bonds (BABs). The BABs include federal subsidies to offset a portion of interest costs as an alternative to issuing traditional tax-exempt obligations.

In March 2010, the University issued $25,335,000 of General Receipts Bonds (Taxable Build America Bonds), Series 2010 to provide funding to pay costs associated with facilities planning for the University's College of Science, Technology, Engineering and Mathematics (STEM), convert the old college of business building for use as a laboratory, office and classroom space, renovate Kilcawley Center, reconfigure and replace campus parking facilities, construct the WATTS Center, relocate certain existing outdoor athletic facilities and pay the costs of issuance of the Series 2010 Bonds. In September 2011, approximately $9.9 million was re-allocated from the Kilcawley Center project to Academic building renovation projects. In July 2021, the remaining principal balance of $20,305,000 was refunded with the issuance of the Series 2021 General Receipts bonds and the liability was removed from the University's long-term obligation.

The University designated the Series 2010 Bonds both as Build America Bonds and as Qualified Bonds and intends to apply for Credit Payments pursuant only to the extent that the Series 2010 Bonds remain Qualified Bonds, which requires the University to comply with certain covenants and to establish certain facts and expectations with respect to the Series 2010 Bonds, the use and investment of proceeds thereof and the use of property financed thereby.

In March 2009, the University issued $31,255,000 of General Receipts Bonds, Series 2009 to acquire, construct and equip the new Williamson College of Business Administration building, renovate and replace portions of the existing Wick Pollock Inn, refund the remaining General Receipts Bonds, Series 1997 and Series 1998, refund the General Receipts Bond Anticipation Notes, Series 2008 (BAN), and pay a portion of the costs of issuance of the bonds. In January 2017, $19,930,000 of the bonds were advanced refunded with the issuance of the Series 2016 General Receipts bonds. The balance of the amount defeased and put in escrow was $15,970,000 at June 30, 2023 and $17,030,000 at June 30, 2022.

The indebtedness created through all issues of the General Receipts Bonds is bound by the Amended and Restated Trust Indenture dated as of March 1, 2009, the First Supplemental Trust Indenture dated February 2010, the Second Supplemental Trust Indenture dated July 1, 2011, the Third Supplemental Trust Indenture dated December 1, 2010, and the Series 2021 Bonds are also bound by the Fourth Supplemental Trust Indenture dated June 1, 2021. The debt is secured by a pledge of all University general receipts, excluding state appropriations and receipts previously pledged or otherwise restricted. The University has complied with all covenant requirements.

Maturities of all bonds payable and debt service for fiscal years subsequent to June 30, 2023 follow (also see Note 12):

	General Receipts Bonds		
Fiscal Year	Principal	Interest	Total
2024	$ 1,485,000	$ 1,907,694	$ 3,392,694
2025	3,400,000	1,795,819	5,195,819
2026	3,990,000	1,633,119	5,623,119
2027	4,160,000	1,454,494	5,614,494
2028-2032	23,375,000	4,604,693	27,979,693
2032-2037	11,645,000	571,227	12,216,227
2038	350,000	7,000	357,000
Totals	$48,405,000	$11,974,046	$60,379,046

Federal subsidies received by the University were $0 in fiscal year 2023 and $16,613 in fiscal year 2022. These are reported as non-operating federal grant revenue. Interest expense on indebtedness was $1,212,601 in fiscal year 2023 and $1,321,249 in fiscal year 2022.

The University's Trust Agreement governing all outstanding general receipts bonds contains a provision that in an event of default, the Trustee shall, within five business days after having knowledge of that event of default, give written notice to the University. The trustee shall also give the original purchasers of each series of Bonds then outstanding, and to the bondholders and any other paying agents notice of each event of default within 90 days after having knowledge of the occurrence thereof. The Trust Agreement also contains a provision, that in the case an event of default has occurred, the Trustee may, upon written request of the holders of at least 25% in aggregate principal amount of the bonds then outstanding, declare the principal of all bonds outstanding and the interest accrued to be due and payable immediately.

The following constitutes an event of default under the Trust Agreement:

a. Failure to pay any interest on any Bond, when it becomes due and payable;
b. Failure to pay the principal of or any redemption premium on any Bond, when it becomes due and payable, whether at maturity or by acceleration or call for redemption;
c. Failure to perform or observe any other covenant, condition or agreement contained in the Bonds or the Trust Agreement and to be performed by the University, which failure shall have continued for a period of 30 days after written notice of it to the University given by the Trustee or the holders of at least 25% in aggregate principal amount of the bonds then outstanding.

Note 10 – Notes Payable

During fiscal year 2016, the University entered into a 14-year performance contract with Johnson Controls for campus energy savings measures. The contract amount of $16 million includes an assured performance providing for an annual measured cost savings of not less than $2 million per year and was financed as a direct borrowing through PNC Equipment Finance over 14 years at an interest rate of 3.366% and requires annual installment payments. In September 2020, PNC Equipment Finance sold, assigned, and transferred the note payable to Huntington Public Capital Corporation. Security of the debt is limited to the revenues appropriated for such purpose.

Details of the revised installment schedule follows:

Fiscal Year	Principal	Interest	Total
2024	$ 1,203,118	$ 371,093	$ 1,574,211
2025	1,324,774	330,618	1,655,392
2026	1,438,677	286,051	1,724,728
2027	1,549,702	237,652	1,787,354
2028	1,712,894	185,518	1,898,412
2029	1,869,393	127,894	1,997,287
2030	1,932,281	65,005	1,997,286
Totals	$ 11,030,839	$ 1,603,831	$ 12,634,670

Interest expense on indebtedness was $373,877 in fiscal year 2023 and $409,834 in fiscal year 2022.

The following constitutes an event of default under the master agreement:

a. Failure to make payment as it becomes due, and any such failure continues for ten (10) days after the due date;
b. Failure to perform or observe any obligations under Section 12.1, 14 or 18.1 hereof;

c. Failure to perform or observe any other covenant, condition or agreement to be performed or observed by it under the agreement and such failure is not cured within thirty (30) days after receipt by the borrower of written notice thereof by the lender.

Note 11 – Leased Liabilities

The University leases certain assets from various third parties. The assets leased includes print shop and printer/copier equipment. Payments are generally fixed monthly. Future principal and interest payment requirements related to the University's lease liability at June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 264,734	$ 9,886	$ 274,620
2025	266,783	7,837	274,620
2026	268,870	5,750	274,620
2027	270,996	3,624	274,620
2028	273,162	1,458	274,620
2029-2033	59,955	45	60,000
Total	$ 1,404,500	$ 28,600	$ 1,433,100

The University obtains the right to use vendors' information technology software through various long-term contracts. Payments are generally fixed monthly. Future principal and interest payment requirements related to the University's subscription liability at June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 2,755,447	$ 197,506	$ 2,952,953
2025	1,769,542	116,103	1,885,645
2026	1,507,850	56,887	1,564,737
2027	1,382,226	4,372	1,386,598
Total	$ 7,415,065	$ 374,868	$ 7,789,933

See Note 7 Capital Assets for the total amount of right-to-use assets and the related accumulated amortization.

Note 12 – Long-Term Liabilities (excluding net pension/OPEB assets/liabilities)

Long-term liability activity (also see Notes 9, 10, and 11) for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds payable					
General receipts bonds principal	$49,725,000	$ -	$ 1,320,000	$48,405,000	$ 1,485,000
Unamortized premium/discount	5,602,063	-	889,065	4,712,998	866,056
Bonds payable, net	55,327,063	-	2,209,065	53,117,998	2,351,056
Note payable	12,109,512	-	1,078,673	11,030,839	1,203,118
Leased liabilities - equipment	1,500,240	159,498	255,238	1,404,500	264,734
Leased liabilities - SBITAs	8,501,561	1,763,560	2,850,056	7,415,065	2,755,447
Compensated absences	6,314,388	110,000	179,816	6,244,572	858,095
Refundable advance	172,310	-	172,310	-	-
Total long-term liabilities	$83,925,074	$ 2,033,058	$ 6,745,158	$79,212,974	$ 7,432,450

Long-term liability activity (also see Notes 9, 10, and 11) for the year ended June 30, 2022 was as follows:

	Restated Beginning Balance	Additions	Reductions	Restated Ending Balance	Restated Current Portion
Bonds payable					
General receipts bonds principal	$56,405,000	$28,065,000	$34,745,000	$49,725,000	$ 1,320,000
Unamortized premium/discount	580,643	5,872,342	850,922	5,602,063	889,065
Bonds payable, net	56,985,643	33,937,342	35,595,922	55,327,063	2,209,065
Note payable	13,059,956	-	950,444	12,109,512	1,078,673
Leased liabilities - equipment	1,767,369	-	267,129	1,500,240	247,691
Leased liabilities - SBITAs	7,590,174	3,547,555	2,636,168	8,501,561	2,683,306
Compensated absences	6,595,243	-	280,855	6,314,388	950,134
Refundable advance	670,781	-	498,471	172,310	-
Total long-term liabilities	$86,669,166	$37,484,897	$40,228,989	$83,925,074	$ 7,168,869

Note 13 – Employee Benefit Plans

Plan Descriptions

The University participates in the State Teachers Retirement System of Ohio (STRS Ohio) and the Ohio Public Employees Retirement System (OPERS), statewide, cost-sharing, multiple-employer defined benefit public employee retirement systems governed by the Ohio Revised Code (ORC) that covers substantially all employees of the University. Each system has multiple retirement plan options available to its members, with three options in STRS Ohio and OPERS. Each system provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The systems also each provide post-employment health care benefits (including Medicare B premiums) to retirees and beneficiaries who elect to receive those benefits.

YOUNGSTOWN STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS (CONT.)
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

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. The reports may be obtained by contacting:

State Teachers Retirement System of Ohio
275 E. Broad Street
Columbus, Ohio 43215
(888) 227-7877
www.strsoh.org

Ohio Public Employees Retirement System
277 East Town Street
Columbus, Ohio 43215
(800) 222-7377
www.opers.org

Contributions

State retirement law requires contributions by covered employees and their employers, and Chapter 3307 of the Ohio Revised Code (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 University's contribution is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability.

Member contributions are set at the maximums authorized by the ORC. The plans' 2023 and 2022 employer and member contribution rates on covered payroll to each system are:

	Employer Contribution Rate					Member Contribution Rate
	Pension	Post-Retirement Healthcare	Death Benefits	Medicare B	Total	Total
STRS Ohio	14.0%	0.0%	0.0%	0.0%	14.0%	14.0%
OPERS-State/Local	14.0%	0.0%	0.0%	0.0%	14.0%	10.0%
OPERS-Law Enforcement	18.1%	0.0%	0.0%	0.0%	18.1%	13.0%

The required and actual contributions to the plans are:

	For the years ended 6/30			
	2023		2022	
	Pension	OPEB	Pension	OPEB
STRS	$ 4,595,362	$ -	$ 4,766,737	$ -
OPERS	5,557,191	-	5,391,644	-
	$ 10,152,553	$ -	$ 10,158,381	$ -

Benefits Provided

STRS Ohio

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

Effective August 1, 2017-July 1, 2019, any member may retire who has (1) five years of service credit and attained age 60; (2) 27 years of service credit and attained age 55; or (3) 30 years of service credit regardless of age. Effective August 1, 2019–July 1, 2021, any member may retire with reduced benefits who has (1) five years of service credit and age 60; (2) 28 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Beginning August 1, 2015, eligibility requirements for an unreduced benefit changed. 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 percent to 2.6 percent with 0.1 percent incremental increases for years greater than 30-31, 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.

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.

OPERS

Plan benefits are established under Chapter 145 of the ORC, as amended by Substitute Senate Bill 343 in 2012. The requirements to retire depends on years of service (5 to 30 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' 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 percent to 2.5 percent.

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 percent, or an amount based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Net Pension Liability, Deferrals, and Pension Expense

At June 30, 2023 and 2022, the University reported a liability for its proportionate share of the net pension liability of STRS Ohio/OPERS. For June 30, 2023, the net pension liability was measured as of June 30, 2022 for STRS Ohio and December 31, 2022 for the OPERS plan. For June 30, 2022, the net pension liability was measured as of June 30, 2021 for STRS Ohio and December 31, 2021 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.

Plan	Measurement Date	Net Pension Liability 2023	Net Pension Liability 2022	Proportionate Share 2023	Proportionate Share 2022	Percent Change 2022-23	Percent Change 2021-22
STRS Ohio	June 30	$ 58,169,556	$ 36,011,446	0.261670%	0.281650%	-0.019980%	-0.032985%
OPERS	December 31	69,471,970	19,455,611	0.237134%	0.234737%	0.002397%	0.011467%
		$ 127,641,526	$ 55,467,057				

For the years ended June 30, 2023 and 2022, the University recognized pension expense of $12,949,350 and ($7,244,941), respectively. At June 30, 2023 and 2022, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,133,529	$ 308,701	$ 2,188,288	$ 800,498
Changes of assumptions	7,741,991	5,239,744	12,619,750	-
Net difference between projected and actual earnings on pension plan investments	22,223,881	-	-	55,754,267
Changes in proportion and differences between University contributions and proportionate share of contributions	710,071	8,494,682	688,335	8,640,538
University contributions subsequent to the measurement date	7,451,333	-	7,538,936	-
Totals	$ 41,260,805	$ 14,043,127	$ 23,035,309	$ 65,195,303

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

Year Ended June 30	Amount
2024	$ 454,037
2025	1,537,178
2026	1,923,175
2027	15,793,511
2028	13,176
Thereafter	45,268
Totals	$ 19,766,345

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

Net OPEB Liability/(Asset), Deferrals, and OPEB Expense

At June 30, 2023, the University reported a liability/(asset) for its proportionate share of the net OPEB liability/(asset) of STRS Ohio/OPERS. For June 30, 2023, the net OPEB liability/(asset) was measured as of June 30, 2022 for STRS Ohio and December 31, 2022 for the OPERS plan. For June 30, 2022, the net OPEB liability/(asset) was measured as of June 30, 2021 for STRS Ohio and December 31, 2021 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, 2021 and 2020, 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, except as noted below.

For plan years ending June 30, 2022 and 2021, STRS Ohio did not allocate employer contributions to the OPEB plan. Therefore, STRS Ohio's calculation of the employers' proportionate share is based on total contributions to the plan for both pension and OPEB.

For plan years ending December 31, 2022 and 2021, OPERS did not allocate employer contributions to the OPEB plan. Therefore, OPERS's calculation of the employers' proportionate share is based on total contributions to the plan for both pension and OPEB.

Plan	Measurement Date	Net OPEB Liability (Asset) 2023	Net OPEB Liability (Asset) 2022	Proportionate Share 2023	Proportionate Share 2022	Percent Change 2022-23	Percent Change 2021-22
STRS Ohio	June 30	$ (6,776,000)	$ (5,938,000)	0.261670%	0.281650%	-0.019980%	-0.033002%
OPERS	December 31	1,465,478	(7,289,241)	0.232424%	0.232723%	-0.000299%	0.010648%
		$ (5,310,522)	$ (13,227,241)				

For the years ended June 30, 2023 and 2022, the University recognized a credit to OPEB (revenue)/expense of $4,432,021 and $8,037,903, respectively. At June 30, 2023 and 2022, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 98,000	$ 1,383,547	$ 211,000	$ 2,193,666
Changes of assumptions	1,720,365	4,921,778	379,000	6,493,602
Net difference between projected and actual earnings on OPEB investments	3,028,491	-	-	5,120,996
Changes in proportion and differences between University contributions and proportionate share of contributions	85,477	77,044	190,035	770,547
University contributions subsequent to the measurement date	-	-	-	-
Totals	$ 4,932,333	$ 6,382,369	$ 780,035	$ 14,578,811

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

Year Ended June 30	Amount
2024	$ (1,102,235)
2025	(433,193)
2026	179,507
2027	1,099,632
2028	(396,499)
Thereafter	(797,248)
Totals	$ (1,450,036)

In addition, if applicable, the contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the next year.

Actuarial Assumptions

The total pension liability and OPEB liability/(asset) is based on the results of an actuarial valuation and were determined using the following actuarial assumptions for the University's current year.

	STRS Ohio	OPERS
Valuation date - Pension	June 30, 2022	December 31, 2022
Valuation date - OPEB	June 30, 2022	December 31, 2021
Actuarial cost method	Entry age normal	Individual entry age
Cost of living	None	2.05% - 3.00%
Salary increases, including inflation	2.50% - 8.50%	2.75% - 10.75%
Inflation	2.50%	2.75%
Investment rate of return - Pension	7.00%, net of investment expense including inflation	6.90%, net of investment expense, including inflation
Investment rate of return - OPEB	7.00%, net of investment expense including inflation	6.00%, net of investment expense, including inflation
Health care cost trend rates	-68.78% to 9.0% initial, 4% ultimate	5.50% initial, 3.50% ultimate in 2036
Experience study date	Period of 5 years ended June 30, 2023	Period of 5 years ended December 31, 2020
Mortality basis	Post-Retirement: Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020 Pre-Retirement: Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020 Post-Retirement Disabled: Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020	Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The following are actuarial assumptions for the University's prior year:

	STRS Ohio	OPERS
Valuation date - Pension	June 30, 2021	December 31, 2021
Valuation date - OPEB	June 30, 2021	December 31, 2020
Actuarial cost method	Entry age normal	Individual entry age
Cost of living	None	2.05% - 3.00%
Salary increases, including inflation	2.50% - 12.50%	2.75% - 10.75%
Inflation	2.50%	2.75%
Investment rate of return - Pension	7.00%, net of investment expense including inflation	6.90%, net of investment expense, including inflation
Investment rate of return - OPEB	7.00%, net of investment expense including inflation	6.00%, net of investment expense, including inflation
Health care cost trend rates	-16.2% to 30.0% initial, 4% ultimate	5.50% initial, 3.50% ultimate in 2034
Experience study date	Period of 5 years ended June 30, 2016	Period of 5 years ended December 31, 2020
Mortality basis	RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016	Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables

Pension Discount Rate

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 pension liabilities for STRS Ohio were 7.00 percent and 7.00 percent for the plan years ended June 30, 2022 and 2021. The discount rates used to measure the total pension liability for OPERS were 6.90 percent for both the plan years ended December 31, 2022 and 2021, respectively.

OPEB Discount Rate

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).

STRS Ohio OPEB Discount Rate - The discount rates used to measure the total OPEB liabilities/(assets) was 7.00 percent for the plan years ended June 30, 2022 and 2021, respectively. At June 30, 2022 and 2021, the 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability/(asset).

OPERS OPEB Discount Rate - The discount rate used to measure the total OPEB liabilities/(assets) was 5.22 percent and 6.00 percent for the plan years ended December 31, 2022 and 2021, respectively. At December 31, 2022, the plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments for current active and inactive employees. Therefore, a blended rate was used, which consisted of the long-term expected rate of return on OPEB plan investments (6.00 percent) for the funded benefit payments and Fidelity Index's 20-Year Municipal GO AA Index of 4.05 percent as of December 31, 2022. At December 31, 2021, the 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

YOUNGSTOWN STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS (CONT.)
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

The long-term expected rate of return on pension plan and OPEB plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 Ohio) real rates of return for each major asset class are summarized in the following table as of the dates listed below:

STRS Ohio as of 6/30/22			OPERS as of 12/31/22				
				Pension Portfolio		Health Care Portfolio	
Investment Category	Target Allocation	Long-Term Expected Real Rate of Return	Investment Category	Target Allocation	Long-Term expected Real Rate of Return	Target Allocation	Long-Term expected Real Rate of Return
Domestic Equity	26.0%	6.60%	Fixed Income	22.0%	2.62%	34.0%	2.56%
International Equity	22.0%	6.80%	Domestic Equities	22.0%	4.60%	26.0%	4.60%
Alternatives	19.0%	7.38%	Real Estate	13.0%	5.27%	0.0%	0.00%
Fixed Income	22.0%	1.75%	Private Equity	15.0%	7.53%	25.0%	5.51%
Real Estate	10.0%	5.75%	International Equity	21.0%	5.51%	2.0%	4.37%
Liquidity Reserves	1.0%	1.00%	Risk Parity	2.0%	4.37%	6.0%	1.84%
			REITs	0.0%	0.00%	7.0%	4.70%
			Other Invesments	5.0%	3.27%	0.0%	0.00%
Totals	100.0%			100.0%		100.0%	

STRS Ohio as of 6/30/21			OPERS as of 12/31/21				
				Pension Portfolio		Health Care Portfolio	
Investment Category	Target Allocation	Long-Term Expected Real Rate of Return	Investment Category	Target Allocation	Long-Term expected Real Rate of Return	Target Allocation	Long-Term expected Real Rate of Return
Domestic Equity	28.0%	7.35%	Fixed Income	24.0%	1.32%	34.0%	1.07%
International Equity	23.0%	7.55%	Domestic Equities	21.0%	5.64%	25.0%	5.64%
Alternatives	17.0%	7.09%	Real Estate	11.0%	5.39%	0.0%	0.00%
Fixed Income	21.0%	3.00%	Private Equity	12.0%	10.42%	0.0%	0.00%
Real Estate	10.0%	6.00%	International Equity	23.0%	7.36%	25.0%	7.36%
Liquidity Reserves	1.0%	2.25%	Risk Parity	5.0%	2.92%	2.0%	2.92%
			REITs	0.0%	0.00%	7.0%	3.71%
Totals	100.0%		Other Invesments	4.0%	2.85%	7.0%	1.93%
				100.0%		100.0%	

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 1.00 percentage point lower or 1.00 percentage point higher than the current rate.

			2023 ($ in thousands)			
Plan	1% Decrease		Current Discount Rate		1% Increase	
STRS Ohio	6.00%	$ 87,873	7.00%	$ 58,170	8.00%	$ 33,050
OPERS	5.90%	104,663	6.90%	69,472	7.90%	40,211
		$ 192,536		$ 127,642		$ 73,261

			2022 ($ in thousands)			
Plan	1% Decrease		Current Discount Rate		1% Increase	
STRS Ohio	6.00%	$ 67,436	7.00%	$ 36,011	8.00%	$ 9,458
OPERS	5.90%	53,417	6.90%	19,456	7.90%	(8,790)
		$ 120,853		$ 55,467		$ 668

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 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

			2023 ($ in thousands)			
Plan	1% Decrease		Current Discount Rate		1% Increase	
STRS Ohio	6.00%	$ (6,264)	7.00%	$ (6,776)	8.00%	$ (7,214)
OPERS	4.22%	4,988	5.22%	1,465	6.22%	(1,441)
		$ (1,276)		$ (5,311)		$ (8,655)

			2022 ($ in thousands)			
Plan	1% Decrease		Current Discount Rate		1% Increase	
STRS Ohio	6.00%	$ (5,011)	7.00%	$ (5,938)	8.00%	$ (6,713)
OPERS	5.00%	(4,287)	6.00%	(7,289)	7.00%	(9,781)
		$ (9,298)		$ (13,227)		$ (16,494)

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 healthcare 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 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

		2023 ($ in thousands)	
Plan	1% Decrease	Current Trend Rate	1% Increase
STRS Ohio	$ (7,028)	$ (6,776)	$ (6,457)
OPERS	1,374	1,465	1,569
	$ (5,654)	$ (5,311)	$ (4,888)

		2022 ($ in thousands)	
Plan	1% Decrease	Current Trend Rate	1% Increase
STRS Ohio	$ (6,682)	$ (5,938)	$ (5,019)
OPERS	(7,368)	(7,289)	(7,196)
	$ (14,050)	$ (13,227)	$ (12,215)

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/OPERS financial report.

Benefit changes

There were no significant benefit terms changes for the pension or OPEB plan(s) since the prior two measurement dates for OPERS. Effective for 2023, STRS implemented a one-time 3% cost of living adjustment effective on the anniversary of a benefits recipient's retirement date for those eligible during fiscal year 2023 and eliminated the age 60 requirement (effective August 1, 2026).

Changes since the measurement date

There were no significant changes since the measurement date.

Assumption changes

During the measurement periods ended June 30, 2022 and December 31, 2022, respectively, certain assumption changes were made by the plans. STRS mortality tables, projected salary increases, and trend rates were updated based on a new experience study, which impacted the annual actuarial valuation for Pension and OPEB prepared as of June 30, 2022. The OPERS OPEB discount rate decreased from 6.00 percent to 5.22 percent, which impacted the annual actuarial valuation for OPEB prepared as of December 31, 2022.

Payable to the Pension Plans and OPEB Plans

The University reported a payable of $1,495,060 and $1,466,182 for the outstanding amount of contributions to the STRS Ohio and OPERS pension plans required for the years ended June 30, 2023 and June 30, 2022, respectively.

Defined Contribution Pension Plan

The Alternative Retirement Plan (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, 1997, for public institutions of higher education. The University's Board of Trustees adopted the University's plan on December 11, 1998. Full-time employees are eligible to choose a provider, in lieu of STRS Ohio or OPERS, from the list of nine 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 nine 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 Department of Higher Education. For STRS Ohio, that amount is 2.91 percent and 4.47 percent for the years ended June 30, 2023 and 2022. For OPERS, that amount is 2.24 percent and 2.44 percent for the years ended June 30, 2023 and 2022. If the employee was hired on or after August 2005, the employer contributes 6.00 percent. 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. For the year ended June 30, 2023 and 2022, employee contributions totaled $1,298,085 and $1,299,939, and the University recognized pension expense of $1,208,594 and $1,098,292, respectively.

Note 14 – Contingencies and Risk Management

During fiscal year 2018, the University formed a 19-member Risk Council that established a Risk Management Program that provides a forum and process to strategically identify risks that are of utmost importance and develops coordinated and holistic mitigation plans that appropriately addresses those risks. The implementation of Enterprise Risk Management provides the framework to proactively and continuously manage risks in a manner consistent with the University's mission, goals, and culture.

The University is a defendant in various lawsuits. It is the opinion of University management that disposition of pending litigation will not have a material adverse effect on the financial statements of the University. The University receives grants and contracts from certain federal, state, and local agencies to fund research and other activities. The costs, both direct and indirect, that have been

charged to the grants or contracts are subject to examination and approval by the granting agency. It is the opinion of the University's administration that any disallowance or adjustment of such costs would not have a material effect on the financial statements.

The University is self-insured for all medical and drug employee health care benefits and fully insured for dental and vision employee health care benefits. The self-insured plan includes stop loss provisions.

Liabilities for estimates of outstanding claims and claims incurred but not reported under self-insurance programs have been recorded. Changes in the self-insured health care liabilities included in accrued health care benefits payable (also see Note 8) at June 30 were as follows:

	2023	2022	2021
Liability at beginning of fiscal year	$ 1,653,862	$ 1,786,667	$ 2,323,017
Current year claims including changes in estimates	16,274,348	19,493,650	15,913,843
Claim payments	(16,323,070)	(19,626,455)	(16,450,193)
Liability at end of fiscal year	$ 1,605,140	$ 1,653,862	$ 1,786,667

Health insurance claims are based upon estimates of the claims liabilities. Estimates are based upon past experience, medical inflation trends, and current claims outstanding, including year end lag analysis. Differences between the estimated claims payable and actual claims paid are reported in the Statements of Revenues, Expenses, and Changes in Net Position.

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The University has joined with other state-assisted universities in Ohio to form an insurance pool for the acquisition of commercial property and casualty insurance. The University pays annual premiums to the pool for its property and casualty insurance coverage based on its percentage of the total insurance value to the pool. Future contributions will be adjusted based upon each university's loss history. The University had no significant reductions in coverage from the prior year. Insurance settlements have not exceeded insurance coverage for each of the past three fiscal years.

The University participates in a State pool of agencies and universities that pays workers' compensation premiums into the State Insurance Fund on a pay-as-you-go basis (the Plan), which pays workers' compensation benefits to beneficiaries who have been injured on the job. Losses from asserted and unasserted claims for the participating state agencies and universities in the Plan are accrued by the Ohio Bureau of Workers' Compensation (the Bureau) based on estimates that incorporate the past experience, as well as other considerations including the nature of each claim or incident and relevant trend factors. Participants in the Plan annually fund the workers' compensation liability based on rates set by the Bureau to collect the cash needed in subsequent fiscal years to pay the workers' compensation claims of participating State agencies and universities.

Note 15 – Component Unit

Youngstown State University Foundation is a legally separate nonprofit organization exempt from federal income tax and classified as a public charity. YSUF is devoted to the support, expansion, and development of educational programs at the University that are useful to the student and beneficial to the University community. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the University, the Foundation is considered a component unit of the University.

YSUF is a nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. With the exception of necessary presentation adjustments, no modifications have been made to YSUF's financial information in the University's financial report for these differences.

The following tables present information about the Foundation's assets measured at fair value on a recurring basis at June 30, 2023 and 2022 and the valuation techniques used by the Foundation to determine those fair values:

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2023			
	Quoted Prices in Active markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2023
Investments				
Cash and cash equivalents	$ 315,034	$ -	$ -	$ 315,034
Common stock - U.S. stocks	81,537,072	-	-	81,537,072
Common stock - Non-U.S. stocks	5,344,850	-	-	5,344,850
Mutual funds:				
Exchange traded	44,247,340	-	-	44,247,340
Money market	7,067,792	-	-	7,067,792
Fixed income	12,821,624	33,565,773	-	46,387,397
Equity	41,149,708	-	-	41,149,708
Total mutual funds	105,286,464	33,565,773	-	138,852,237
Alternative investments				
Private equity	-	-	37,202,821	37,202,821
Commodities hedge funds	-	-	1,215,761	1,215,761
Total alternative investments	-	-	38,418,582	38,418,582
Total	$ 192,483,420	$ 33,565,773	$ 38,418,582	264,467,775
Investments measured at NAV -				
Hedge funds				46,276,128
Total assets				$ 310,743,903

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2022			
	Quoted Prices in Active markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2022
Investments				
Cash and cash equivalents	$ 287,834	$ -	$ -	$ 287,834
Common stock - U.S. stocks	75,919,866	-	-	75,919,866
Common stock - Non-U.S. stocks	5,139,377			5,139,377
Mutual funds:				
Exchange traded	43,528,576	-	-	43,528,576
Money market	6,351,441	-	-	6,351,441
Fixed income	18,947,728	20,715,844	-	39,663,572
Equity	39,695,282	-	-	39,695,282
Total mutual funds	108,523,027	20,715,844	-	129,238,871
Alternative investments				
Private equity	-	-	43,928,383	43,928,383
Commodities hedge funds	-	-	1,382,325	1,382,325
Total alternative investments	-	-	45,310,708	45,310,708
Total	$ 189,870,104	$ 20,715,844	$ 45,310,708	255,896,656
Investments measured at NAV -				
Hedge funds				50,219,822
Total assets				$ 306,116,478

Net assets without donor restrictions at June 30, 2023 and 2022 consist of the following:

	2023	2022
Current operations	$ 157,508,772	$ 152,779,669
Amounts committed to the University to be disbursed	6,381,275	6,813,550
Total net assets without donor restrictions	$ 163,890,047	$ 159,593,219

Net assets with donor restrictions as of June 30 are available for the following purposes:

	2023	2022
Subject to the Foundation's spending policy and appropriation - Investments in perpetuity (including original gift amount of $124,244,491 and $119,544,129, as of June 30, 2023 and 2022, respectively), which, once appropriated, is expendable to support various activities	$ 142,926,332	$ 135,788,976
Subject to appropriation and expenditures when a specified event occurs:		
Funds available to assist the University's Department of Philosophy and Religous Studies in the scholarly study of religion, history, and culture	1,504,576	1,274,925
Funds available to assist the University in land acquisitions	511,015	514,212
Land received in kind	64,656	43,289
Other	(381,140)	(156,654)
Subtotal	1,699,107	1,675,772
Subject to the passage of time - Pledges receivable for the benefit of the University for scholarships and other programs or endowments	13,581,040	9,537,393
Net assets with donor restrictions	$ 158,206,479	$ 147,002,141

Financial support from YSUF was $10,907,374 for the fiscal year ended June 30 2023 and $9,328,575 for the fiscal year ended June 30, 2022. Financial support from YSUF has been committed for fiscal year 2024 in the amount of $10,902,150.

Complete financial statements for the Youngstown State University Foundation can be requested from The Youngstown State University Foundation.

Schedules of the University's Proportionate Share of the Net Pension Liability
Plan Years Ended 2014 to 2022

Plan Year	University's proportion of the net pension liability (asset)	University's proportionate share of the net pension liability (asset)	University's covered payroll	University's proportionate share of the collective net pension liability as a percentage of the employer's covered payroll	Plan fiduciary net position as a percentage of the total pension liability
State Teachers Retirement System (STRS Ohio)					
2022	0.261670%	$ 58,169,556	$ 38,239,538	152.12%	78.90%
2021	0.281650%	$ 36,011,446	$ 38,933,561	92.49%	87.80%
2020	0.314635%	$ 76,130,559	$ 42,404,403	179.53%	75.50%
2019	0.328794%	$ 72,710,830	$ 43,128,083	168.59%	77.40%
2018	0.325960%	$ 71,671,389	$ 41,735,926	171.73%	77.31%
2017	0.330156%	$ 78,429,268	$ 41,199,747	190.36%	75.30%
2016	0.348370%	$116,609,806	$ 41,521,217	280.84%	66.80%
2015	0.361214%	$ 99,828,954	$ 42,774,459	233.38%	72.10%
2014	0.384452%	$ 93,512,061	$ 44,313,510	211.02%	74.70%
Ohio Public Employees Retirement System (OPERS)					
2022	0.237134%	$ 69,471,970	$ 42,517,459	163.40%	76.07%
2021	0.234737%	$ 19,455,611	$ 40,205,249	48.39%	93.01%
2020	0.223270%	$ 32,376,291	$ 38,248,636	84.65%	87.21%
2019	0.244668%	$ 47,840,867	$ 40,601,178	117.83%	82.44%
2018	0.258405%	$ 70,477,168	$ 41,119,217	171.40%	78.00%
2017	0.259492%	$ 40,346,952	$ 40,446,282	99.75%	79.00%
2016	0.259332%	$ 58,744,558	$ 39,595,195	148.36%	80.00%
2015	0.269315%	$ 46,516,739	$ 39,715,198	117.13%	80.00%
2014	0.284240%	$ 34,173,082	$ 40,769,505	83.82%	84.00%

The plan year ends on June 30 for STRS Ohio and December 31 for OPERS.

Schedules of the University's Pension Contributions

Fiscal Year	Statutorily required contribution	Contributions in relation to the statutorily required contributions	Annual contribution deficiency	University's covered payroll	Contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percent of the employer's covered payroll
State Teachers Retirement System (STRS Ohio)					
2023	$4,595,362	$4,595,362	$ -	$ 37,681,441	12.20%
2022	$4,766,737	$4,766,737	$ -	$ 38,239,538	12.47%
2021	$4,865,815	$4,865,815	$ -	$ 38,933,561	12.50%
2020	$5,318,458	$5,318,458	$ -	$ 42,404,403	12.54%
2019	$5,404,211	$5,404,211	$ -	$ 43,128,053	12.53%
2018	$5,195,369	$5,195,369	$ -	$ 41,735,926	12.45%
2017	$5,107,383	$5,107,383	$ -	$ 41,199,747	12.40%
2016	$5,153,427	$5,153,427	$ -	$ 41,521,217	12.41%
2015	$5,318,436	$5,315,436	$ -	$ 42,774,459	12.43%
Ohio Public Employees Retirement System (OPERS)					
2023	$5,557,191	$5,557,191	$ -	$ 43,340,039	12.82%
2022	$5,391,644	$5,391,644	$ -	$ 41,781,130	12.90%
2021	$4,816,380	$4,816,380	$ -	$ 37,506,171	12.84%
2020	$5,171,188	$5,171,188	$ -	$ 40,296,691	12.83%
2019	$5,189,816	$5,189,816	$ -	$ 40,481,204	12.82%
2018	$5,104,871	$5,104,871	$ -	$ 41,095,514	12.42%
2017	$5,043,147	$5,043,147	$ -	$ 39,901,665	12.64%
2016	$4,994,138	$4,994,138	$ -	$ 39,458,926	12.66%
2015	$5,095,976	$5,095,976	$ -	$ 40,264,007	12.66%

Changes of benefit terms STRS Ohio – Effective for 2023, STRS implemented a one-time 3% cost of living adjustment effective on the anniversary of a benefits recipient's retirement date for those eligible during fiscal year 2023 and eliminated the age 60 requirement (effective August 1, 2026).

Changes of assumptions
STRS Ohio – During the plan year ended June 30, 2022, there were changes to several assumptions for STRS based on an updated experience study for the five-year period ended June 30, 2021. The projected salary increase range changed from 2.5% -12.5% to 2.5% -8.5%. The mortality tables used changed from RP-2014 to PUB-2010.

During the plan year ended June 30, 2021, the investment rate of return decreased from 7.45% to 7.00%.

During the plan year ended June 30, 2017, there were changes to several assumptions for STRS Ohio. 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, 2022, there were no changes to key assumptions.

During the plan year ended December 31, 2021, there were changes to several assumptions for OPERS. The discount rate was reduced from 7.50% to 6.90%. The wage inflation dropped from 3.25% to 2.75%. The projected salary increase range changed from 3.25%-10.75% to 2.75%-10.75%. The experience study changed from the 5 year period ended December 31, 2015 to the 5 year period ended December 31, 2020. The mortality tables used changed from RP2014 to PUB-2010.

During the plan year ended December 31, 2018, the discount rate was reduced from 7.50% to 7.20%. During the plan year ended December 31, 2016, there were changes to several assumptions for OPERS. 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.

Schedules of the University's Proportionate Share of the Net OPEB Liability (Asset)
Plan Years Ended 2017 to 2022

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 collective net OPEB liability as a percentage of the employer's covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
State Teachers Retirement System (STRS Ohio)					
2022	0.261670%	$ (6,776,000)	$ 38,239,538	17.40%	230.70%
2021	0.281650%	$ (5,938,000)	$ 38,933,561	15.25%	174.70%
2020	0.314652%	$ (5,530,000)	$ 42,404,403	13.04%	182.10%
2019	0.327941%	$ (5,446,000)	$ 43,128,083	12.63%	174.70%
2018	0.325960%	$ (5,237,852)	$ 41,735,926	12.55%	176.00%
2017	0.330156%	$ 12,881,469	$ 41,199,747	31.27%	47.10%
Ohio Public Employees Retirement System (OPERS)					
2022	0.232424%	$ 1,465,478	$ 42,517,459	3.45%	94.79%
2021	0.232723%	$ (7,289,241)	$ 40,205,249	18.13%	128.23%
2020	0.222075%	$ (3,956,443)	$ 38,248,636	10.34%	115.57%
2019	0.242319%	$ 33,470,549	$ 40,601,178	82.44%	47.80%
2018	0.256109%	$ 33,390,568	$ 41,119,217	81.20%	46.33%
2017	0.255940%	$ 27,793,199	$ 40,446,282	68.72%	54.14%

The plan year ends on June 30 for STRS Ohio and December 31 for OPERS.

Schedules of the University's OPEB Contributions

Fiscal Year	Statutorily required contribution	Contributions in relation to the statutorily required contributions	Annual contribution deficiency	University's covered payroll	Contributions recognized by the OPEB plan in relation to the statutorily or contractually required employer contribution as a percent of the employer's covered payroll
State Teachers Retirement System (STRS Ohio)					
2023	$ -	$ -	$ -	$ 37,681,441	0.00%
2022	$ -	$ -	$ -	$ 38,239,538	0.00%
2021	$ -	$ -	$ -	$ 38,933,561	0.00%
2020	$ -	$ -	$ -	$ 42,404,403	0.00%
2019	$ -	$ -	$ -	$ 43,128,053	0.00%
2018	$ -	$ -	$ -	$ 41,735,926	0.00%
Ohio Public Employees Retirement System (OPERS)					
2023	$ -	$ -	$ -	$ 43,340,039	0.00%
2022	$ -	$ -	$ -	$ 41,781,130	0.00%
2021	$ -	$ -	$ -	$ 37,506,171	0.00%
2020	$ -	$ -	$ -	$ 40,296,691	0.00%
2019	$ -	$ -	$ -	$ 40,481,204	0.00%
2018	$ 190,221	$ 190,221	$ -	$ 41,095,514	0.46%

There were no significant changes in benefit terms affecting the OPERS plans.

Changes of assumptions
STRS Ohio – During the plan year ended June 30, 2022, there were changes to several assumptions for STRS based on an updated experience study for the five-year period ended June 30, 2021. The projected salary increase range changed from 2.5%-12.5% to 2.5%-8.5%. The mortality tables used changed from RP-2014 to PUB-2010.

During the plan year ended June 30, 2021, the investment rate of return decreased from 7.45% to 7.00%. The health care cost trend rates also decreased from 4.93% to 9.62% initial and 4.00% ultimate for plan year ended June 30, 2020, to 16.20% percent to 30.00% initial and 4.00% ultimate for plan year ended June 30, 2021.

During the plan year ended June 30, 2018, there were changes to several assumptions for STRS Ohio. The health care cost trend rates decreased from 6.00% to 11.00% initial and 4.50% ultimate for plan year ended June 30, 2017, to (5.23%) to 9.62% initial and 4.00% ultimate for plan year ended June 30, 2018. The discount rate increased from a blended rate between the long-term expected rate of return and a 20-year municipal bond rate of 4.13 % to the investment rate of return of 7.45% based on the cash flow analysis.

OPERS – During the plan year ended December 31, 2022, the health care cost trend rate changed to 5.50% initial, 3.50% ultimate in 2036 from 5.50% initial, 3.50% ultimate in 2034 in 2021. In addition, the discount rate was reduced from 6.00% to 5.22%.

During the year ended December 31, 2021, there were changes to several assumptions for OPERS. The experience study changed from the 5-year period ended December 31, 2015 to the 5-year period ended December 31, 2020. The municipal bond rate decreased from 2.00% to 1.84%. Wage inflation decreased 3.25% to 2.75%. The projected salary increase range changed from 3.25%-10.75% to 2.75%-10.75%. Health care cost trend rate decreased from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.

During the plan year ended December 31, 2020, there were changes to several assumptions for OPERS. The health care cost trend rates decreased from 10.50% initial and 3.50% ultimate to 8.50% initial and 3.50% ultimate. The discount rate was increased from 3.16% to 6.00%.

During the plan year ended December 31, 2019, there were changes to several assumptions for OPERS. The health care cost trend rates decreased from 10.00% initial and 3.25% ultimate to 10.50% initial and 3.50% ultimate. The discount rate was reduced from 3.96% to 3.16%.

Board of Trustees

Executive Officers

Helen K. Lafferty, Ph.D.
Interim President

Brien Smith, Ph.D.
Provost and Vice President for Academic Affairs

Holly A. Jacobs, J.D.
Vice President for Legal Affairs Human Resources

Neal P. McNally, M.P.A.
Vice President for Finance & Business Operations

Jennifer Oddo
Vice President Division of Workforce Education and Innovation

Mike Sherman, Ph.D.
Vice President of Student Affairs, Institutional Effectiveness and Board Professional

plante moran

Plante & Moran, PLLC
Suite 100
250 S. High Street
Columbus, OH 43215
Tel: 614.849.3000
Fax: 614.221.3535
plantemoran.com

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*

Independent Auditor's Report

To Management and the Board of Trustees
Youngstown State University

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Youngstown State University (the "University"), a component unit of the State of Ohio, as of and for the year ended June 30, 2023 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 12, 2023.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the University'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

PRAXITY

To Management and the Board of Trustees
Youngstown State University

Purpose of This Report

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

Plante & Moran, PLLC

October 12, 2023

plante moran

Plante & Moran, PLLC
Suite 100
250 S. High Street
Columbus, OH 43215
Tel: 614.849.3000
Fax: 614.221.3535
plantemoran.com

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditor's Report

To the Board of Trustees
Youngstown State University

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Youngstown State University's (the "University") compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the University's major federal program for the year ended June 30, 2023. The University's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the University's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

To the Board of Trustees
Youngstown State University

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Plante & Moran, PLLC

October 12, 2023

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
Clusters				
Student Financial Assistance Cluster				
U.S. Department of Education - Direct Programs				
Federal Supplemental Educational Opportunity Grants	84.007	Not Applicable	-	390,801
Federal Work Study Program	84.033	Not Applicable	-	522,335
Federal Perkins Loan Program	84.038	Not Applicable	-	99,538
Federal Pell Grant Program	84.063	Not Applicable	-	14,899,919
Federal Direct Student Loans	84.268	Not Applicable	-	47,048,678
Total Student Financial Assistance Cluster			-	62,961,271
Research and Development Cluster				
U.S. Department of Commerce - Pass-through Program				
National Oceanic & Atmospheric Administration - The Ohio State University - Sea Grant Support	11.417	SPC-1000006439 GR126917	-	26,137
Total U.S. Department of Commerce			-	26,137
U.S. Department of Defense - Pass-through Programs				
Army Research Institute - Case Western Reserve University Basic Scientific Research	12.431	RES600317	-	22,256
National Center for Defense Manufacturing and Machining (NCDMM) - Air Force Defense Research Sciences Program	12.800	Not Available	-	223,281
National Center for Defense Manufacturing and Machining (NCDMM) - Air Force Defense Research Sciences Program	12.800	Not Available	-	524,235
Air Force Research Lab - Wright State University Research and Technology Development	12.910	671100-1	1,709	1,075,895
Total U.S. Department of Defense			1,709	1,845,667
National Aeronautics and Space Administration - Direct Programs				
Space Technology	43.012	Not Applicable	-	102,124
National Aeronautics and Space Administration - Pass-through Programs				
Ohio Space Grant Consortium - Science	43.001	Not Available	-	(234)
Space Telescope Science Institute - Science	43.001	HST-GO-16062.002-A	-	478
Space Telescope Science Institute - Science	43.001	HST-GO-16257.002-A	-	4,277
Total National Aeronautics and Space Administration			-	106,645

See notes to schedule of expenditures of federal awards.

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
Clusters (continued):				
Research and Development Cluster (Continued)				
National Science Foundation - Direct Programs				
Engineering	47.041	Not Applicable	-	8,504
Mathematical and Physical Sciences	47.049	Not Applicable	-	165,022
Education and Human Resources	47.076	Not Applicable	8,360	309,954
Total National Science Foundation			8,360	483,480
U.S. Department of Energy - Pass-through Programs:				
Lawrence Berkeley National Laboratory-Energy Efficiency and Renewable Energy Education and Outreach	81.117	7646533	-	8,045
Total U.S. Department of Energy			-	8,045
U.S. Department of Education - Pass-through Programs:				
The University of Cincinnati - State Technical Assistance Projects to Improve Services and Results for Children who are Deaf-Blind and National Technical Assistance and Dissemination Center for Children who are Deaf-Blind	84.326T	011841-00008	-	26,229
Total U.S. Department of Education			-	26,229
U.S. Department of Health and Human Services - Direct Programs:				
Nurse Anesthetist Traineeships	93.124	Not Applicable	-	18,167
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Not Applicable	-	535
U.S. Department of Health and Human Services - Pass-through Programs:				
COVID-19 - Centers for Disease Control and Prevention - Ohio Department of Health - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Contract # 51391	-	130,999
COVID-19 - Centers for Disease Control and Prevention - Ohio State University - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	GR124769/SPC-1000005404	-	123
University of Pittsburgh - Aging Research	93.866	CNVA00058552 (131451-1)	-	11,251
University of Pittsburgh - Aging Research	93.866	AWD00003998 (136085-1)	-	33,829
Total U.S. Department of Health and Human Services			-	194,904
Total Research and Development Cluster			10,069	2,691,107
TRIO Cluster				
U.S. Department of Education - Direct Program				
TRIO Upward Bound	84.047A	Not Applicable	-	99,251
Total TRIO Cluster			-	99,251

See notes to schedule of expenditures of federal awards.

Youngstown State University
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2023

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
Clusters (Continued):				
Economic Development Cluster				
Economic Development Agency - Direct Program:				
Economic Adjustment Assistance	11.307	Not Applicable	-	120,599
Total Economic Development Cluster				120,599
Child Nutrition Cluster				
U.S. Department of Agriculture - Pass-through Program				
State of Ohio Department of Education - Summer Food Service Program for Children	10.559	02428971	-	6,646
Total Child Nutrition Cluster			-	6,646
Total Clusters			10,069	65,878,874
Other federal awards:				
U.S. Department of Defense - Pass-through Programs:				
State of Ohio, Department of Development - Procurement Technical Assistance for Business Firms	12.002	PTAG20220527	-	109,083
State of Ohio, Department of Development - Procurement Technical Assistance for Business Firms	12.002	APXG20230527	-	60,680
Total U.S. Department of Defense			-	169,763
Appalachian Regional Commission - Direct Program:				
Appalachian Area Development	23.002	Not Applicable	-	173,494
National Endowment for the Humanities - Pass through Program:				
Science	43.001	Not Applicable	-	24,500
National Aeronautics and Space Administration - Direct				
Ohio Humanities Council - Promotion of the Humanities Federal/State Partnership	45.129	QU22-089	-	4,027
Small Business Administration - Pass-through Programs				
State of Ohio, Development Services Agency - Small Business Development Centers	59.037	OSBG-20-350	-	38,616
State of Ohio, Development of Development - Small Business Development Centers	59.037	OSBG-22-326A	-	133,239
State of Ohio, Development of Development - Small Business Development Centers	59.037	OSBG-23-326	-	134,339
Total Small Business Administration			-	306,194

See notes to schedule of expenditures of federal awards.

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2023

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
Other programs (Continued)				
Other federal awards (Continued)				
U S Department of Education - Direct Programs				
Gaining Early Awareness and Readiness for Undergraduate Programs	84 334	Not Applicable	-	9,200
U S Department of Education - Education Stabilization Fund				
COVID-19 - Higher Education Emergency Relief Fund - Student Aid	84 425E	Not Applicable	-	(21,500)
COVID-19 - Higher Education Emergency Relief Fund - Institutional Portion	84 425F	Not Applicable	-	257,215
COVID-19 - Higher Education Emergency Relief Fund - Institutional Portion	84 425F	Not Applicable	-	111,715
U.S Department of Education - Education Stabilization Fund - Pass-through Programs				
COVID-19 - Ohio Department of Education - Elementary and Secondary School Emergency Relief Fund (ESSER I and II)	84.425D	1899	-	74,451
COVID-19 - Ohio Department of Education/Ohio Department of Higher Education - American Rescue Plan-Elementary and Secondary School Relief Fund (ARP-ESSER)	84 425U	Not Available	-	114,117
COVID-19 - Ohio Department of Education - Office of Graduate Success - American Rescue Plan-Elementary and Secondary School Relief Fund (ARP-ESSER)	84 425U	Not Available	-	6,952
COVID-19 - Ohio Department of Developmental Disabilities - American Rescue Plan-Elementary and Secondary School Relief Fund (ARP-ESSER)	84 425U	Not Available	-	30,942
Total Education Stabilization Fund			-	573,892

See notes to schedule of expenditures of federal awards.

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2023

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
Other programs (Continued)				
Other federal awards (Continued)				
U S Department of Education - Pass-through Programs				
State of Ohio Department of Education - Twenty-First Century Community Learning Centers	84 287	12107	-	1,547
State of Ohio Department of Education - Twenty-First Century Community Learning Centers	84 287	10936	-	60
State of Ohio Department of Education - Twenty-First Century Community Learning Centers	84 287	10864	-	270
State of Ohio Department of Education - Twenty-First Century Community Learning Centers	84 287	17307	-	12,651
State of Ohio Department of Education - Twenty-First Century Community Learning Centers	84 287	17307	-	128,705
State of Ohio Department of Education - Twenty-First Century Community Learning Centers	84 287	19472	-	142,199
State of Ohio Department of Education - Twenty-First Century Community Learning Centers	84 287	19471	-	127,618
Total State of Ohio Department of Education - Twenty-First Century Community Learning Centers			-	413,070
Total U S Department of Education			-	996,162
U S Department of Health and Human Services - Pass-through Programs				
State of Ohio Department of Jobs and Family Services - Ohio Child Care Resource & Referral Association (OCCRRA) - Child Care and Development Block Grant	93 575	105475	-	494,065
State of Ohio Department of Jobs and Family Services - Stephanie Tubbs Jones Child Welfare Services Program	93 645	G-1819-06-0337	-	1,500
State of Ohio Department of Jobs and Family Services - Stephanie Tubbs Jones Child Welfare Services Program	93 645	G-2223-06-0063	-	5,473
State of Ohio Department of Jobs and Family Services - Foster Care - Title-IV-E	93 658	G-1819-06-0337	-	(5,590)
State of Ohio Department of Jobs and Family Services - Foster Care - Title-IV-E	93 658	G-2223-06-0063	-	61 069
State of Ohio Department of Jobs and Family Services - Social Services Block Grant	93 667	G-2223-06-0063	-	30,993
Total U S Department of Health and Human Services			-	587,530
U S Department of Homeland Security - Pass-through Programs				
United States Coast Guard - Ohio Department of Natural Resources - Boating Safety Financial Assistance	97 012	2022-0441	-	80
Total U S Department of Homeland Security			-	80
Total other federal awards			-	2,261,750
Total federal awards			10,063	68,140,624

See notes to schedule of expenditures of federal awards.

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Youngstown State University (the "University") under programs of the federal government for the year ended June 30, 2023. 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 same basis of accounting as the basic financial statements. Such expenditures are recognized following 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, and frequently asked questions, as outlined in the 2023 Compliance Supplement Addendum. 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. The 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, and instead uses indirect cost rates ranging from 8 percent to 26.3 percent per the respective grant agreements or current federally negotiated indirect cost rate.

Note 3 - Loans Balances

Federal Direct Loan Program

The University participates in the Federal Direct Student Loan Program (84.268). The University originates, but does not provide funding for, federal direct loans (FDL). The amount presented on the schedule of expenditures of federal awards represents the value of new FDL processed by the University for the year ended June 30, 2023.

Federal Perkins Loan Program

Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The University liquidated the Federal Perkins Loan Program with the final liquidation pending confirmation by the Department of Education after completion of Perkins close-out audit. There were no loan balances outstanding at June 30, 2023. The federal share of the University's final fund capital from the Perkins Loan Program is $71,296 and was refunded on May 11, 2023.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

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:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
Various	Student Financial Assistance Cluster	Unmodified

Dollar threshold used to distinguish between type A and type B programs:	$750,000	
Auditee qualified as low-risk auditee?	X Yes	____ No

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None

YOUNGSTOWN
STATE
UNIVERSITY

State of Ohio Senate Bill 6 Financial Ratio Analysis - Youngstown State University, FY 2023

Senate Bill 6 Ratios

Enacted in 1997, Senate Bill 6 provides a framework for state policymakers to annually evaluate the financial health of Ohio's public colleges and universities. S.B. 6 is codified in state law:

*Ohio Revised Code §3345.72
*Ohio Administrative Code §126:3-1-01.

S.B. 6 requires the Ohio Department of Higher Education to employ a scoring system using each state university's audited financial statements as the basis for three key performance ratios, calculated as follows:

***Net income ratio**: change in total net assets ÷ total revenues. = 20% of composite score

***Viability ratio**: expendable net assets ÷ plant debt. = 30% of composite score

***Primary reserve ratio**: expendable net assets ÷ total operating expenses + interest on debt. = 50% of composite score

****All calculations exclude the impact of GASB 68/75****

YSU's FY 2023 ratios and scores are depicted in the table below:

Senate Bill 6 Sliding Scale

Net Income Ratio:

0	1	2	3	4	5	Score	Weight	Weighted Score
<-.049	-.05 to 0 -0.010	0 to .009	.01 to .029	.03 to .049	=>.05	1	20%	0.20

Calculation detail: ($1,991,320) / $208,199,824 = -0.010

Viability Ratio:

0	1	2	3	4	5	Score	Weight	Weighted Score
<0	0 to .29	.30 to.59	.60 to .99	1.0 to 2.50 1.059	>2.50	4	30%	1.20

Calculation detail: $72,273,672 / $68,255,407 = 1.059

Primary Reserve Ratio:

0	1	2	3	4	5	Score	Weight	Weighted Score
<-.10	-.10 to .049	.05 to .099	.10 to .249	.25 to .49 0.344	=>.50	4	50%	2.00

Calculation detail: $72,373,672 / $210,191,1444 = 0.344

YSU Composite Score = sum total of weighted ratio scores above: 3.40

What the ratios mean:

***Net income ratio**: compares expenses and revenues to determine if a campus is operating within its resources.

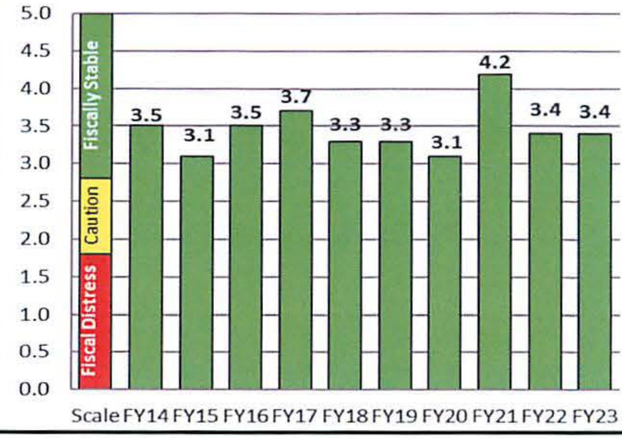
***Viability ratio**: measures a campus's ability to manage long-term debt obligations.

***Primary reserve ratio**: measures a campus's ability to use reserves in the absence of future revenue.

Key metric: ***Composite Score***, the sum of weighted scores for the net income, viability and primary reserve ratios. **5.0 is the highest-best score possible.**

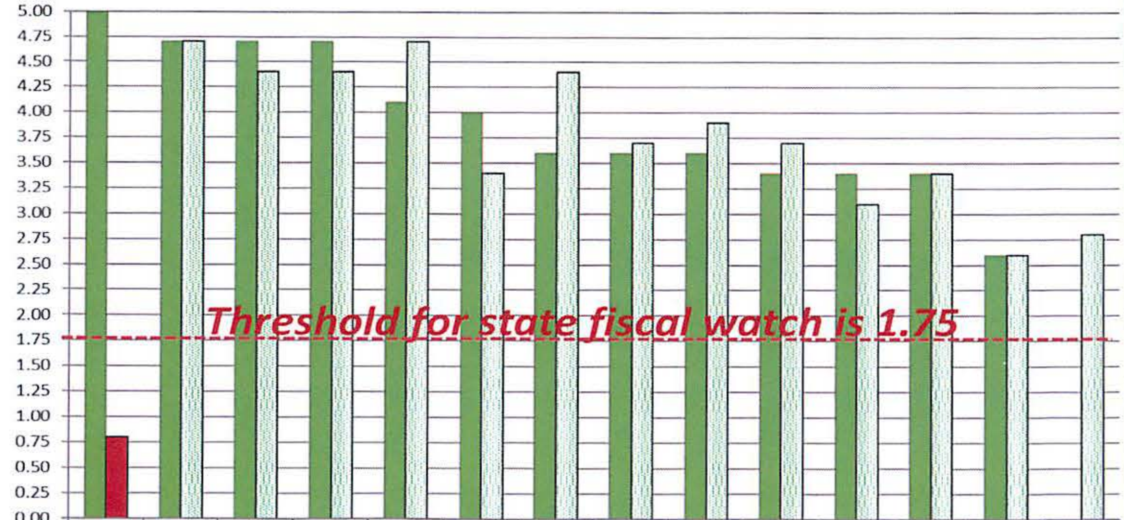
Historical Data

YSU's S.B. 6 composite scores have fluctuated over the last 10 years but have remained stable since inception.



Institutional Comparison

The FY 2023 (preliminary) and FY 2017 composite scores for Ohio's state universities are shown below:



	Wright St.	Ohio State	Miami	Ohio U.	NEO MED	U. Cincy	Kent State	Cleve. St.	BGSU	YSU	Toledo	Akron	Shawnee St	Central St.*
FY23 Score	5.0	4.7	4.7	4.7	4.1	4.0	3.6	3.6	3.6	3.4	3.4	3.4	2.6	
FY17 Score	0.8	4.7	4.4	4.4	4.7	3.4	4.4	3.7	3.9	3.7	3.1	3.4	2.6	2.8

Source: Ohio Department of Higher Education https://highered.ohio.gov/educators/budget-financial/campus-accountability-sa/campus-accountability

Central State's FY 2023 score was not available at the time this report was prepared.