

**BOWLING GREEN STATE UNIVERSITY**  
**(A COMPONENT UNIT OF THE STATE OF OHIO)**

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**WOOD COUNTY**  
**FINANCIAL REPORT**  
**WITH SUPPLEMENTAL INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2024**





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Columbus, Ohio 43215  
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Board of Trustees  
Bowling Green State University  
1851 N. Research Drive  
Bowling Green, Ohio 43403

We have reviewed the *Independent Auditor's Report* of Bowling Green State University, Wood County, prepared by Forvis Mazars, LLP, for the audit period July 1, 2023 through June 30, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber  
Auditor of State  
Columbus, Ohio

January 09, 2025

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# Bowling Green State University

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## **Independent Auditor's Report**

Board of Trustees  
Bowling Green State University  
Bowling Green, Ohio

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the business-type activities and the discretely presented component unit of Bowling Green State University (University), collectively a component unit of the State of Ohio, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the 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 respective financial position of the business-type activities and the discretely presented component unit of Bowling Green State University, as of June 30, 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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.

### ***Auditor's Responsibilities for the Audit 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 an audit 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 an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 audit 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 audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information 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, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes 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 GAAS. 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.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2024, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. 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 the 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 the University's internal control over financial reporting and compliance.

**Forvis Mazars, LLP**

Cincinnati, Ohio  
October 14, 2024

# Bowling Green State University

A Component Unit of the State of Ohio

Management's Discussion and Analysis

June 30, 2024

## Overview of the Financial Statements and Financial Analysis

This section of Bowling Green State University's (the "University") annual financial report presents management's discussion and analysis of the financial performance of the University during the fiscal years ended June 30, 2024 and 2023. This discussion provides an overview of the University's financial activities and should be read in conjunction with the accompanying financial statements and footnotes.

## Using the Annual Financial Statements

This annual report consists of financial statements prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities* and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 63 establishes standards for reporting deferred outflows of resources, deferred inflows of resources, and net position. The financial statements prescribed by GASB Statement No. 63 (the statement of net position, statement of revenues, expenses and changes in net position, and the statement of cash flows) are prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

Under the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, the Bowling Green State University Foundation, Inc. and Subsidiary (the "Foundation") and Centennial Falcon Properties, Inc. and Subsidiaries (collectively, the "Corporation") have been determined to be component units of the University. In accordance with GASB Statement No. 80, *Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14*, the Foundation is discretely presented in the University's financial statements and the Corporation has been blended into the University's financial statements. The Foundation is excluded from management's discussion and analysis. Complete financial statements for the Foundation can be obtained from the Foundation president at Mileti Alumni Center, Bowling Green, Ohio 43403.

## Noteworthy Financial Activity

During the most recent academic year, the University's financial position remained strong at June 30, 2024, with total assets of \$907.7 million and a total net position of \$393.3 million. Net position decreased by \$3.1 million from \$396.4 million at June 30, 2023.

**Bowling Green State University**  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2024

In October 2011, the University's Board of Trustees approved the planning, programming and schematic design work supporting a \$200 million reinvestment in core academic buildings on the Bowling Green campus. The scope of the capital project renewal included renovations in four of the campus' oldest, historical buildings.

Initial funding for this major capital project renewal was approved by the Board of Trustees in February 2013. On May 7, 2014, the University issued \$40,000,000 General Receipts, Series 2014, tax exempt, variable interest rate bonds.

Additional funding for this major project was approved by the Board of Trustees in September, 2015. In February 2016, the University issued \$70,000,000 General Receipts, Series 2016A, tax exempt, fixed interest rate bonds.

In December 2016, the Board of Trustees approved additional funding for the project. In June 2017, the University issued \$35,000,000 General Receipts, Series 2017A, tax exempt, fixed rate bonds.

In February 2017, the Board of Trustees approved funding that was used to acquire two student housing facilities from the Corporation. In August 2017, the University issued \$73,560,000 General Receipts, Series 2017B, tax exempt, fixed rate bonds.

In September 2019, the Board of Trustees approved a new bond issuance, which would refund the remaining 2010 bonds and fund various construction projects and campus improvements. In March 2020, the University issued \$53,685,000 General Receipts, Series 2020A, tax exempt, fixed rate bonds.

In September 2020, the Board of Trustees approved a new bond issuance, which would refund the remaining 2014 bonds. In October 2020, the University issued \$39,245,000 of General Receipts Bonds, Series 2020B, tax exempt, variable rate bonds.

In November 2021, the Board of Trustees approved a new bond issuance, which would refund the 2020B bonds. In November 2021, the University issued \$38,640,000 of General Receipts Bonds, Series 2021A, tax exempt, variable rate bonds.

Bowling Green State University  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2024

In June 2015, the University adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI). Throughout the following discussion, the impact of GASB Statement No. 68 is highlighted.

In June 2018, the University adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 requires governments providing postemployment benefits other than pensions (e.g. healthcare) to recognize their unfunded benefit obligation as a liability, and to more comprehensively and comparably measure the annual costs of these other postemployment benefits ("OPEB"). The Statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI). Throughout the following discussion, the impact of GASB Statement No. 75 is highlighted.

Bowling Green State University  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2024

**Statement of Net Position**

The Statement of Net Position includes all assets, liabilities, deferred outflows/inflows of resources and net position. Over time, an increase or decrease in net position (the difference between assets and liabilities) is one indicator of the improvement or erosion of the University's financial health when considered with non-financial facts such as enrollment levels and the condition of facilities.

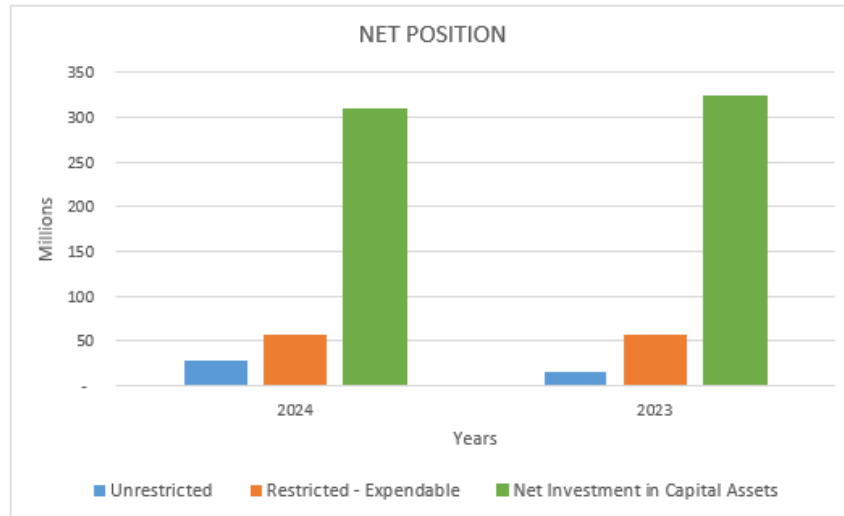
**Bowling Green State University  
Condensed Statements of Net Position  
as of June 30, 2024 and 2023 (in thousands)**

	<u>2024</u>	<u>Restated 2023</u>
<b>Assets</b>		
Current assets	\$ 315,928	\$ 302,862
Non-current assets:		
Capital assets	569,830	575,099
Other	21,991	39,177
Total non-current assets	<u>591,821</u>	<u>614,276</u>
Total assets	907,749	917,138
<b>Deferred outflows of resources</b>	54,644	77,509
<b>Liabilities</b>		
Current liabilities	68,134	62,283
Non-current liabilities	476,196	507,700
Total liabilities	544,330	569,983
<b>Deferred inflows of resources</b>	24,727	28,282
<b>Net position</b>		
Net investment in		
capital assets	309,012	323,943
Restricted, expendable	56,941	56,347
Unrestricted	27,383	16,092
Total net position	<u>\$ 393,336</u>	<u>\$ 396,382</u>

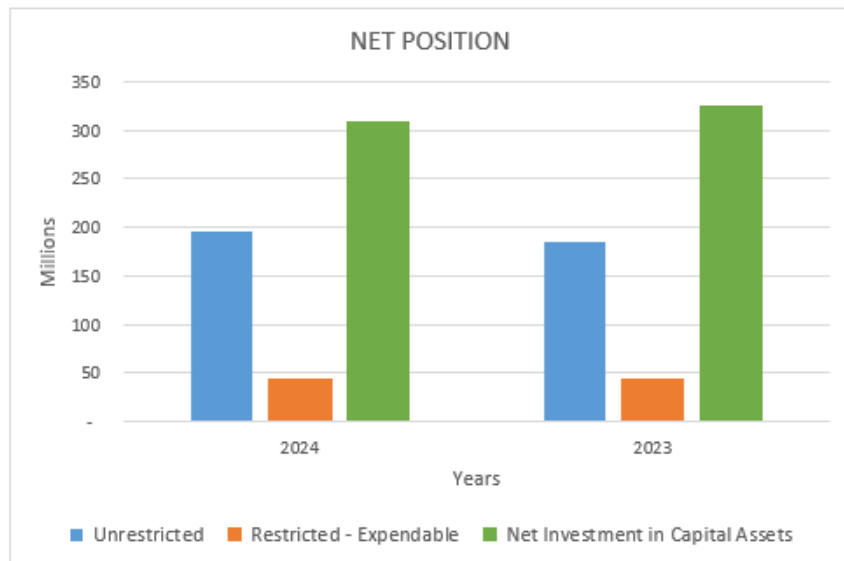
The Statement of Net Position for 2023 was restated to reflect the University's OPEB asset as part of its restricted, expendable net position, consistent with the presentation of net position for 2024.

Bowling Green State University  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2024

The following chart provides a graphical breakdown of net position by category for the fiscal years ended June 30, 2024 and 2023 – **with** the impact of GASB Statement No. 68 and GASB Statement No. 75 adoption:



The following chart provides a graphical breakdown of net position by category for the fiscal years ended June 30, 2024 and 2023 – **without** the impact of GASB Statement No. 68 and GASB Statement No. 75 adoption:



Bowling Green State University  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2024

**2024 Versus 2023**

University assets totaled \$907.7 million at June 30, 2024, compared to \$917.1 million at June 30, 2023, reflecting a decrease of \$9.4 million.

- In fiscal year 2024, the University's current assets of \$315.9 million were sufficient to cover current liabilities of \$68.1 million (current ratio of 4.6).
- Accounts receivable, net of allowance for doubtful accounts were \$12.3 million at June 30, 2024, reflecting an overall increase of \$1.3 million from the prior year. This increase is related to the timing of payments on grants and other third party receivables.
- Current investments were \$288.6 million, or 31.8 percent of total assets at June 30, 2024, and increased by \$12.3 million over 2023. Net investment income of \$29.5 million was recorded during the year.
- Cash and cash equivalents were \$10.6 million at June 30, 2024 and decreased \$0.2 million over 2023 primarily due to the timing of transfers between the investment pool and the operating cash account at the fiscal year end.
- Restricted investments are funds held by trustees from long-term debt issues. At June 30, 2024, restricted investments were \$1.9 million and decreased by \$17.9 million over 2023, related to drawdowns of bond funds as they are spent on capital projects.
- Capital assets (net of depreciation) were \$569.8 million (62.8 percent of total assets) at June 30, 2024 compared to \$575.1 million (62.7 percent of total assets) at June 30, 2023, reflecting a decrease of \$5.3 million from the prior year.
- The University reported deferred outflows of resources of \$54.6 million at June 30, 2024 and deferred inflows of resources of \$24.7 million related to GASB Statement No. 68, GASB Statement No. 75, and GASB Statement No. 87. Certain amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, post-retirement benefits and leases are subject to amortization and will be expensed through recognition of annual amortization amounts in subsequent years' pension and OPEB expense, and lease revenues. Employer contributions to pension and OPEB plans subsequent to the measurement date are recognized as a reduction in the liability balances in the following year. The University's deferred outflows of resources decreased by \$22.9 million from the prior year and deferred inflows of resources decreased by \$3.6 million from the prior year.

Bowling Green State University  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2024

University liabilities totaled \$544.3 million at June 30, 2024 compared to \$570.0 million at June 30, 2023.

- Total current liabilities at June 30, 2024 of \$68.1 million reflect an increase of \$5.8 million over June 30, 2023 current liabilities of \$62.3 million.
- The non-current portion of long-term debt and other obligations decreased in 2024 by \$11.5 million, primarily due to debt payments made throughout the year.
- Pension and OPEB obligations at June 30, 2024 were \$198.2 million compared to \$218.2 million at June 30, 2023. The decrease of \$20.0 million is the result of the change in the net pension and OPEB liabilities directly related to GASB Statement No. 68 and GASB Statement No. 75.

The University's total net position at June 30, 2024 is \$393.3 million, compared to the prior year of \$396.4 million, a decrease of \$3.1 million. This decrease is attributable to a number of factors including:

- Operating revenues for 2024 increased by \$6.3 million in 2024 compared to 2023. Within operating revenues, auxiliary revenues increased by \$3.9 million and tuition and fees increased by \$4.5 million. These increases are consistent with the enrollment increases the University experienced in academic year 2024.
- Operating expenses increased by \$15.4 million in 2024 compared to 2023. Educational and general expenditures increased by \$14.3 million in 2024, and auxiliary expenses increased by \$5.9 million over the prior year, both related to the enrollment increases the University experienced in academic year 2024. Other operating expenses decreased by \$2.3 million, primarily due to a decrease in health claims in 2024. The impact of adjustments related to GASB Statement No. 68 and GASB Statement No. 75 in 2024 was \$2.3 million less expense than in 2023. More details on these increases and decreases can be found below.



Bowling Green State University  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2024

- An increase in state appropriations of approximately \$2.2 million.
- A \$7.7 million increase in net investment earnings due to favorable market performance in 2024.
- A \$5.7 million increase in nonexchange grants due to an increase in financial aid awarded.

Of the total net assets, \$365.9 million is invested in capital assets or is restricted. The remaining \$27.4 million in unrestricted net assets has been designated or allocated for specific academic, research and support purposes, reserves, and quasi-endowments.

Bowling Green State University  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2024

**Statement of Revenues, Expenses and Changes in Net Position**

The Statement of Revenues, Expenses and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. A public university's dependency on state aid and gifts typically results in operating deficits because the financial reporting model classifies state appropriations and gifts as nonoperating revenues. The utilization of capital assets is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

**Bowling Green State University**  
**Condensed Statements of Revenues, Expenses and Changes in Net Position**  
**For years ended June 30, 2024 and 2023 (in thousands)**

	<u>2024</u>	<u>Restated 2023</u>
<b>Operating revenues:</b>		
Student tuition and fees	\$ 169,856	\$ 165,394
Auxiliary enterprises	79,691	75,799
Grants and contracts	19,484	20,255
Sales and service	2,881	3,493
Other operating revenues	6,975	7,681
Total operating revenues	<u>278,887</u>	<u>272,622</u>
<b>Operating expenses:</b>		
Educational and general	318,651	304,376
Auxiliary enterprises	76,278	70,404
Depreciation and amortization	44,100	44,220
Pension and OPEB	(1,654)	689
Other expenses	2,235	4,567
Total operating expenses	<u>439,610</u>	<u>424,256</u>
Operating loss	<u>(160,723)</u>	<u>(151,634)</u>
<b>Nonoperating revenues (expenses):</b>		
State appropriations	89,552	87,341
Other nonoperating revenues and expenses	57,659	44,080
Total nonoperating revenues	<u>147,211</u>	<u>131,421</u>
Loss before other changes	(13,512)	(20,213)
Capital appropriations, grants and gifts	10,466	14,412
Change in net position	<u>(3,046)</u>	<u>(5,801)</u>
<b>Net position</b>		
Net position at the beginning of the year	396,382	402,183
Net position at the end of year	<u>\$ 393,336</u>	<u>\$ 396,382</u>

Bowling Green State University  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2024

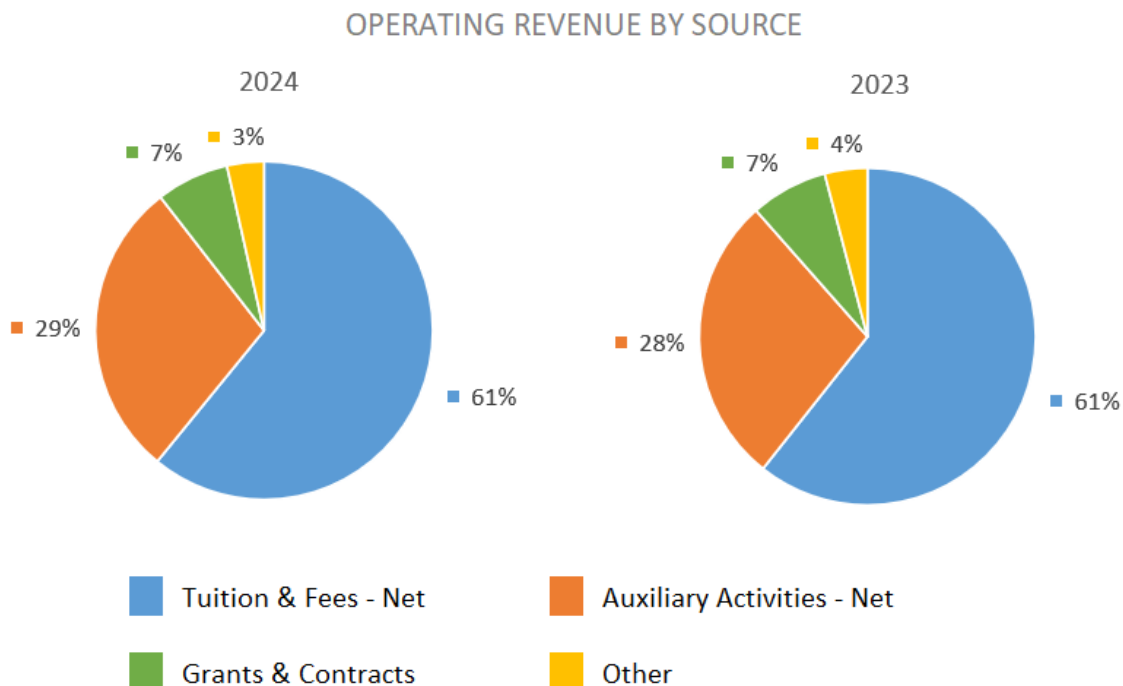
The 2023 Statement of Revenues, Expenses and Changes in Net Position was restated to reflect the Foundation's noncapital gifts to the University as a component of nonoperating revenue, consistent with the presentation in 2024.

Also in 2024, to more clearly demonstrate the annual impact of GASB 68 & 75, management decided to present the change on a separate line on the Statement of Revenues, Expenses and Changes in Net Position. As such, 2023 presentation in the table above has been reclassified for consistency with the current year presentation.

### Operating Revenues

Operating revenues include all transactions that result from the sales and/or receipts of goods and services such as tuition and fees, student housing, and other auxiliary units. In addition, certain federal, state and private grants are considered operating if they are a contract for services and not for capital purposes.

Following is a graphic illustration of operating revenue by source at June 30:



Bowling Green State University  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2024

**2024 versus 2023**

The most significant sources of operating revenues for the University are tuition and fees of \$169.9 million, which increased \$4.5 million, or 2.7 percent over 2023.

Auxiliary enterprises, another significant source of University revenues, increased from \$75.8 million in 2023 to \$79.7 million in 2024. The increase in auxiliary revenue was primarily due to increased housing, dining and parking services in academic year 2023-2024, as compared to academic year 2022-2023, consistent with the University's increase in enrollment.

Grants and contracts revenue of \$19.5 million for the year ended June 30, 2024 is down \$0.8 million from 2023, as the University had a consistent number of active grants in both years.

**Operating Expenses**

Operating expenses are all costs necessary to perform and conduct the programs and primary purposes of the University.

**2024 versus 2023**

Total operating expenses of \$439.6 million for 2024 increased overall by \$15.4 million, or 3.6 percent over 2023.

- Educational and general expenditures consist of instruction, research, public services, academic support, student services, institutional support, operations and maintenance of plant and student aid and totaled \$318.7 million for 2024 compared to \$304.4 million for 2023, reflecting an overall increase of \$14.3 million.
- Auxiliary enterprise expenses increased \$5.9 million in 2024 due to increased housing, dining and parking services provided in academic year 2023-2024.
- Other operating expenses decreased \$2.3 million in 2024 due to a decrease in health claims from the prior year.
- GASB Statement No. 68 and GASB Statement No. 75. adjustments resulted in \$2.3 million less expense in fiscal year 2024 as compared to 2023.

Bowling Green State University  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2024

### **Nonoperating Revenues**

Nonoperating revenues are all revenue sources that are primarily non-exchange in nature. They consist primarily of state appropriations, Pell and other grant reimbursements, and investment income (including realized and unrealized gains and losses).

Nonoperating revenue was impacted by the following factors:

- State appropriations remain the most significant source of nonoperating revenue, and totaled \$89.6 million in the current year, reflecting an increase of \$2.2 million, or 2.5 percent over 2023.
- Non-exchange grants and contracts had an overall increase of \$5.7 million in 2024, primarily due to an increase in financial aid awarded.
- Noncapital gifts from the Foundation were consistent from year to year, increasing by \$0.5 million from 2023 to 2024.
- Net investment income of \$29.5 million reflects an increase of \$7.7 million over prior year due to market performance during fiscal year 2024.

### **Capital Assets and Debt Administration**

At June 30, 2024, the University had \$569.8 million of capital assets (net of accumulated depreciation), compared to \$575.1 million of net capital assets for the prior fiscal year. The decrease of \$5.3 million is due to the slowing of construction, as the University nears completion of its 2011 master plan. The charges for depreciation and amortization included in the statement of revenues, expenses, and changes in net position were \$44.1 million for 2024 and \$44.2 million for 2023. Detailed information about the University's capital assets is presented in Note 5 to the financial statements.

The University did not issue any new debt in fiscal year 2024. As of June 30, 2024, the University's debt ratings are AA- as rated by S&P Global Ratings and A1 as rated by Moody's.

More detailed information about the University's long-term debt is presented in Note 8 to the financial statements.

Bowling Green State University  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2024

**Statement of Cash Flows**

The Statement of Cash Flows presents information related to cash inflows and outflows summarized by operating, noncapital financing activities, capital financing activities and investing activities, and helps measure the ability to meet financial obligations as they mature.

**Bowling Green State University**  
**Condensed Statements of Cash Flows**  
**For years ended June 30, 2024 and 2023 (in thousands)**

	<b>2024</b>	<b>Restated 2023</b>
Cash provided (used) by:		
Operating activities	\$ (113,250)	\$(109,378)
Noncapital financing activities	126,721	118,346
Capital financing activities	(48,876)	(26,121)
Investing activities	35,190	16,423
Net (decrease) increase in cash and cash equivalents	(215)	(730)
Cash and cash equivalents, beginning of year	10,773	11,503
Cash and cash equivalents, end of year	<u>\$ 10,558</u>	<u>\$ 10,773</u>

The 2023 Statement of Cash Flows was restated to reflect the Foundation's noncapital gifts to the University as a component of noncapital financing activities, consistent with the presentation in 2024.

Bowling Green State University  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2024

For the year ended June 30, 2024:

- Major sources of cash provided by operating activities primarily included student tuition and fees of \$170.6 million, auxiliary enterprises of \$80.9 million, and federal, state and nongovernmental grants and contracts of \$21.1 million. Major uses of cash in operations primarily included payments to employees and benefits of \$252.0 million, payments to vendors for supplies and services of \$120.8 million, and payments for scholarships and fellowships of \$22.2 million.
- Non-capital financing activities included cash provided from state appropriations of \$89.6 million, grants received for other than capital purposes of \$32.1 million, and noncapital gifts from the Foundation of \$5.0 million.
- Primary sources of cash from capital financing activities included capital grants received of \$5.8 million. Cash used to purchase capital assets was \$32.3 million. Principal paid on long-term debt, including leases and subscription-based IT assets, was \$11.9 million, and interest paid on long-term debt, including leases and subscription-based IT assets, was \$10.5 million.
- Investing activities included proceeds from sales and maturities of investments of \$305.5 million and investment income of \$24.3 million. Purchases of investments were \$294.6 million.

Bowling Green State University  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2024

**Economic Factors That Will Affect the Future**

The University's ability to successfully fulfill its mission and execute its strategic plan is directly influenced by enrollment, legislative restrictions on tuition, changes in state support, and the cost of employee compensation, health care, technology and utilities.

The economic position of the University is closely tied to the economic condition of the state, as all state universities in Ohio receive state financial support for both operations and capital improvements through appropriations by the legislature. Net tuition revenue grew approximately \$4.5 million (2.7 percent) over prior year largely due to continued undergraduate enrollment recovery as the legislature chose to impose price restrictions in FY2024 (and FY2025). The University's continued improvement in successful course completions and graduations resulted in an increase in state appropriations of \$2.2 million (2.5 percent) and contribute substantially to the successful maintenance and operation of the University.

The University continues to make meaningful progress toward recovering undergraduate enrollment lost during the COVID years.

**Fall 15th Day Headcount**

	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023	Fall 2024
BG Campus UG	15,104	14,992	14,468	13,873	14,014	14,785
Firelands Campus UG	2,171	2,085	1,946	1,849	1,938	2,106
<b>UNDERGRAD TOTAL</b>	<b>17,275</b>	<b>17,077</b>	<b>16,414</b>	<b>15,722</b>	<b>15,952</b>	<b>16,891</b>
BG Campus Grad	2,630	3,155	3,183	3,070	3,014	2,812
<b>GRAND TOTAL</b>	<b>19,905</b>	<b>20,232</b>	<b>19,597</b>	<b>18,792</b>	<b>18,966</b>	<b>19,703</b>



**Bowling Green State University**  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2024

In the spring of 2024, the University announced the single largest gift in university history. Two University alumni have committed a total of \$121 million in non-endowed student scholarships to the Foundation, which will be awarded to University students over the next 10 years. The University is required to match each scholarship awarded and ensure that 80 percent of student recipients graduate within four academic years; student recipients are required to perform a modest amount of community service hours per semester and continuously achieve a minimum grade point average throughout their academic program. When fully realized, and with the University's match, this will provide nearly a quarter of a billion dollars in student scholarships at the University by 2035.

In February of 2023, the University's Board of Trustees approved a campus-wide IT Network Infrastructure Master Plan. Although the University's original campus-wide network has served the campuses well, it was constructed in 1999 and components are reaching the end of life. The approved replacement IT Network Infrastructure Master Plan is estimated at \$55-59 million and will be constructed in five phases over the next 7-10 years. Construction of the first phase (\$12 million) was approved by the Board of Trustees in June of 2024.

The University's first comprehensive campus master plan – completed in spring of 2022 – included more than \$300 million in campus building construction, renovation, demolition and replacement. In May 2024, the University's Board of Trustees approved Campus Master Plan 2024, the University's second comprehensive capital plan. This plan will serve as a general roadmap guiding future capital investments and is expected to extend through the next 15 years. Similar to the first campus master plan, this one includes an estimated \$300 million of capital projects in campus building construction, renovation, demolition and replacement. As with the first master plan, there is an emphasis on shrinking the campus footprint overall, continuing to improve space utilization, continuing to grow physical operational efficiencies, and maximizing the flexible uses of renovated space.

As a public university for the public good, we remain committed to using our resources wisely to educate and prepare our students for meaningful lives and careers.

# Bowling Green State University

## A Component Unit of the State of Ohio

### Statement of Net Position

June 30, 2024

#### Assets

##### Current assets:

Cash and cash equivalents	\$ 10,557,641
Investments	288,559,954
Accounts receivable, net	12,070,016
Inventories	469,641
Notes receivable	612,526
Prepaid and other assets	3,658,360
Total current assets	<u>315,928,138</u>

##### Noncurrent assets:

Investments	4,571,318
Investments - restricted	1,928,281
Accounts receivable, net	197,285
Cash surrender value of life insurance and annuities	657,379
Notes receivable	1,251,348
Capital assets, net	569,829,611
Net pension asset	1,120,599
Net OPEB asset	12,264,273
Total noncurrent assets	<u>591,820,094</u>
Total assets	<u>907,748,232</u>

#### Deferred Outflows of Resources

Pension	50,159,562
OPEB	4,484,828
Total deferred outflows of resources	<u>54,644,390</u>

#### Liabilities

##### Current liabilities:

Accounts payable and accrued expenses	28,329,206
Unearned revenue	17,605,193
Deposits	676,465
Current portion of long-term debt and other obligations	21,522,941
Total current liabilities	<u>68,133,805</u>

##### Noncurrent liabilities:

Long-term debt and other obligations	278,015,385
Net pension liability	198,180,420
Total noncurrent liabilities	<u>476,195,805</u>
Total liabilities	<u>544,329,610</u>

#### Deferred Inflows of Resources

Pension	15,194,903
OPEB	9,236,691
Leases	295,066
Total deferred inflows of resources	<u>24,726,660</u>

#### Net Position

Net investment in capital assets	309,011,656
Restricted for expendable:	
Loans	371,533
Capital projects	43,184,969
Pension and OPEB	13,384,872
Unrestricted	27,383,322
Total net position	<u>\$ 393,336,352</u>

*See Notes to Financial Statements.*

**Bowling Green State University**  
A Component Unit of the State of Ohio  
Statement of Revenues, Expenses, and Changes in Net Position  
Year Ended June 30, 2024

**Operating Revenues**

Student tuition and fees (net of scholarship allowances of \$76,070,472)	\$ 169,855,918
Federal grants and contracts	7,763,590
State grants and contracts	5,484,961
Nongovernmental grants and contracts	6,235,821
Sales and services of educational departments	2,881,491
Auxiliary enterprises (net of scholarship allowances of \$2,947,167)	79,691,215
Other operating revenues	6,974,525
Total operating revenues	<u>278,887,521</u>

**Operating Expenses**

Educational and general:	
Instruction	160,741,607
Research	12,295,988
Public services	5,644,257
Academic support	25,569,952
Student services	21,425,120
Institutional support	43,207,704
Operations and maintenance of plant	27,603,208
Student aid	22,162,714
Auxiliary enterprises	76,277,622
Depreciation and amortization	44,100,264
Pension and other postemployment benefits	(1,654,515)
Other expenses	2,235,215
Total operating expenses	<u>439,609,136</u>
Operating loss	<u>(160,721,615)</u>

**Nonoperating Revenues (Expenses)**

State appropriations	89,551,982
Non-exchange grants and contracts	32,136,118
Gifts	5,033,128
Investment income, net	29,483,470
Interest on capital asset-related debt	(8,993,420)
Net nonoperating revenues	<u>147,211,278</u>

Loss before other changes (13,510,337)

**Other Changes**

State capital appropriations	4,561,974
Capital grants and gifts	5,902,404
Total other changes	<u>10,464,378</u>

Change in net position (3,045,959)

**Net Position**

Net position at the beginning of year	396,382,311
Net position at the end of year	<u><u>\$ 393,336,352</u></u>

*See Notes to Financial Statements.*

# Bowling Green State University

A Component Unit of the State of Ohio

## Statement of Cash Flows

Year Ended June 30, 2024

### Operating activities

Tuition and fees	\$ 170,556,518
Federal, state, and nongovernmental grants and contracts	21,088,225
Payments to vendors for supplies and services	(120,765,619)
Payments to employees and benefits	(251,982,373)
Payments for scholarships and fellowships	(22,162,714)
Student loans granted, net of repayments	523,809
Auxiliary enterprises	80,916,738
Sales and services of educational departments	2,841,777
Other receipts	5,733,099
Net cash used in operating activities	(113,250,540)

### Noncapital financing activities

State appropriations	89,551,982
Grants received for other than capital purposes	32,136,118
Gifts	5,033,128
Net cash provided by noncapital financing activities	126,721,228

### Capital financing activities

Capital grants received	5,825,404
Purchases of capital assets	(32,299,496)
Principal paid on long-term debt, including leases/SBITAs	(11,926,318)
Interest paid on long-term debt, including leases/SBITAs	(10,475,880)
Net cash used in capital financing activities	(48,876,290)

### Investing activities

Proceeds from sales and maturities of investments	305,534,896
Investment income	24,259,499
Purchase of investments	(294,604,324)
Net cash provided by investing activities	35,190,071

Net decrease in cash and cash equivalents (215,531)

Cash and cash equivalents at beginning of year 10,773,172

Cash and cash equivalents at end of year \$ 10,557,641

*See Notes to Financial Statements.*

# Bowling Green State University

A Component Unit of the State of Ohio

## Statement of Cash Flows (Continued)

Year Ended June 30, 2024

### Reconciliation of operating loss to net cash used

#### in operating activities:

Operating loss	\$ (160,721,615)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	44,100,264
Changes in assets and liabilities:	
Accounts receivable, net	(1,291,223)
Inventories	64,845
Notes receivable	189,551
Prepaid and other assets	(230,862)
Net pension asset	(1,120,599)
Net OPEB assets	248,727
Deferred outflows of pension resources	19,417,629
Deferred outflows of OPEB resources	3,446,812
Accounts payable and accrued expenses	147,981
Unearned revenue	5,167,429
Deposits held for others	(11,902)
Compensated absences	951,644
Net pension liability	(17,726,049)
Net OPEB liability	(2,327,789)
Deferred inflows of pension resources	(1,194,423)
Deferred inflows of OPEB resources	(2,398,823)
Deferred inflows leases	37,863
Net cash used in operating activities	<u><u>\$ (113,250,540)</u></u>

### Supplemental disclosures of noncash information:

Unrealized appreciation in market value of investments	\$ 5,211,105
Capital assets acquired by gifts in-kind	77,000
Capital assets included in accounts payable and accrued expenses	2,785,987
Amortization of bond premium	1,790,958
Lease and SBITA assets and liabilities acquired	4,057,794
State capital appropriations	4,561,974

*See Notes to Financial Statements*

# Bowling Green State University Foundation, Inc and Subsidiary

## Consolidated Statement of Financial Position

June 30, 2024

### ASSETS

#### Current assets

Cash and cash equivalents	\$ 2,501,216
Contributions receivable, net	2,847,958
Total current assets	<u>5,349,174</u>

#### Investments

Fixed income mutual funds	61,601,517
Equity mutual funds	181,655,982
Alternative investments	41,458,618
Money market funds	18,304,569
Total investments	<u>303,020,686</u>

Prepaid and other assets	426,509
Long-term contributions receivable, net	7,958,144
Beneficial interest in trust held by others	1,502,298
Cash value of life insurance	<u>1,678,119</u>

Total assets	<u><u>\$ 319,934,930</u></u>
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### LIABILITIES AND NET ASSETS

#### Current liabilities

Accounts payable	\$ 821,948
Total current liabilities	<u>821,948</u>

Annuities payable	<u>2,390,520</u>
Total liabilities	3,212,468

#### Net assets

Without donor restrictions	33,159,743
With donor restrictions	283,562,719
Total net assets	<u>316,722,462</u>

Total liabilities and net assets	<u><u>\$ 319,934,930</u></u>
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# Bowling Green State University Foundation, Inc and Subsidiary

## Consolidated Statement of Activities

Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support, revenue, gains and losses</b>			
Contributions and gifts	\$ 334,333	\$ 15,234,871	\$ 15,569,204
Contributions and gifts – nonfinancial	-	259,635	259,635
Provision for uncollectible contributions	-	916,852	916,852
University support	5,506,200	-	5,506,200
Interest and dividends	1,770,103	4,890,607	6,660,710
Net realized and unrealized gains	8,652,565	20,932,159	29,584,724
Change in split interest agreements	-	101,500	101,500
Other revenue	5,204	291,187	296,391
Net assets released from restriction	26,538,841	(26,538,841)	-
Total support, revenue, gains and losses	42,807,246	16,087,970	58,895,216
<b>Expenses</b>			
Program services	27,069,566	-	27,069,566
Fundraising	3,563,296	-	3,563,296
Management and general	3,446,585	-	3,446,585
Total expenses	34,079,447	-	34,079,447
Change in net assets	8,727,799	16,087,970	24,815,769
Net assets at beginning of year	24,431,944	267,474,749	291,906,693
Net assets at end of year	\$ 33,159,743	\$ 283,562,719	\$ 316,722,462

# Bowling Green State University

A Component Unit of the State of Ohio

Notes to Financial Statements

June 30, 2024

## 1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies

### Nature of Operations

Bowling Green State University is an instrumentality of the State of Ohio that serves the state, national, and international communities by providing its students with opportunities in learning, leadership, and research by providing expert faculty, premier facilities, and modern resources.

### Reporting Entity

Bowling Green State University (the “University”), founded in 1910, is a component unit of the State of Ohio as established by the General Assembly of the State of Ohio under Chapter 3341 of the Revised Code of the State of Ohio. The University offers degrees at the undergraduate, masters, and doctoral levels.

In accordance with Governmental Accounting Standards Board (GASB) Codification Section 2100: *Defining the Financial Reporting Entity*, the University's financial statements are included, as a discretely presented component unit, in the State's Annual Comprehensive Financial Report.

The accompanying financial statements comply with the provisions of GASB Codification Section 2100: *Defining the Financial Reporting Entity*, in that the financial statements include those activities and functions over which the University is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the University's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the University.

### Financial Statement Presentation

Furthermore, in accordance with GASB Codification Section 2600: *Reporting Entity and Component Unit Presentation and Disclosure*, the Bowling Green State University Foundation, Inc. and Subsidiary (collectively the “Foundation”) is included as a discretely presented component unit in these financial statements to emphasize that it is legally separate from the University. The Foundation, which is a separate not-for-profit organization, meets the criteria set forth in the GASB Codification Section 2600 due to its significant operational and financial relationship with the University. Notes 2 and 12 provide additional information on the Foundation. Certain disclosures concerning the Foundation are not included because it has been audited separately and reports have been issued under separate cover. Financial statements for the Foundation may be obtained from the Foundation president, Mileti Alumni Center, Bowling Green, Ohio 43403.



Bowling Green State University  
A Component Unit of the State of Ohio  
Notes to Financial Statements (Continued)  
June 30, 2024

**1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies  
(continued)**

The Foundation is a legally separate, tax-exempt component unit of the University. The Foundation acts primarily as a fundraising organization to supplement the resources that are available to the University in support of its programs. The 35-member board of the Foundation is self-perpetuating and consists of graduates and friends of the University. Although the University does not control the timing and amount of receipts from the Foundation, the majority of resources or income the Foundation holds and invests is restricted to the activities of the University by the donors. 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 discretely presented component unit of the University.

Additionally, the financial statements of the University include the operations of its blended component unit, Centennial Falcon Properties, Inc. and Subsidiaries (collectively the "Corporation").

The Corporation is a legally separate component unit of the University formed in 2010 as a nonprofit corporation under the laws of the State of Ohio and determined by the Internal Revenue Service to be exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Corporation is further classified as a public charity type II supporting organization under Section 509(a)(3) of the Internal Revenue Code. The Corporation was organized for the benefit of the University for various purposes, including acquiring, developing, and maintaining property to be used for University purposes. Therefore, according to provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, the Corporation is considered a blended component unit of the University. Complete financial statements for the Corporation can be obtained from the vice president, McFall Center, Bowling Green, Ohio 43403.

CFP I LLC ("CFP I") is a nonprofit single-member limited liability company formed in 2010 under the laws of the State of Ohio. The Corporation organized CFP I specifically to develop, own, and manage certain housing facilities for students of the University. The Corporation is the sole member of CFP I.

Bowling Green State University  
A Component Unit of the State of Ohio  
Notes to Financial Statements (Continued)  
June 30, 2024

**1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies  
(continued)**

The Corporation is also the sole member of CFP II LLC (“CFP II”). CFP II is a nonprofit single-member limited liability company formed in 2010 under the laws of the State of Ohio. On January 31, 2011, CFP II entered into a Project Agreement with Compass Group USA Inc., Chartwells Division (“Chartwells”). Chartwells was engaged to design, finance, construct, and equip a full-service dining facility on the main campus of the University, known as The Oaks. The Oaks replaced the existing McDonald Hall dining facility.

Pursuant to an Amended and Restated Food Service Agreement, dated June 25, 2010 (the “Management Agreement”), by and between Chartwells and the University, Chartwells has provided funds for The Oaks in the amount of \$10,350,000, which is recorded as capital assets of the Corporation to be paid back to Chartwells through the construction funding payable in Note 8. The loan does not have an interest component and matures on June 30, 2039. The Corporation has provided funds of approximately \$23,000 and CFP II has provided funds of approximately \$1,125,000.

The Corporation is also the sole member of CFP III LLC (“CFP III”). CFP III is a nonprofit single-member limited liability company formed in 2010 under the laws of the State of Ohio. On May 12, 2011, CFP III entered into a Development Agreement with Capstone Development for the design, construction, and equipping of a full-service dining facility on the main campus of the University, known as Carillon Place dining facility (“Carillon”). Carillon replaced the former Commons dining facility.

On March 31, 2011, CFP III entered into a funding agreement with the manager of The Oaks, Chartwells. Pursuant to an Amended and Restated Food Service Agreement dated June 25, 2010 (the “Management Agreement”), by and between Chartwells and the University, Chartwells has provided funds for the project in the amount of \$6,062,000, which are recorded as capital assets of the Corporation to be paid back to Chartwells through the construction funding payable in Note 8. The loan does not have an interest component and matures on June 30, 2039. The Corporation provided funds of approximately \$707,000, and CFP III has provided funds of approximately \$1,973,000.

The Corporation is also the sole member of CFP IV LLC (“CFP IV”). CFP IV is a nonprofit single-member limited liability company formed in 2020 under the laws of the State of Ohio. CFP IV holds various real estate parcels.

The Corporation is also the sole member of CFP V LLC (“CFP V”). CFP V is a nonprofit single-member limited liability company formed in June 2020 under the laws of the State of Ohio. CFP V holds 5,691 shares of stock in Satelitycs, Inc. and is recorded at a de minimis value.

Bowling Green State University  
A Component Unit of the State of Ohio  
Notes to Financial Statements (Continued)  
June 30, 2024

**1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies  
(continued)**

Financial statements for the entity blended in the University's financial reporting in 2024 follow:

**Centennial Falcon Properties, Inc. and Subsidiaries**

**Condensed Statement of Net Position**

<b>Assets</b>	
Current assets	\$ 570,171
Non-current assets:	
Capital assets	12,622,995
Total non-current assets	<u>12,622,995</u>
Total assets	<u>13,193,166</u>
<b>Liabilities</b>	
Current liabilities	596,800
Non-current liabilities	<u>8,167,018</u>
Total liabilities	<u>8,763,818</u>
<b>Net position</b>	
Unrestricted	<u>4,429,348</u>
Total net position	<u><u>\$ 4,429,348</u></u>

Bowling Green State University  
A Component Unit of the State of Ohio  
Notes to Financial Statements (Continued)  
June 30, 2024

**1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies  
(continued)**

**Centennial Falcon Properties, Inc. and Subsidiaries**

**Condensed Statement of Revenues, Expenses, and Changes in Net Position**

<b>Operating Revenues</b>	
Other	\$ 6,545
Total operating revenues	<u>6,545</u>
<b>Operating Expenses</b>	
Other expenses	49,316
Depreciation and amortization	683,188
Total operating expenses	<u>732,504</u>
Operating loss	<u>(725,959)</u>
<b>Nonoperating Revenues (Expenses)</b>	
Other nonoperating revenues and expenses	603,450
Net nonoperating revenues	<u>603,450</u>
Loss before other changes	<u>(122,509)</u>
Change in net position	<u>(122,509)</u>
<b>Net position</b>	
Net position at the beginning of the year	4,551,857
Net position at the end of year	<u><u>\$ 4,429,348</u></u>

**Centennial Falcon Properties, Inc. and Subsidiaries**

**Condensed Statement of Cash Flows**

Cash provided by (used in):	
Operating activities	\$ (36,121)
Capital financing activities	<u>(239,044)</u>
Net decrease in cash and cash equivalents	<u>(275,165)</u>
Cash and cash equivalents, beginning of year	<u>830,336</u>
Cash and cash equivalents, end of year	<u><u>\$ 555,171</u></u>

Bowling Green State University  
A Component Unit of the State of Ohio  
Notes to Financial Statements (Continued)  
June 30, 2024

**1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies  
(continued)**

**Basis of Accounting**

For financial reporting purposes, the University is considered a special-purpose government entity engaged only in business-type activities as defined by GASB Statement Nos. 34 and 35. Accordingly, the University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant inter-fund transactions have been eliminated.

**Upcoming Pronouncements**

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the University's financial statements for the year ending June 30, 2025.

In April 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvement*, which builds upon the requirements in GASB Statement No. 34. This statement revises the requirements for management's discussion and analysis (MD&A), combines extraordinary items and special items into one category of "unusual or infrequent items," defines operating and nonoperating revenue, and updates presentation of the Statement of Revenues, Expenses, and Changes in Net Position to include a subtotal for operating income (loss) and noncapital subsidies. The provisions of this statement are effective for the University's financial statements for the year ending June 30, 2026.

Bowling Green State University  
A Component Unit of the State of Ohio  
Notes to Financial Statements (Continued)  
June 30, 2024

**1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies  
(continued)**

**Cash and Cash Equivalents**

The University considers funds immediately available to be cash and cash equivalents. All investments with maturities less than 90 days are considered cash equivalents. Cash and cash equivalents totaled \$10,557,641 at June 30, 2024.

**Accounts Receivable**

Accounts receivable are reported at net realizable value and consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. Accounts receivable also include amounts due from the federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. The allowance for doubtful accounts is determined based on management's judgment of potential uncollectible amounts, based on historical experience and type of receivable.

**Inventories**

Inventories are stated at the lower of average cost or market (net realizable value) on a first-in, first-out basis (FIFO).

**Investments**

Investments in publicly traded securities are stated at estimated fair value as established by major securities markets, in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Money market funds are stated at cost, and the STAR Ohio investment is stated at amortized cost. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statements of revenues, expenses, and changes in net position.

Limited partnerships, hedge funds and multi-asset credit are also included in investments and are not necessarily readily marketable. The components of the individual investments within these funds are not readily determinable. The estimated fair value is based on valuations provided by external investment managers. The valuation is based on independent appraisals and estimates that represent the net asset value of shares held by the University or based on periodic financial information (including annual audited financial statements) obtained from the funds. The University believes the carrying amount of these financial instruments is a reasonable estimate of fair value. Because these investments are not readily marketable, their estimated value is subject to uncertainty and, therefore, may significantly differ from the value that would have been used had a ready market for such investments existed.

Bowling Green State University  
A Component Unit of the State of Ohio  
Notes to Financial Statements (Continued)  
June 30, 2024

**1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies  
(continued)**

**Restricted Investments**

Restricted investments represent unspent bond proceeds and consist of government money market funds.

**Capital Assets**

Capital assets are recorded at cost at the date of acquisition or estimated acquisition value at the date of donation in the case of gifts. For equipment, the University's capitalization policy includes all items with a cost of \$10,000 or more and an estimated useful life of greater than one year. The Corporation's capitalization policy includes all items with a cost of \$5,000 or more and an estimated useful life of greater than one year. Capital projects, including infrastructure and improvements to buildings are capitalized if the cost exceeds \$100,000. Routine repairs and maintenance are charged to operating expense in the year the expense is incurred. In accordance with GASB Statement No. 89 guidelines, interest costs related to construction are expensed when incurred.

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

**Lease Assets**

The University is a lessee for noncancelable leases of land, buildings, and equipment. The University recognizes a lease liability and an intangible right-of-use lease asset (the "lease asset") in the financial statements.

At the commencement of a lease, the University initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the University determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

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**1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies  
(continued)**

The University uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the University generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the University is reasonably certain to exercise.

The University monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with capital assets and lease liabilities are reported with long-term debt and other obligations on the statement of net position.

**Subscription Assets**

The University obtains the right to use vendors' information technology software through various long-term contracts. The University recognizes a subscription liability and an intangible right-to-use subscription asset (the "subscription asset") in the financial statements.

At the commencement of a subscription, the University initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus initial implementation costs. Subsequently, the subscription asset is depreciated on a straight-line basis over its useful life.

Key estimates and judgments related to subscriptions 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.



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**1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies  
(continued)**

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.

Subscription assets are reported with capital assets and subscription liabilities are reported with long-term debt and other obligations on the statement of net position.

**Capital, Lease, and Subscription Asset Impairment**

The University evaluates capital, lease, and subscription assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital and lease asset has occurred. If a capital, lease, or subscription asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the capital asset historical cost and related accumulated depreciation are decreased proportionately such that the net decrease equals the impairment loss.

No asset impairment was recognized during the year ended June 30, 2024.

**Unearned Revenue**

Unearned revenue includes amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Summer term revenue and expenditures are allocated to the appropriate accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

**Noncurrent Liabilities**

Noncurrent liabilities include (1) principal amounts of revenue and general receipts bonds and notes payable with contractual maturities greater than one year, (2) estimated amounts for accrued compensated absences that will not be paid within the next fiscal year, (3) lease and subscription liabilities, (4) federal student loan deposits, (5) construction funding payable and (6) the University's net pension and OPEB liabilities related to the OPERS/STRS Ohio retirement plans. Bond premiums and discounts are deferred and amortized over the life of bonds using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred.

Bowling Green State University  
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Notes to Financial Statements (Continued)  
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**1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies  
(continued)**

**Pensions**

For purposes of measuring the net pension asset, net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Ohio Public Employees Retirement System (“OPERS”) and State Teachers Retirement System of Ohio (“STRS Ohio”) Pension Plan and additions to/deductions from OPERS/STRS Ohio’s fiduciary net position have been determined on the same basis as they are reported by OPERS/STRS Ohio. OPERS/STRS Ohio uses 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 benefits (“OPEB”) asset, net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of OPERS/STRS Ohio and additions to/deductions from OPERS/STRS Ohio’s fiduciary net position have been determined on the same basis as they are reported by OPERS/STRS Ohio. OPERS/STRS Ohio uses the economic resources measurement focus and the full accrual basis of accounting. For this purpose, OPERS/STRS Ohio recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Deferred Outflows/Inflows of Resources**

*Deferred Inflows:* In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The University deferred inflows of resources are for certain leases, pension-related and OPEB-related amounts, such as the difference between projected and actual earnings of the plan’s investments (see Note 9 for more details).

*Deferred Outflows:* In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a reduction of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until that time. The University reports deferred outflows of resources for certain pension-related and OPEB-related amounts, such as change in expected and actual experience, changes in assumptions, and certain contributions made to the plan subsequent to the measurement date (see Note 9 for more details).

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Notes to Financial Statements (Continued)  
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**1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies  
(continued)**

**Compensated Absences**

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 termination, retirement, or death.

Unused hours exceeding their limitations are forfeited. The liability and expense incurred are recorded at year end as liabilities in the statements of net position and as a component of operating expense in the statements of revenues, expenses, and changes in net position.

**Scholarship Discounts and Allowances**

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statements of revenues, expenses, and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state, or nongovernmental programs are recorded as either operating or nonoperating revenues in the University's financial statements.

To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance.

**Income Tax**

The University, as an instrumentality of the State of Ohio, is excluded from federal income taxes under Section 115 of the Internal Revenue Code, as amended. Certain activities of the University may be subject to taxation as unrelated business income, if applicable.

**Use of Estimates**

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

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Notes to Financial Statements (Continued)  
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**1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies  
(continued)**

**Auxiliary Enterprises**

Auxiliary activities mainly represent revenues generated from certain residence halls and dining services, intercollegiate athletics, ice arena, and various other activities that provide services to the student body, faculty, staff, and general public.

**Net Position**

In accordance with GASB Statement No. 35 guidelines, the University's resources are classified into the following four net position categories:

*Net Investment in Capital Assets:* Capital assets, including right-to-use assets, net of accumulated depreciation and outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

*Restricted - Expendable:* Component of net position that includes resources the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties for loans, capital projects, and debt service, including net pension and OPEB assets.

*Restricted - Nonexpendable:* Component of net position whose use is subject to externally imposed stipulations that may be maintained permanently by the University.

*Unrestricted:* Component of net position that is not subject to externally imposed restrictions and includes resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general obligations of the University and may be used at the discretion of the Board of Trustees to meet current expenses for any purpose. These resources also include auxiliary enterprises that are substantially self-supporting activities that provide services for students, faculty, and staff.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University's policy is to first apply the expense toward restricted resources, and then toward unrestricted resources.

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Notes to Financial Statements (Continued)  
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**1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies  
(continued)**

**Revenues**

The University has classified its revenues as either operating or nonoperating according to the following criteria:

*Operating Revenues:* Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances; (2) sales and services of auxiliary enterprises, net of agency payments; and (3) most federal, state, and local grants and contracts.

*Nonoperating Revenues:* Nonoperating revenues include activities that have the characteristics of nonexchange transactions that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, such as state appropriations for instruction, state capital grants, gifts, federal Pell grant revenue, and investment income.

**2. Cash, Cash Equivalents, and Investments**

**Deposits**

At June 30, 2024, the carrying amounts of cash and cash equivalents was \$10,557,641 as compared to bank balances of \$10,401,501. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit.

Of the bank balances at June 30, 2024, \$287,286 was covered by federal depository insurance and \$10,114,215 was covered by collateral held by third-party trustees pursuant to paragraph 135.181 of the Ohio Revised Code in collateral pools securing all public funds on deposit with specific depository institutions; the remainder was not collateralized or insured, leaving it exposed to custodial credit risk. Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the University may not be able to recover its deposits or collateral securities. The University maintains active relationships with multiple cash equivalent accounts to reduce its exposure to custodial credit risk at any single institution.

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## 2. Cash, Cash Equivalents, and Investments (continued)

### Investments

The University's investment policy authorizes the University to invest operating funds.

All common stocks, corporate bonds, money market instruments, mutual funds, and other investments are invested through a trust agreement with US Bank Institutional Trust and Custody, which is the custodian and money manager. Short-term investments with Huntington National Bank and PNC Bank are secured with internally designated securities as pledged to the University.

The University invests in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted GASB Statement No. 79, *Accounting and Financial Reporting for Certain External Investment Pools and Pool Participants*, which establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investment at amortized cost. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price at which the investment could be sold on June 30, 2024.

The values of investments held by the University at June 30, 2024 are as follows:

Equity mutual funds	\$ 112,322,175
Fixed income mutual funds	91,985,988
Money market funds	26,887,522
Municipal bonds	4,571,318
International corporate stock	614,123
STAR Ohio	10,462,341
Alternative investments:	
Hedge funds	26,141,261
Multi-asset credit	13,281,659
Limited partnerships	8,793,166
Total	<u><u>\$ 295,059,553</u></u>

The components of net investment income at June 30, 2024 are as follows:

Interest and dividends, net	\$ 9,171,738
Realized gain from sale of investments	15,100,627
Unrealized appreciation in market value of investments	5,211,105
Total	<u><u>\$ 29,483,470</u></u>

Bowling Green State University  
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Notes to Financial Statements (Continued)  
June 30, 2024

## 2. Cash, Cash Equivalents, and Investments (continued)

### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments with interest rates that are fixed for longer periods are likely to be subject to more variability in their fair values as a result of future changes in interest rates.

As of June 30, 2024, the University had the following interest-bearing investments and maturities:

Investment Type	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	Greater Than 10 Years
Municipal bonds	\$ 4,571,318	\$ -	\$ -	\$ -	\$ 4,571,318
STAR Ohio	10,462,341	10,462,341	-	-	-
Fixed income mutual funds	91,985,988	91,985,988	-	-	-
Total	<u>\$ 107,019,647</u>	<u>\$ 102,448,329</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,571,318</u>

### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit quality information, as commonly expressed in terms of the credit ratings issued by the nationally recognized statistical rating organizations such as Moody's Investors Service, Standard & Poor's, or Fitch Ratings, provides a current depiction of potential variable cash flows and credit risk.

The credit ratings of the University's interest-bearing investments at June 30, 2024 are as follows:

Credit Rating (Standard & Poor's)	Other Investments
AAA	\$ 10,462,341
AA	4,571,318
Not rated	91,985,988
Total	<u>\$ 107,019,647</u>

### Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The University facilitates several study abroad programs in Austria and Spain with a total cash balance of \$122,694 at June 30, 2024.

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## 2. Cash, Cash Equivalents, and Investments (continued)

### Fair Value Measurements

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

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

The University has the following recurring fair value measurements as of June 30, 2024:

#### Assets Measured at Fair Value on a Recurring Basis

	Balance at June 30, 2024	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value level</b>				
International corporate stock	\$ 614,123	\$ 614,123	\$ -	\$ -
Debt securities:				
Municipal bonds	4,571,318	-	4,571,318	-
Equity securities:				
Mutual funds:				
Domestic	163,583,445	163,583,445	-	-
International	40,724,718	40,724,718	-	-
Total equity securities	204,308,163	204,308,163	-	-
Total investments by fair value level	<u>\$ 209,493,604</u>	<u>\$ 204,922,286</u>	<u>\$ 4,571,318</u>	<u>\$ -</u>

#### Investments measured at the net asset value (NAV)

Multi-strategy hedge funds	\$ 26,141,261
Multi-asset credit	13,281,659
Limited partnerships	8,793,166
Total investments measured at the NAV	<u>48,216,086</u>
Total investments measured at fair value	<u>\$ 257,709,690</u>



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**2. Cash, Cash Equivalents, and Investments (continued)**

International corporate stock and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

The debt securities at June 30, 2024 were determined based on Level 2 inputs. The University estimates the fair value of these investments using other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Short-term investments on the statement of net position at June 30, 2024 include investments in STAR Ohio of \$10,462,341. The investments in STAR Ohio are measured at amortized cost; therefore, they are not included in the tables above. There are no limitations or restrictions on any STAR Ohio participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given to STAR Ohio 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transactions to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the STAR Ohio investors will be combined for these purposes.

**Investments in Entities that Calculate Net Asset Value per Share**

The University holds shares or interests in investment companies whereby the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At June 30, 2024 year end, the fair value and redemption rules of those investments are as follows:

	Fair Value	Redemption Frequency, if any	Redemption Notice Period
Multi-strategy hedge funds	\$ 26,141,261	Quarterly	100 days
Multi-asset credit	13,281,659	Quarterly	60 days
Limited partnership	8,793,166	N/A	N/A
Total	<u>\$ 48,216,086</u>		

As of June 30, 2024, the University has outstanding commitments to limited partnerships of approximately \$5,939,000.

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**2. Cash, Cash Equivalents, and Investments (continued)**

The multi-strategy hedge funds class invests in hedge funds that pursue multiple strategies to diversify risks and reduce volatility. The fair values of the investments in this class have been estimated using the net asset value per share of the investment or its equivalent. Due to current market conditions as well as the limited trading activity of these securities, the market value of the securities is highly sensitive to assumption changes and market volatility. The multi-asset credit invests in risk-adjusted investments using a multi-sector approach to diversify risks and reduce volatility. The investment purpose is portfolio growth, and diversification of the growth exposures beyond equity risk to include credit exposure with a yield component. The limited partnership assets are invested in fixed income securities with a purpose of capital preservation and stable income yield.

**Concentration Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The University held investments in Mercer Hedge Investors of \$26,141,261 at June 30, 2024 that had fair values of 5 percent or more of total investments.

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The University's investment in the state treasurer's investment program that is not evidenced by securities that exist in physical or book entry form was \$10,462,341 at June 30, 2024. The remaining investments are uninsured and unregistered with securities held by the counterparty's trust department or agent in the University's name.

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Notes to Financial Statements (Continued)  
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**2. Cash, Cash Equivalents, and Investments (continued)**

**Foundation**

The values of investments held by the Foundation at June 30, 2024:

<b>Assets Measured at Fair Value on a Recurring Basis</b>				
		Fair Value Measurements Using		
	Balance at	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	June 30, 2024			
<b>Investments by fair value level</b>				
Cash equivalents and money market funds	\$ 18,167,561	\$ 18,167,561	\$ -	\$ -
Domestic corporate stock				
Equity securities:				
Mutual funds:				
Domestic equity funds	144,139,618	144,139,618	-	-
International equity funds	35,653,892	35,653,892	-	-
Fixed income funds	60,212,469	60,212,469	-	-
Total equity securities	240,005,979	240,005,979	-	-
Split interest agreements:				
Cash equivalents and money market funds	137,008	137,008	-	-
Equity mutual funds	1,862,472	1,862,472	-	-
Fixed income mutual funds	1,389,048	1,389,048	-	-
Total split interest agreements	3,388,528	3,388,528	-	-
Beneficial interest in trust held by others	1,502,298	-	-	1,502,298
Total investments by fair value level	<u>\$ 263,064,366</u>	<u>\$ 261,562,068</u>	<u>\$ -</u>	<u>\$ 1,502,298</u>
<b>Investments measured at the net asset value (NAV)</b>				
Private investment funds	\$ 40,847,733			
Real estate funds and other	610,885			
Total investments at the NAV	<u>41,458,618</u>			
Total investments at fair value	<u>\$ 304,522,984</u>			

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June 30, 2024

**2. Cash, Cash Equivalents, and Investments (continued)**

The following is a reconciliation of beginning and ending balances of recurring fair value measurements recognized in the Foundation's consolidated statement of financial position using significant observable (Level 3) inputs for the funds held in trust by others:

Beginning balance	\$ 1,445,193
Total gains (realized/unrealized) included in earnings	38,594
Change in split interest agreements	18,511
Ending balance at June 30, 2024	<u>\$ 1,502,298</u>

The Foundation realized a net gain from the sale of investment securities of \$10,431,476 for the year ended June 30, 2024. The net appreciation on the fair value of investments totaled \$19,153,248 for the year ended June 30, 2024.

The Foundation has outstanding commitments to invest in various alternative investments at June 30, 2024, amounting to approximately \$22,792,000.

Certain Foundation investment securities are held by independent custodial and management agents. Custodial and management fees paid were approximately \$106,000 for the year ended June 30, 2024.

**3. Accounts Receivable**

The composition of accounts receivable for the University at June 30, 2024 is as follows:

Student receivable for fees, room and board	\$ 6,188,487
Research and sponsored programs	6,349,550
Due from the Foundation	357,580
Other	871,684
Subtotal	<u>13,767,301</u>
Less allowance for doubtful accounts	<u>(1,500,000)</u>
Total accounts receivable, net	<u>\$ 12,267,301</u>

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Notes to Financial Statements (Continued)  
June 30, 2024

**4. Notes Receivable**

Principal repayment and interest rate terms of federal and University loans vary considerably. Federal loan programs are funded principally with federal contributions to the University under the Perkins and Nursing Loan programs. The Perkins loan program expired on September 30, 2017, which ended the issuance of new loans under this program and disallowed any new disbursement after June 30, 2018. The University continues to service outstanding loans in accordance with program specifications as permitted by the Federal government. All amounts recorded are believed collectible.

The University distributed \$102,522,761 for student loans in 2024, through the U.S. Department of Education federal direct lending program. These distributions and related funding sources are not included as revenues or expenses in the accompanying financial statements.

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## 5. Capital Assets

Capital assets and accumulated depreciation and amortization of the University as of June 30, 2024 are summarized as follows:

	Beginning Balance	Additions	Retirements or Transfers	Ending Balance
Capital assets not being depreciated:				
Land	\$ 12,588,247	\$ 225,044	\$ -	\$ 12,813,291
Construction in progress	8,319,795	23,550,932	(17,606,483)	14,264,244
Total non depreciable capital assets	20,908,042	23,775,976	(17,606,483)	27,077,535
Capital asset being depreciated:				
Buildings	751,720,535	-	(2,321,491)	749,399,044
Infrastructure	283,191,119	22,231,600	-	305,422,719
Equipment	103,353,605	5,588,546	(3,060,196)	105,881,955
Library materials	22,497,090	1,927,432	(2,369,687)	22,054,835
Right-to-use assets	31,620,155	4,057,794	(11,157,912)	24,520,037
Total depreciable capital assets	1,192,382,504	33,805,372	(18,909,286)	1,207,278,590
Total capital assets	1,213,290,546	57,581,348	(36,515,769)	1,234,356,125
Less: accumulated depreciation and amortization				
Buildings	392,188,825	20,596,359	(2,196,806)	410,588,378
Infrastructure	123,810,429	12,045,543	-	135,855,972
Equipment	90,112,792	3,736,883	(2,762,699)	91,086,976
Library materials	11,802,227	2,020,284	(2,369,687)	11,452,824
Right-to-use assets	20,277,555	5,701,195	(10,436,386)	15,542,364
Total accumulated depreciation and amortization	638,191,828	44,100,264	(17,765,578)	664,526,514
Total capital assets, net	<u>\$ 575,098,718</u>	<u>\$ 13,481,084</u>	<u>\$ (18,750,191)</u>	<u>\$ 569,829,611</u>

The University has commitments of approximately \$24,400,000 on various construction projects in progress as of June 30, 2024.

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## 6. Leases and Subscription-Based Information Technology Arrangements

The University leases certain assets from third parties. The assets leased include land, buildings (classroom and office space), and equipment (office equipment, information technology equipment and vehicles). The University has also entered into certain subscription and license agreements with software vendors. The University had no significant commitments before the commencement of the subscription terms. Payments on these right-to-use assets are generally fixed monthly.

Right-to-use asset activity of the University in fiscal year 2024 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Buildings	\$ 272,955	\$ -	\$ (49,216)	\$ 223,739
Software	21,913,483	3,823,046	(6,456,833)	19,279,696
Equipment	9,433,717	234,748	(4,651,863)	5,016,602
Total right-to-use assets	31,620,155	4,057,794	(11,157,912)	24,520,037
Less: accumulated amortization				
Leases	7,159,472	1,038,674	(4,699,996)	3,498,150
Software	13,118,083	4,662,521	(5,736,390)	12,044,214
Total accumulated amortization	20,277,555	5,701,195	(10,436,386)	15,542,364
Net book value of right-to-use assets	<u>\$ 11,342,600</u>	<u>\$ (1,643,401)</u>	<u>\$ (721,526)</u>	<u>\$ 8,977,673</u>

Future principal and interest payment requirements related to the University's lease and subscription liabilities at June 30, 2024 are as follows:

	Lease Liabilities		
	Principal	Interest	Total
2025	\$ 865,888	\$ 45,113	\$ 911,001
2026	609,187	24,123	633,310
2027	101,661	9,500	111,161
2028	67,272	5,866	73,138
2029	20,953	3,270	24,223
2030 and thereafter	120,596	2,556	123,152
Totals	<u>\$ 1,785,557</u>	<u>\$ 90,428</u>	<u>\$ 1,875,985</u>

	Subscription Liabilities		
	Principal	Interest	Total
2025	\$ 3,497,565	\$ 220,238	\$ 3,717,803
2026	1,353,733	104,762	1,458,495
2027	679,688	52,711	732,399
2028	554,316	23,891	578,207
Totals	<u>\$ 6,085,302</u>	<u>\$ 401,602</u>	<u>\$ 6,486,904</u>

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**6. Leases and Subscription-Based Information Technology Arrangements (continued)**

The University leases certain assets to various third parties. The assets leased include land, space on campus, and tower space. Payments are generally fixed monthly.

During the year ended June 30, 2024, the University recognized the following related to its lessor agreements:

Lease revenue	\$ 124,579
Interest income related to leases	12,866
Total	<u>\$ 137,445</u>

Future principal and interest payment requirements related to the University's lease receivable at June 30, 2024 are as follows:

	Principal	Interest	Total
2025	\$ 106,429	\$ 9,736	\$ 116,165
2026	82,511	6,486	88,997
2027	60,587	3,745	64,332
2028	23,079	1,627	24,706
2029	1,430	663	2,093
2030 and thereafter	29,678	10,746	40,424
Total	<u>\$ 303,714</u>	<u>\$ 33,003</u>	<u>\$ 336,717</u>

**7. Accounts Payable and Accrued Expenses**

The composition of accounts payable and accrued expenses of the University at June 30, 2024 is as follows:

Accounts payable	\$ 14,733,846
Accrued payroll and withholdings	9,249,389
Accrued health claims	3,500,000
Accrued interest on bonds	845,971
Total	<u>\$ 28,329,206</u>



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## 8. Long-Term Debt and Other Obligations

Long-term debt and other obligations of the University for June 30, 2024 are summarized as follows:

	Rates	Maturity	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
<b>Public bonds:</b>							
2016 Bond Series A	3.75-5.00	2021-2046	\$ 65,535,000	\$ -	\$ 1,635,000	\$ 63,900,000	\$ 1,715,000
2017 Bond Series B	3.00-5.00	2018-2045	63,980,000	-	1,750,000	62,230,000	1,840,000
2020 Bond Series A	3.00-5.00	2021-2050	49,060,000	-	1,545,000	47,515,000	1,550,000
Bond premium			18,172,133	-	1,790,958	16,381,175	1,671,763
<b>Direct placement bonds:</b>							
2017 Bond Series A	1.51	2025-2050	35,000,000	-	-	35,000,000	1,160,000
2021 Bond Series A	Variable	2022-2048	36,795,000	-	885,000	35,910,000	920,000
Total bonds payable			268,542,133	-	7,605,958	260,936,175	8,856,763
<b>Other liabilities</b>							
Vacation pay			9,065,162	6,744,952	5,842,130	9,967,984	7,246,558
Sick leave			8,722,108	48,822	-	8,770,930	459,367
Lease liability			2,598,747	234,748	1,047,938	1,785,557	865,888
Subscription liability			7,325,636	3,823,046	5,063,380	6,085,302	3,497,565
Federal student loan deposits			3,572,766	-	344,206	3,228,560	-
Construction funding payable - direct placement			9,360,618	-	596,800	8,763,818	596,800
Total other liabilities			40,645,037	10,851,568	12,894,454	38,602,151	12,666,178
Total long-term liabilities			\$ 309,187,170	\$ 10,851,568	\$ 20,500,412	\$ 299,538,326	\$ 21,522,941

The scheduled maturities and interest of the University's bonds for the five fiscal years subsequent to June 30, 2024 and subsequent periods thereafter are as follows:

	Bonds			Bonds from Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 5,105,000	\$ 7,926,613	\$ 13,031,613	\$ 2,080,000	\$ 2,229,781	\$ 4,309,781
2026	5,245,000	7,708,163	12,953,163	2,135,000	2,168,679	4,303,679
2027	5,425,000	7,445,913	12,870,913	2,190,000	2,105,617	4,295,617
2028	5,620,000	7,174,663	12,794,663	2,250,000	2,040,434	4,290,434
2029	5,910,000	6,893,663	12,803,663	2,310,000	1,973,052	4,283,052
2030-2034	36,350,000	29,791,006	66,141,006	12,505,000	8,774,381	21,279,381
2035-2039	45,130,000	20,583,038	65,713,038	14,325,000	6,718,525	21,043,525
2040-2044	43,580,000	10,608,113	54,188,113	16,465,000	4,286,897	20,751,897
2045-2049	19,850,000	1,550,988	21,400,988	16,650,000	1,403,035	18,053,035
2050	1,430,000	42,900	1,472,900	-	-	-
Total	\$ 173,645,000	\$ 99,725,060	\$ 273,370,060	\$ 70,910,000	\$ 31,700,401	\$ 102,610,401

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**8. Long-Term Debt and Other Obligations (continued)**

On May 7, 2014, the University issued \$40,000,000 of variable rate, tax exempt General Receipts Bonds, Series 2014. The proceeds were used to finance the costs of various improvements to the University's campus, including (i) improvements to fully or partially renovate five academic classroom and instruction laboratory buildings and the supporting campus infrastructure, and also including improved replacement parking; (ii) partial renovation of the campus recreation and wellness facility; (iii) demolition, utility relocation, and other site preparation work associated with one or more existing academic and residential buildings in preparation for future site-specific capital projects; and (iv) acquisition and installation of all related fixtures, furnishings, and equipment.

The Series 2014 Bond has a stated maturity date of June 1, 2048 and bear interest at an adjustable rate, payable on the first business day of each month. The variable rate resets on the first of each month; in 2018 the rate calculation was modified to 68.50 percent of LIBOR plus a number of basis points (currently 38 basis points) that are assigned based on the University's then-current bond rating. The rate in effect at June 30, 2020 was 0.63 percent. At no time will the interest rate borne by this Series 2014 Bond exceed a maximum interest rate of 12 percent per year. The Series 2014 Bonds were retired in October 2020 with the proceeds of the Series 2020B bonds.

On February 11, 2016, the University issued \$70,000,000 of fixed rate tax exempt General Receipts Bonds, Series 2016A with interest rates ranging from 3.75 percent to 5.00 percent, and maturities ranging from 2021 to 2046. The proceeds were used to finance the costs of various improvements to the University's campus, including (i) improvements to fully or partially renovate five academic classroom and instruction laboratory buildings and the supporting campus infrastructure, and also including improved replacement parking; (ii) partial renovation of the campus recreation and wellness facility; (iii) demolition, utility relocation, and other site preparation work associated with one or more existing academic and residential buildings in preparation for future site-specific capital projects; and (iv) acquisition and installation of all related fixtures, furnishings, and equipment.

On June 29, 2017, the University issued \$35,000,000 of fixed rate tax exempt General Receipts Bonds, Series 2017A with a fixed interest rate of 1.60 percent and a maturity in 2050. The proceeds were used to finance the cost of various improvements to the University's campus including (i) improvements to fully or partially renovate five academic classroom and instruction laboratory buildings and the supporting campus infrastructure, and also including improved replacement parking; (ii) partial renovation of the campus recreation and wellness facility; (iii) demolition, utility relocation, and other site preparation work associated with one or more existing academic and residential buildings in preparation for future site-specific capital projects; and (iv) acquisition and installation of all related fixtures, furnishings, and equipment. On May 14, 2020, the University agreed to updated terms for this debt, including a fixed interest rate of 1.51 percent through June 1, 2030.

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**8. Long-Term Debt and Other Obligations (continued)**

On August 10, 2017, the University issued \$73,560,000 of fixed rate tax exempt General Receipts Bonds, Series 2017B, with interest rates ranging from 3.00 percent to 5.00 percent, and maturities ranging from 2018 to 2045. Proceeds from the bonds were used to advance refund the Series 2010 Bonds held by CFP I. As a result of this transaction, the University acquired two student housing facilities and their contents known as Falcon Heights and Centennial Hall from CFP I.

On March 3, 2020, the University issued \$53,685,000 of fixed rate tax exempt General Receipts Bonds, Series 2020A, with interest rates ranging from 3.00 percent to 5.00 percent, and maturities ranging from 2021 to 2050. A portion of the proceeds (\$33,685,000) from the bonds were used to advance refund the Series 2010B bonds. As a result, the bonds are considered to be defeased and the liability for the 2010B bonds has been removed from the general long-term debt account group. The advanced refunding reduced total debt service payments over the next 19 years by approximately \$7.8 million, which represents an economic gain of approximately \$7.8 million. The remaining portion of the proceeds (\$20,000,000) from the bonds will be used to finance the cost of various improvements to the University's campus including (i) preliminary planning and infrastructure development costs related to east campus; (ii) construction, furnishing, and equipping of a portion of the Robert W. and Patricia A. Maurer center; (iii) improvements relating to the University's information technology network infrastructure; (iv) development and construction of a nursing skills lab; (v) construction and rehabilitation of the Slater Family Ice Arena; and (vi) acquisition, development, and installation of all related real estate, infrastructure, fixtures, furnishings and equipment and other improvements to the University facilities approved by the University Board of Trustees.

On October 29, 2020, the University issued \$39,245,000 of variable rate, tax exempt General Receipts Bonds, Series 2020B. The proceeds were used to refinance the remaining Series 2014 bonds. The Series 2020B Bonds were retired in November 2021 with the proceeds of the Series 2021A bonds.

On November 1, 2021, the University issued \$38,460,000 of variable rate, tax exempt General Receipts Bonds, Series 2021A. The proceeds were used to refinance the remaining Series 2020B bonds. This Series 2021A Bond has a stated maturity date of June 1, 2048 and bears interest at an adjustable rate, payable on the first business day of each month. The variable rate resets on the first of each month to 79.00 percent of the Bloomberg Overnight Short Term Bank Yield Index ("BSBYON") plus 48 basis points. The rate in effect at June 30, 2024 was 4.72 percent. At no time will the interest rate borne by this Series 2021A Bond feature a BSBYON rate used in calculation less than 0.50 percent or exceed a maximum interest rate of 12.00 percent per year. The interest calculation for the Series 2021A Bond included in the above table of scheduled maturities is based upon the rate in effect on July 1, 2024. On November 14, 2024, the BSYBON rate will be discontinued. Pursuant to the benchmark replacement provisions in the 2021A Bond agreement, the replacement rate will be the Secured Overnight Financing Rate ("SOFR") with a BSYB long-term five-year spread adjustment as published near the transition date. This Series 2021A Bond is subject to redemption at the option of the University prior to the stated maturity date in whole or in part, at the redemption price of 100 percent of the principal amount redeemed, plus accrued interest up to the redemption date.

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**8. Long-Term Debt and Other Obligations (continued)**

The principal and interest payments of all Bonds are collateralized by the pledge of the general receipts of the University under a master trust agreement. The master trust agreement has various restrictive covenants with which the University believes it is in compliance.

Events of default on the University's Bonds, subject to the master trust agreement, may result from failure to pay principal and interest when due, or failure to perform under bond covenants and agreements as identified by the Bond Trustee. The Bonds contain a subjective acceleration clause in which in the event of the occurrence of any event of default, the Trustee may, and upon the request of the holders of at least 25 percent of the principal amount of the then outstanding bonds must, so long as properly indemnified, by appropriate notice to the University declare the principal of all bonds then outstanding (if not then due and payable) and the interest accrued on those bonds to be due and payable immediately.

Interest expense related to long-term debt of the University for the year ended June 30, 2024 was \$8,993,420.

The University had unspent bond proceeds, which are classified as restricted assets, at June 30, 2024 of \$1,928,281.

The construction funding payable amounts of the Corporation for the five fiscal years subsequent to June 30, 2024 and thereafter are as follows:

	The Oaks (CFP II)	Carillon (CFP III)	Total Due
2025	\$ 376,364	\$ 220,436	\$ 596,800
2026	376,364	220,436	596,800
2027	376,364	220,436	596,800
2028	376,364	220,436	596,800
2029	376,364	220,436	596,800
2030-2034	1,881,818	1,102,182	2,984,000
2035-2039	1,693,636	1,102,182	2,795,818
Total	<u>\$ 5,457,274</u>	<u>\$ 3,306,544</u>	<u>\$ 8,763,818</u>

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## 9. Employee Benefit Plans

Employee benefits are available for substantially all employees under contributory retirement plans. The University faculty is covered by the State Teachers Retirement System of Ohio (“STRS Ohio”). All other employees are covered by the Ohio Public Employees Retirement System of Ohio (“OPERS”). Both plans provide retirement, disability, annual cost-of-living adjustments, death benefits, and healthcare benefits to vested retirees.

STRS Ohio and OPERS offer three separate retirement plans:

Defined benefit plan – traditional pension plan. This is a cost-sharing, multiple-employer plan. This plan provides disability, annual cost-of-living adjustments, death benefits, and healthcare benefits. Healthcare benefits are based on years of service.

Defined contribution plan – member-directed plan. Employee contributions are invested in self-directed investments. Benefits are dependent upon contributions and investment earnings. This plan does not include disability, annual cost-of-living adjustments, death benefits, or healthcare benefits.

Combined plan – has elements of the traditional pension plan and member-directed plan. Employee contributions are invested in self-directed investments. The employer contributions are used to fund a reduced defined benefit plan. This plan provides disability, annual cost-of-living adjustments, death benefits, and healthcare benefits. Healthcare benefits are based on years of service.

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

The STRS Ohio Comprehensive Annual Financial Report can be downloaded from the STRS website at [www.strsoh.org](http://www.strsoh.org). The Ohio Revised Code provides statutory authority for employer and employee contributions. The University contributes 14 percent of covered payroll and the employee pretax contribution rate is 14 percent of covered payroll.

The OPERS Comprehensive Annual Financial Report can be downloaded from the OPERS website at [www.opers.org](http://www.opers.org). The Ohio Revised Code provides statutory authority for employer and employee contributions. The University contributes 14 percent of covered payroll and the employee pretax contribution rate is 10 percent of covered payroll.

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**9. Employee Benefit Plans (continued)**

Employees may opt out of STRS Ohio or OPERS and participate in the Alternative Retirement Program (“ARP”), a defined contribution plan. The University contributes 14 percent of covered payroll and the employee pretax contribution rate is 10 percent of covered payroll for employees who opt out of OPERS and 14 percent for employees who opt out of STRS Ohio. Benefits are dependent upon contributions and investment earnings. This plan does not include disability, annual cost-of-living adjustments, death benefits, or healthcare benefits.

STRS Ohio – Plan benefits are established under Chapter 3307 of the Revised Code, 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, 2019 through July 31, 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 on 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 the 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.

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**9. Employee Benefit Plans (continued)**

OPERS – Plan benefits are established under Chapter 145 of the Ohio Revised Code, as amended by Substitute Senate Bill 343 in 2012. The requirements to retire depend on years of service (5 to 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 of service credit receive a percentage reduction in benefit. 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 1.0 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.

Postemployment healthcare – In addition to pension benefits, the Ohio Revised Code provides authority for public employers to fund postemployment healthcare benefits through their contributions to STRS Ohio and OPERS.

Under Ohio law, postemployment healthcare benefits under STRS Ohio are permitted, but not mandated; therefore, a portion of employer contributions is set aside for funding for the postemployment health. Of the 14 percent employer contribution rate, 0 percent of covered payroll was allocated to postemployment health care for the year ended June 30, 2024. The 14 percent employer contribution rate is the maximum rate established under Ohio law.

OPERS maintains a cost-sharing, multiple-employer healthcare plan to retirees who participated in the defined benefit or combined plan with 10 or more years of qualifying Ohio service credit. Coverage includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement.

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**9. Employee Benefit Plans (continued)**

Under Ohio law, postemployment healthcare benefits under OPERS are permitted, but not mandated; therefore, a portion of employer contributions is set aside for funding postemployment health care. Effective January 1, 2018, the portion of employer contributions allocated to health care decreased to 0 percent, as recommended by the OPERS actuary. Payment amounts vary depending on the number of covered dependents and coverage selected.

Ohio Public Employees Deferred Compensation Program – The University’s employees may elect to participate in the Ohio Public Employees Deferred Compensation Program (the “Program”), created in accordance with Internal Revenue Code Section 457. The Program permits deferral of a portion of an employee’s compensation until termination, retirement, death, or unforeseeable emergency. The deferred compensation and any income earned thereon are not subject to income taxes until actually received by the employee.

In 1998, the Program’s board implemented a trust to hold the assets of the Program in accordance with Internal Revenue Code Section 457. The Program assets are the property of the trust, which holds the assets on behalf of the participants.

Therefore, in accordance with GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the assets of this Program are not reported in the accompanying financial statements.

The amount on deposit with the Program’s board at June 30, 2024 was \$34,871,746, which represents the fair value at such date.

**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.



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**9. Employee Benefit Plans (continued)**

Member contributions are set at the maximums authorized by the ORC. The plans' 2024 employer and member contribution rates on covered payroll to each system are:

	Employer Contribution Rate			Member Contribution Rate
	Pension	Post-Retirement Healthcare	Total	Total
STRS Ohio	14.00%	0.00%	14.00%	14.00%
OPERS – State/Local	14.00%	0.00%	14.00%	10.00%
OPERS – Law Enforcement	18.10%	0.00%	18.10%	13.00%

Employer contributions to the following retirement benefit programs for the year ended June 30, 2024 are summarized as follows:

	Pension	OPEB
STRS Ohio	\$ 7,640,318	\$ -
OPERS	10,072,618	-
ARP	7,965,241	-
Total	<u>\$ 25,678,177</u>	<u>\$ -</u>

**Net Pension Liability, Deferrals, and Pension Expense** – At June 30, 2024, the University reported a liability for its proportionate share of the net pension liability of OPERS/STRS Ohio. For the year ended June 30, 2024, the net pension liability was measured as of June 30, 2023 for the STRS Ohio plan and December 31, 2023 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 (Asset)	Proportionate Share	Percent Change
		2024	2024	2023-2024
STRS Ohio	June 30	\$ 97,670,424	0.4535%	-6.1557%
OPERS – traditional	December 31	\$ 100,509,996	0.3839%	3.7479%
OPERS – combined and member directed	December 31	\$ (1,120,599)	0.3518%	3.0436%

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**9. Employee Benefit Plans (continued)**

For the year ended June 30, 2024, the University recognized pension expense related to the STRS Ohio and OPERS plans of \$16,844,123. The University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30, 2024:

	STRS Ohio	OPERS	Total
Deferred outflows of resources:			
Differences between expected and actual experience	\$ 3,560,858	\$ 1,769,468	\$ 5,330,326
Changes of assumptions	8,043,689	41,486	8,085,175
Net difference between projected and actual earnings on pension plan investments	-	20,470,052	20,470,052
Changes in proportion and differences between University contributions and proportionate share of contributions	456,166	2,014,448	2,470,614
University contributions subsequent to the measurement date	8,767,086	5,036,309	13,803,395
Total	<u>\$ 20,827,799</u>	<u>\$ 29,331,763</u>	<u>\$ 50,159,562</u>
Deferred inflows of resources:			
Differences between expected and actual experience	\$ 216,735	\$ 107,016	\$ 323,751
Changes of assumptions	6,054,585	-	6,054,585
Net difference between projected and actual earnings on pension plan investments	292,721	-	292,721
Changes in proportion and differences between University contributions and proportionate share of contributions	8,473,319	50,527	8,523,846
Total	<u>\$ 15,037,360</u>	<u>\$ 157,543</u>	<u>\$ 15,194,903</u>

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

Year Ended June 30	STRS Ohio	OPERS	Total
2025	\$ (3,413,549)	\$ 6,510,995	\$ 3,097,446
2026	(6,293,229)	7,375,544	1,082,315
2027	8,477,631	13,081,079	21,558,710
2028	(1,747,500)	(2,892,384)	(4,639,884)
2029	-	29,670	29,670
Thereafter	-	33,007	33,007
Total	<u>\$ (2,976,647)</u>	<u>\$ 24,137,911</u>	<u>\$ 21,161,264</u>

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

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**9. Employee Benefit Plans (continued)**

**Net OPEB Assset, Deferrals, and OPEB Expense** – At June 30, 2024, the University reported an asset for its proportionate share of the net OPEB asset of STRS Ohio/OPERS. For the year ended June 30, 2024, the net OPEB asset was measured as of June 30, 2023 for the STRS Ohio plan and December 31, 2023 for the OPERS plan. The total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of those dates, except OPERS which used an actuarial valuation dated December 31, 2022, 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 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 year ended June 30, 2023, 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 year ended December 31, 2023, OPERS did not allocate employer contributions to the OPEB plan. Therefore, OPERS' calculation of the employers' proportionate share is based on total contributions to the plan for both pension and OPEB.

Plan	Measurement Date	Net OPEB Asset 2024	Proportionate Share 2024	Percent Change 2023-2024
STRS Ohio	June 30	\$ (8,821,000)	0.4535%	-6.1556%
OPERS	December 31	\$ (3,443,273)	0.3815%	3.3354%

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**9. Employee Benefit Plans (continued)**

For the year ended June 30, 2024, the University recognized OPEB income of \$1,031,074. The University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources at June 30, 2024:

	STRS Ohio	OPERS	Total
Deferred outflows of resources:			
Differences between expected and actual experience	\$ 14,000	\$ -	\$ 14,000
Changes of assumptions	1,299,000	886,471	2,185,471
Net difference between projected and actual earnings on OPEB plan investments	-	-	-
Changes in proportion and differences between University contributions and proportionate share of contributions	16,000	2,067,882	2,083,882
	-	-	-
	199,883	1,592	201,475
Total	<u>\$ 1,528,883</u>	<u>\$ 2,955,945</u>	<u>\$ 4,484,828</u>

Deferred inflows of resources:			
Differences between expected and actual experience	\$ 1,345,000	\$ 490,077	\$ 1,835,077
Changes of assumptions	5,820,000	1,480,160	7,300,160
Changes in proportion and differences between University contributions and proportionate share of contributions	24,177	77,277	101,454
Total	<u>\$ 7,189,177</u>	<u>\$ 2,047,514</u>	<u>\$ 9,236,691</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Year Ended June 30	STRS Ohio	OPERS	Total
2025	\$ (2,531,105)	\$ (135,455)	\$ (2,666,560)
2026	(1,173,642)	132,474	(1,041,168)
2027	(430,808)	1,609,662	1,178,854
2028	(595,311)	(698,250)	(1,293,561)
2029	(541,178)	-	(541,178)
Thereafter	(388,250)	-	(388,250)
Total	<u>\$ (5,660,294)</u>	<u>\$ 908,431</u>	<u>\$ (4,751,863)</u>

Bowling Green State University  
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Notes to Financial Statements (Continued)  
June 30, 2024

**9. Employee Benefit Plans (continued)**

**Actuarial Assumptions** – The total pension liability and OPEB asset is based on the results of an actuarial valuation and were determined using the following actuarial assumptions for 2023, applied to all periods included in the measurement for fiscal year ended June 30, 2024:

	STRS Ohio	OPERS
Valuation date - Pension	June 30, 2023	December 31, 2023
Valuation date - OPEB	June 30, 2023	December 31, 2022
Actuarial cost method	Entry age normal	Individual entry age
Cost of living	None	2.05 percent - 3.00 percent
Salary increases, including inflation	2.50 percent - 8.50 percent	2.75 percent - 10.75 percent
Inflation	2.50 percent	2.75 percent
Investment and discount rate of return - pension	7.00 percent, net of investment expenses, including inflation	6.90 percent, net of pension plan investment expense, including inflation
Investment and discount rate of return - OPEB	7.00 percent, net of investment expenses, including inflation	6.00 percent, investment rate of return, net of pension plan investment expenses, including inflation; single discount rate of 5.70% and municipal bond rate of 3.77%
Health care cost trend rates	-10.94 percent to 1.33 percent initial, 4.14 percent ultimate	5.50 percent initial, 3.50 percent ultimate in 2038
Experience study date	Period of 5 years ended June 30, 2021	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.

Bowling Green State University  
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Notes to Financial Statements (Continued)  
June 30, 2024

**9. Employee Benefit Plans (continued)**

**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 rate used to measure the total pension liability for STRS Ohio was 7.00 percent for the plan year ended June 30, 2023. The discount rate used to measure the total pension liability for OPERS was 6.90 percent for the plan year ended December 31, 2023.

**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 asset.

*STRS Ohio – OPEB Discount Rate:* The discount rate used to measure the total OPEB asset was 7.00 percent for the plan year ended June 30, 2023. At June 30, 2023, 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 asset.

*OPERS – OPEB Discount Rate:* The discount rates used to measure the total OPEB asset was 5.70 percent for the plan year ended December 31, 2023. At December 31, 2023, 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 3.77 percent as of December 31, 2023.

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Notes to Financial Statements (Continued)  
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**9. Employee Benefit Plans (continued)**

The long-term expected rate of return on pension plan and OPEB investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. OPERS has two different portfolios of investment, a defined benefit portfolio for pension and health care portfolio for OPEB. As a result, there are different target allocations and long-term expected real rates of return disclosed for each portfolio. The target allocation and best estimates of arithmetic (geometric for STRS 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 6/30/23				OPERS as of 12/31/23			
Investment Category	Target Allocation	Long-term Expected Real Rate of Return	Investment Category	Defined Benefit Portfolio		Health Care Portfolio	
				Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	26.00%	6.60%	Fixed Income	24.00%	2.85%	37.00%	2.82%
International Equity	22.00%	6.80%	Domestic Equity	21.00%	4.27%	25.00%	4.27%
Alternatives	19.00%	7.38%	Real Estate	13.00%	4.46%	0.00%	0.00%
Fixed Income	22.00%	1.75%	Private Equity	15.00%	7.52%	0.00%	0.00%
Real Estate	10.00%	5.75%	International Equity	20.00%	5.16%	25.00%	5.16%
Liquidity Reserves	1.00%	1.00%	Risk Parity	2.00%	4.38%	3.00%	4.38%
Total	100.00%		REITs	0.00%	0.00%	5.00%	4.68%
			Other Investments	5.00%	3.46%	5.00%	2.43%
			Total	100.00%		100.00%	

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following presents the net pension liability of the University at June 30, 2024, 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:

Plan	1.00 Percent Decrease		Current Discount Rate		1.00 Percent Increase	
STRS Ohio	6.00%	\$ 150,195,499	7.00%	\$ 97,670,424	8.00%	\$ 53,248,588
OPERS – traditional	5.90%	158,229,743	6.90%	100,509,996	7.90%	52,503,942
OPERS – combined and member directed	5.90%	(682,413)	6.90%	(1,120,599)	7.90%	(1,467,027)
		<u>\$ 307,742,829</u>		<u>\$ 197,059,821</u>		<u>\$ 104,285,503</u>

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**9. Employee Benefit Plans (continued)**

**Sensitivity of the Net OPEB Asset to Changes in the Discount Rate** – The following presents the net OPEB asset of the University at June 30, 2024, calculated using the discount rate listed below, as well as what the University's net OPEB 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:

Plan	1.00 Percent Decrease	Current Discount Rate	1.00 Percent Increase
STRS Ohio	6.00%    \$ (7,465,657)	7.00%    \$ (8,821,000)	8.00%    \$ (10,000,995)
OPERS	4.70%    1,892,319	5.70%    (3,443,273)	6.70%    (7,863,045)
	<u>\$ (5,573,338)</u>	<u>\$ (12,264,273)</u>	<u>\$ (17,864,040)</u>

**Sensitivity of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate** – The following presents the net OPEB asset of the University at June 30, 2024, calculated using the healthcare cost trend rate listed below, as well as what the University's net OPEB 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:

Plan	1.00 Percent Decrease	Current Trend Rate	1.00 Percent Increase
STRS Ohio	\$ (10,055,761)	\$ (8,821,000)	\$ (7,333,186)
OPERS	(3,586,250)	(3,443,273)	(3,281,038)
	<u>\$ (13,642,011)</u>	<u>\$ (12,264,273)</u>	<u>\$ (10,614,224)</u>

**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 plans 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 FY23 and eliminated the age 60 requirement (effective August 1, 2026).



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**9. Employee Benefit Plans (continued)**

**Changes since the measurement date** – There were no significant changes since the measurement date.

**Payable to the Pension Plan** – At June 30, 2024, the University reported a payable of \$1,513,195 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

**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, 1998, for public institutions of higher education. The University’s Board of Trustees adopted the University’s plan on April 18, 1998. Full-time employees are eligible to choose a provider, in lieu of STRS Ohio or OPERS, from the list of four providers currently approved by the Ohio Department of Higher Education 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 at least four private providers approved by the Ohio Department of Higher Education. The legislation mandates that the employer must contribute an amount to the state retirement system to which the employee would have otherwise belonged, based on an independent actuarial study commissioned by the Ohio Retirement Study Council and submitted to the Ohio Board of Regents. That amount is 2.91 percent for STRS Ohio and 2.24 percent for OPERS for the year ended June 30, 2024. 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. For the year ended June 30, 2024, employee contributions to the ARP totaled \$7,445,723 and the University recognized pension expense of \$7,965,241.

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## 10. Risk Management

The University self-insures its healthcare program up to a specific limit of \$325,000 per individual event. The University has specific stop-loss coverage.

Changes in the balances of claims liabilities for the years indicated for the health coverage are as follows:

	2024	2023	2022
Unpaid claims, July 1	\$ 3,500,000	\$ 2,500,000	\$ 2,400,000
Incurred claims	28,833,375	26,439,696	23,277,556
Paid claims	(28,833,375)	(25,439,696)	(23,177,556)
Unpaid claims, June 30	<u>\$ 3,500,000</u>	<u>\$ 3,500,000</u>	<u>\$ 2,500,000</u>

This actuarially determined liability for estimates of losses retained by the University for outstanding claims and claims incurred but not reported is the University's best estimate based on past experience and current claims outstanding. Actual claims experience may differ from the estimate.

Risk financing methods for property and casualty exposures include a combination of insurance, self-insurance, and risk pooling via a joint program formed with other four-year publicly funded universities in the state. This program is referred to as the Inter-University Council Risk Management & Insurance Consortium and it obligates member institutions to realize the first \$100,000 per covered loss for nearly all exposures before the claim reaches the pool and eventually the insured layers of the program. Thirteen member institutions participate in the program. The operation of the pool is managed by a Board of Governors consisting of one member representative and one alternate from each institution.

The University participates in a state pool of agencies and universities that pays workers' compensation premiums into the State Insurance Fund (the "Plan") on a pay-as-you-go basis, 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.

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Notes to Financial Statements (Continued)  
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**11. Contingencies**

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

The University receives grants and contracts from certain federal, state, and local agencies to fund research and other activities. Revenues from government grants and contracts are recognized when all eligibility requirements have been met. The University records indirect costs related to such grants and contracts at predetermined rates that are negotiated with the University's federal cognizant agency. Both direct and indirect costs charged to the grants or contracts are subject to audit and approval by the granting agencies. University management believes any adjustments of costs resulting from such examination by the granting agency would be insignificant.

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June 30, 2024

**12. Foundation Net Assets**

The Foundation's net assets with donor restriction at June 30, 2024 were available for the following purposes:

Scholarships	\$ 157,696,510
General and operational support	82,941,254
Professorships	20,590,168
Capital and equipment	9,868,675
Centers and institutes	4,655,096
Chair	3,890,409
Faculty and staff	1,757,831
Research	1,522,727
Fellowships	640,049
Total	<u><u>\$ 283,562,719</u></u>

The Foundation's summary of the net assets released from restrictions during the year ended June 30, 2024 is as follows:

Scholarships	\$ 12,600,636
General and operational support	7,766,519
Professorships	465,483
Capital and equipment	5,225,560
Centers and institutes	248,086
Chair	102,832
Faculty and staff	62,437
Research	35,046
Fellowships	32,242
Total	<u><u>\$ 26,538,841</u></u>

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**13. Related Party Transactions**

The University leased land comprising the site on which The Oaks is constructed to the Corporation under a Ground Lease between the State of Ohio, acting by, through, and for the University, as lessor, and the Corporation, as lessee. The Corporation paid a one-time nominal lump-sum rent at the commencement of the lease. The Corporation subleased this site to CFP II in consideration of the agreement of CFP II to develop The Oaks on that land and the payment of nominal lump-sum rent. The lease commenced on June 30, 2010 and will expire on June 30, 2045.

The University leased land comprising the site on which Carillon is constructed to the Corporation under a Ground Lease between the State of Ohio, acting by, through, and for the University, as lessor, and the Corporation, as lessee. The Corporation paid a one-time nominal lump-sum rent at the commencement of the lease. The Corporation subleased this site to CFP III in consideration of the agreement of CFP III to develop Carillon on that land and the payment of nominal lump-sum rent. The lease commenced on November 1, 2010 and will expire on June 30, 2045.

The University incurred costs during different stages of start-up and implementation of the Corporation. The University also incurred costs on behalf of the Corporation for various outside services related to the Series 2010 Project, The Oaks, and Carillon. These outside services include consulting, legal, engineering, architectural, and construction. In addition, certain salaries and fringe benefits of financial, accounting, development, and information technology personnel are incurred by the University but relate to the Corporation. These in-kind expenses are paid by the University on behalf of the Corporation as operating expenses of \$6,545 for the fiscal year ended June 30, 2024. These in-kind transactions between the University and the Corporation have been eliminated in the University's financial statements.

Chartwells provided approximately \$18,000,000 of funding for these projects during the year ended June 30, 2012. The Chartwells construction funding payable will be paid in annual installments, ranging from \$409,000 to \$857,000 over 27.5 years, through June 30, 2039. Due to the University's Management Agreement with Chartwells for the dining program and in exchange for the use of the dining facilities, the construction funding payable is considered repaid on behalf of the Corporation, as these are of approximate equal value. As such, the Corporation recognizes this noncash transaction as a reduction to the construction funding payable and as in-kind support nonoperating revenue. For year ended June 30, 2024, the repayment and in-kind support revenue totaled \$596,800. The University recognized in-kind nonoperating expense of \$596,800 for the year ended June 30, 2024. These in-kind transactions between the University and the Corporation have been eliminated in the University's financial statements.

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**13. Related Party Transactions (continued)**

The University can pay off the construction funding payable of \$18,000,000 early without penalty. The University also has a Food Services Agreement with Chartwells in which the University pays a management fee to Chartwells to manage the dining halls through fiscal year 2025. The Food Services Agreement can be renewed for three additional successive five-year periods. If the Food Services Agreement with Chartwells is terminated or not renewed, the University would be required to pay Chartwells interest on the construction funding payable until full payoff at a rate equal to the 12-month U.S. Treasury rate. Payment in full of the construction funding payable would be required in one year from termination of agreement or within 30 days after the University hires another third party to run its dining services.

## **Required Supplemental Information**

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**Bowling Green State University**  
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**June 30, 2024**

**Schedule of Pension Funding Progress**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>OPERS:</b>										
University's proportion of the net pension liability	0.3820%	0.3700%	0.3626%	0.3794%	0.3914%	0.4060%	0.4089%	0.4220%	0.4131%	0.4245%
University's proportionate share of the net pension liability	\$ 99,389,397	\$ 108,479,969	\$ 30,085,421	\$ 54,533,925	\$ 76,454,269	\$ 110,725,047	\$ 63,558,676	\$ 96,270,704	\$ 71,389,662	\$ 51,032,379
University's covered payroll	\$ 67,351,979	\$ 61,446,164	\$ 56,543,861	\$ 56,977,850	\$ 75,013,542	\$ 76,206,086	\$ 74,061,634	\$ 74,474,934	\$ 62,112,087	\$ 53,363,875
University's proportionate share of the net pension liability as a percentage of its covered payroll	147.57%	176.54%	53.21%	95.71%	101.92%	145.30%	85.82%	129.27%	114.94%	95.63%
Fiduciary net position as a percentage of the total pension liability	79.39%	76.07%	93.01%	86.88%	82.17%	74.91%	84.85%	77.38%	81.19%	86.53%
<b>STRS Ohio:</b>										
University's proportion of the net pension liability	0.4535%	0.4832%	0.4942%	0.5227%	0.5116%	0.5192%	0.5125%	0.5162%	0.5256%	0.5362%
University's proportionate share of the net pension liability	\$ 97,670,424	\$ 107,426,500	\$ 63,193,798	\$ 126,469,432	\$ 113,128,183	\$ 114,156,933	\$ 121,738,071	\$ 172,801,507	\$ 145,252,543	\$ 130,415,104
University's covered payroll	\$ 53,840,402	\$ 51,650,346	\$ 49,926,546	\$ 49,626,136	\$ 50,166,515	\$ 50,328,992	\$ 48,957,254	\$ 46,828,962	\$ 46,225,751	\$ 46,606,816
University's proportionate share of the net pension liability as a percentage of its covered payroll	181.41%	207.99%	126.57%	254.84%	225.51%	226.82%	248.66%	369.01%	314.22%	279.82%
Fiduciary net position as a percentage of the total pension liability	80.02%	78.90%	87.80%	75.50%	75.50%	77.31%	75.29%	66.80%	72.10%	74.70%

The net pension asset related to the OPERS combined and member directed plans has been netted with the net pension liability related to the OPERS traditional plan, for presentation in the Required Supplemental Information schedules.

**Schedule of Contributions**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>OPERS:</b>										
Contractually required contribution	\$ 10,072,618	\$ 9,435,127	\$ 8,155,903	\$ 7,848,606	\$ 8,269,955	\$ 8,475,085	\$ 8,128,775	\$ 8,293,880	\$ 7,934,000	\$ 7,679,000
Contributions in relation to the contractually required contribution	\$ 10,072,618	\$ 9,435,127	\$ 8,155,903	\$ 7,848,606	\$ 8,269,955	\$ 8,475,085	\$ 8,128,775	\$ 8,293,880	\$ 7,934,000	\$ 7,679,000
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 69,500,205	\$ 64,318,609	\$ 57,803,517	\$ 55,700,928	\$ 58,678,024	\$ 60,033,251	\$ 57,625,045	\$ 58,800,542	\$ 55,472,339	\$ 61,602,245
Contributions as a percentage of covered payroll	14.49%	14.67%	14.11%	14.09%	14.09%	14.12%	14.11%	14.11%	14.30%	12.47%
<b>STRS Ohio:</b>										
Contractually required contribution	\$ 7,640,318	\$ 7,511,640	\$ 7,220,918	\$ 7,023,444	\$ 6,947,659	\$ 6,820,371	\$ 6,877,222	\$ 6,566,167	\$ 6,284,849	\$ 6,304,000
Contributions in relation to the contractually required contribution	\$ 7,640,318	\$ 7,511,640	\$ 7,220,918	\$ 7,023,444	\$ 6,947,659	\$ 6,820,371	\$ 6,877,222	\$ 6,566,167	\$ 6,284,849	\$ 6,304,000
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 54,623,684	\$ 53,840,402	\$ 51,650,346	\$ 49,926,546	\$ 49,626,136	\$ 48,716,936	\$ 49,123,014	\$ 46,901,194	\$ 44,891,777	\$ 46,225,751
Contributions as a percentage of covered payroll	13.99%	13.95%	13.98%	14.07%	14.00%	14.00%	14.00%	14.00%	14.00%	13.64%



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**Notes to Required Supplemental Information:**

*Changes of benefit terms:*

There were no changes affecting STRS Ohio and OPERS plans.

*Changes of assumptions:*

STRS Ohio: During the plan year ended June 30, 2023, there were no changes to key assumptions.

During the plan year ended June 30, 2022, there were changes to several assumptions for STRS Ohio 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 percent to 2.5-8.5 percent. 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 percent to 7.00 percent.

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 percent to 0.00 percent. The wage inflation dropped from 2.75 percent to 2.50 percent. The investment rate of return decreased from 7.75 percent to 7.45 percent. The mortality tables used changed from RP-2000 to PR-2014.

OPERS: During the plan year ended December 31, 2023, 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 percent to 6.90 percent. The wage inflation dropped from 3.25 percent to 2.75 percent. The projected salary increase range changed from 3.25-10.75 percent to 2.75-10.75 percent. 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 RP-2014 to PUB-2010.

During the plan year ended December 31, 2018, the discount rate was reduced from 7.5 percent to 7.2 percent.

During the plan year ended December 31, 2016, there were changes to several assumptions for OPERS. The wage inflation dropped from 3.75 percent to 3.25 percent. The projected salary increase range changed from 4.25-10.05 percent to 3.25-10.75 percent. The mortality tables used changed from RP-2000 to PR-2014.

**Bowling Green State University**  
**A Component Unit of the State of Ohio**  
**Required Supplemental Information (Continued)**  
**June 30, 2024**

**Schedule of OPEB Funding Progress**

	2024	2023	2022	2021	2020	2019	2018
<b>OPERS:</b>							
University's proportion of the net OPEB liability/(asset)	0.3815%	0.3692%	0.3626%	0.3768%	0.3910%	0.4030%	0.4062%
University's proportionate share of the net OPEB liability/(asset)	\$ (3,443,273)	\$ 2,327,789	\$ (11,357,218)	\$ (6,712,102)	\$ 54,013,197	\$ 52,547,293	\$ 44,112,500
University's covered payroll	\$ 67,351,979	\$ 61,446,164	\$ 56,543,861	\$ 56,977,850	\$ 75,013,542	\$ 76,206,086	\$ 74,061,634
University's proportionate share of the net OPEB liability/(asset) as a percentage of its covered payroll	-5.11%	3.79%	-20.09%	-11.78%	72.00%	68.95%	59.56%
Fiduciary net position as a percentage of the total OPEB liability/(asset)	107.76%	94.79%	128.23%	115.57%	47.08%	46.33%	77.25%
<b>STRS Ohio:</b>							
University's proportion of the net OPEB liability/(asset)	0.4535%	0.4833%	49.4200%	0.5227%	51.1600%	0.5192%	0.5125%
University's proportionate share of the net OPEB liability/(asset)	\$ (8,821,000)	\$ (12,513,000)	\$ (10,421,000)	\$ (9,186,052)	\$ (8,473,000)	\$ (8,343,000)	\$ 19,994,643
University's covered payroll	\$ 53,840,402	\$ 51,650,346	\$ 49,926,546	\$ 49,626,136	\$ 50,166,515	\$ 50,328,992	\$ 48,957,254
University's proportionate share of the net OPEB liability/(asset) as a percentage of its covered payroll	-16.38%	-24.23%	-20.87%	-18.51%	-16.89%	-16.58%	40.84%
Fiduciary net position as a percentage of the total OPEB liability/(asset)	168.52%	230.70%	174.70%	182.10%	-592.08%	176.99%	47.11%

**Schedule of Contributions**

	2024	2023	2022	2021	2020	2019	2018
<b>OPERS:</b>							
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 624,385
Contributions in relation to the contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 624,385
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 69,500,205	\$ 64,318,609	\$ 57,803,517	\$ 55,700,928	\$ 58,678,024	\$ 60,033,251	\$ 57,625,045
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.08%
<b>STRS Ohio:</b>							
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 54,623,684	\$ 53,840,402	\$ 51,650,346	\$ 49,926,546	\$ 49,626,136	\$ 48,716,936	\$ 49,123,014
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Bowling Green State University  
A Component Unit of the State of Ohio  
Required Supplemental Information (Continued)  
June 30, 2024

**Notes to Required Supplemental Information:**

*Changes of benefit terms:*

Effective for 2023, STRS Ohio implemented a one-time 3% cost of living adjustment effective on the anniversary of a benefits recipient's retirement date for those eligible during FY23 and eliminated the age 60 requirement (effective August 1, 2026).

There were no benefit changes affecting the OPERS plan.

*Changes of assumptions:*

STRS Ohio: During the plan year ended June 30, 2022, there were changes to several assumptions for STRS Ohio 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 percent to 2.5-8.5 percent. 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 percent to 7.00 percent. The health care cost trend rates also decreased from 4.93 percent to 9.62 percent initial and 4.00 percent ultimate for plan year ended June 30, 2020, to 16.20 percent to 30.00 percent initial and 4 percent 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 percent to 11.00 percent initial and 4.50 percent ultimate for plan year ended June 30, 2017, to (5.23) percent to 9.62 percent initial and 4.00 percent 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 percent to the investment rate of return of 7.45 percent based on the cash flow analysis.

OPERS: During the plan year ended December 31, 2023, the discount rate increased from 5.22 percent to 5.70 percent.

During the plan year ended December 31, 2022, the health care cost trend rate changed to 5.50% initial, 3.5% ultimate in 2036 from 5.50% initial, 3.5% ultimate in 2034 in 2021. In addition, the discount rate was reduced from 6.00 percent to 5.22 percent.

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 percent to 1.84 percent. Wage inflation decreased from 3.25 percent to 2.75 percent. The projected salary increase range changed from 3.25-10.75 percent to 2.75-10.75 percent. Health care cost trend rate decreased from 8.50 percent initial, 3.50 percent ultimate in 2035 to 5.50 percent initial, 3.50 percent ultimate in 2034.

Bowling Green State University  
A Component Unit of the State of Ohio  
Required Supplemental Information (Continued)  
June 30, 2024

**Notes to Required Supplemental Information (continued):**

During the plan year ended December 31, 2020, there were changes to several assumptions for OPERS. The health care cost trend rates decreased from 10.5 percent initial and 3.5 percent ultimate to 8.5 percent initial and 3.5 percent ultimate. The discount rate was increased from 3.16 percent to 6.00 percent.

During the plan year ended December 31, 2019, there were changes to several assumptions for OPERS. The health care cost trend rates decreased from 10.0 percent initial and 3.25 percent ultimate to 10.5 percent initial and 3.5 percent ultimate. The discount rate was reduced from 3.96 percent to 3.16 percent.

## **Uniform Guidance Audit Requirements**

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**Bowling Green State University**  
A Component Unit of the State of Ohio  
Schedule of Expenditures of Federal Awards  
June 30, 2024

Cluster Title Federal Grantor / Pass-Through Grantor Program Title		Federal Assistance Listing Number	Pass-Through Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>Student Financial Assistance Cluster</b>					
<b>U.S. Department of Education - Direct Programs</b>					
Federal Supplemental Educational Opportunity Grants		84.007	N/A	\$ -	\$ 766,605
Federal Work-Study Program		84.033	N/A	-	531,440
Federal Perkins Loans		84.038	N/A	-	1,612,552
Federal Pell Grant Program		84.063	N/A	-	21,660,210
Federal Direct Student Loans		84.268	N/A	-	102,522,761
Teacher Education Assistance for College and Higher Education Grants		84.379	N/A	-	576,441
<b>Total U.S. Department of Education</b>				-	127,670,009
<b>U.S. Department of Health and Human Services - Direct Program</b>					
Nursing Student Loans		93.364	N/A	-	875,247
<b>Total U.S. Department of Health and Human Services</b>				-	875,247
<b>Total Student Financial Assistance Cluster</b>				-	<b>128,545,256</b>
<b>Research and Development Cluster</b>					
<b>U.S. Department of Agriculture</b>					
Direct Programs:					
Agriculture and Food Research Initiative		10.310	N/A	48,209	65,483
Equipment Grants Program		10.519	N/A	-	395,851
Environmental Quality Incentives Program		10.912	N/A	-	34,498
Pass-through Programs from:					
Ohio Department of Agriculture - Specialty Crop Block Grant Program - Farm Bill		10.170	AGR-SCBG-21-05	1,677	24,650
Ohio State University Research Fndn - Regional Conservation Partnership Program		10.932	SPC-1000012328: GR131829	-	157,629
<b>Total U.S. Department of Agriculture</b>				49,886	678,111
<b>U.S. Department of Commerce</b>					
Direct Programs:					
Economic Development Technical Assistance		11.303	N/A	170,769	256,799
Center for Sponsored Coastal Ocean Research Coastal Ocean Program		11.478	N/A	64,249	66,013
Science, Technology, Business and/or Education Outreach		11.620	N/A	-	28,833
Pass-through Programs from:					
Ohio State University Research Fndn - Sea Grant Support		11.417	RF01614086 Proj 60074858	-	5,233
Ohio State University Research Fndn - Sea Grant Support		11.417	60074856	-	561
Ohio State University Research Fndn - Sea Grant Support		11.417	SPC-1000006438 - GR126910	-	41,891
Ohio State University Research Fndn - Sea Grant Support		11.417	SPC-1000006440 GR126913	-	53,342
Ohio State University Research Fndn - Sea Grant Support		11.417	SPC-10000012012 GR132021	-	5,887
Ohio State University Research Fndn - Sea Grant Support		11.417	NA220AR4170099	-	4,528
Ohio State University Research Fndn - Sea Grant Support		11.417	GR135741	-	41,205
Ohio Department of Natural Resources - Coastal Zone Management Administration Awards		11.419	DNRFHCZ20B 306-04B; NA20N	-	49,589
Mbio Diagnostics - Center for Sponsored Coastal Ocean Research Coastal Ocean Program		11.478	NA20NOS4780186-BGSU	-	39,368
<b>Total U.S. Department of Commerce</b>				235,018	593,249
<b>U.S. Department of Defense - Direct Program</b>					
Basic, Applied, and Advanced Research in Science and Engineering		12.630	N/A	68,343	142,403
<b>Total U.S. Department of Defense</b>				68,343	142,403
<b>U.S. Department of Justice</b>					
Pass-through Programs from:					
University of North Carolina Charlotte - National Institute of Justice Research, Evaluation, and Development Project Grants		16.560	20220912-03-BGS	-	122,991
Lucas County Juvenile Court - Second Chance Act Reentry Initiative		16.812	2019-CZ-BX-0015	-	3,638
TASC of Northwest Ohio, Inc. - Second Chance Act Reentry Initiative		16.812	2020-CY-BX-0018	-	25,153
Maumee Police Department - Comprehensive Opioid, Stimulant, and other Substances Use Program		16.838	15PBJA-21-GG-04554-COAP_B	-	43,309
<b>Total U.S. Department of Justice</b>				-	195,091
<b>Library of Congress</b>					
Pass-through Programs from:					
Illinois State University - Teaching with Primary Sources		42.010	A08-0002-S081	-	10,720
<b>Total Library of Congress</b>				-	10,720
<b>National Aeronautics and Space Administration</b>					
Direct Program:					
Science		43.001	N/A	59,414	60,644
Pass-through Programs from:					
University of Texas at Austin - Science		43.001	UT AUS-SUB00001271	-	8,260
University of Texas at Dallas - National Aeronautics and Space Administration		43.XXX	2208042; Vendor0000052895	-	26,003
<b>Total National Aeronautics and Space Administration</b>				59,414	94,907

**Bowling Green State University**  
**A Component Unit of the State of Ohio**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**June 30, 2024**

Cluster Title Federal Grantor / Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>National Science Foundation</b>				
Direct Programs:				
Engineering	47.041	N/A	-	359,973
Mathematical and Physical Sciences	47.049	N/A	-	682,003
Geosciences	47.050	N/A	343,335	669,156
Computer and Information Science and Engineering	47.070	N/A	-	103,130
Biological Sciences	47.074	N/A	-	13,520
Social, Behavioral, and Economic Sciences	47.075	N/A	25,496	31,831
STEM Education (formerly Education and Human Resources)	47.076	N/A	-	709,018
Polar Programs	47.078	N/A	-	1,756
Office of International Science and Engineering	47.079	N/A	-	71,573
NSF Technology, Innovation, and Partnerships	47.084	N/A	-	54,513
Pass-through Programs from:				
University of Connecticut - Geosciences	47.050	150347887	-	37,564
LLC BG Biologics - NSF Technology, Innovation, and Partnerships	47.084	2023-1	-	70,422
<b>Total National Science Foundation</b>			368,831	2,804,459
<b>U.S. Department of Energy</b>				
Direct Program:				
Office of Science Financial Assistance Program	81.049	N/A	-	137,260
Pass-through Programs from:				
Triad National Security, LLC - Office of Science Financial Assistance Program	81.049	23955	-	54,157
Battelle Energy Alliance, LLC - Office of Science Financial Assistance Program	81.049	279108; 519137; 520120	-	28,476
<b>Total U.S. Department of Energy</b>			-	219,893
<b>U.S. Department of Education</b>				
Pass-through Programs from:				
University of Wisconsin-Madison - Education Research, Development and Dissemination	84.305	0000002692	-	104,821
<b>Total U.S. Department of Education</b>			-	104,821
<b>U.S. Department of Health and Human Services</b>				
Direct Programs:				
Environmental Health	93.113	N/A	158,464	187,781
Cardiovascular Diseases Research	93.837	N/A	-	54,541
Biomedical Research and Research Training	93.859	N/A	197,045	732,958
Child Health and Human Development Extramural Research	93.865	N/A	16,252	413,992
Aging Research	93.866	N/A	16,289	210,983
Pass-through Programs from:				
Child Trends, Inc - Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	Proj 1829	269	44,342
ProMedica - Injury Prevention and Control Research and State and Community Based Programs	93.136	1002105-3348_234; 1202201	-	9,945
University of Cincinnati - Occupational Safety and Health Program	93.262	013704-00015 PO4600015210	-	6,914
University of Texas at San Antonio - Minority Health and Health Disparities Research	93.307	1000004975 (1000004964)	-	105,454
Saint Louis University - Nursing Research	93.361	R21NR017978; 14609-01213	-	3,421
ProMedica - Opioid STR	93.788	1002105-3347-231; 1202202	-	13,617
ProMedica - Opioid STR	93.788	1002105-3521-253; 1202302	-	7,938
University of Minnesota - Child Health and Human Development Extramural Research	93.865	H008512502	-	42,824
University of Minnesota - Child Health and Human Development Extramural Research	93.865	A009471601; 1U01HD108779	-	52,261
Syracuse University - Aging Research	93.866	32119-06022-S01	-	6,220
Syracuse University - Aging Research	93.866	U01; 32872-06364-S01	-	116,587
University of Michigan - Aging Research	93.866	SUBK00021436	-	5,339
ProMedica - Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912	1002105-3111-162; 80163	-	6,313
ProMedica - Preventive Health and Health Services Block Grant	93.991	1002105-3358-232; 1202202	-	6,652
ProMedica - Preventive Health and Health Services Block Grant	93.991	1002105-3359-238; 12022024	-	5,501
<b>Total U.S. Department of Health and Human Services</b>			388,319	2,033,583
<b>Social Security Administration</b>				
Pass-through Programs from:				
University of Wisconsin-Madison - Social Security Research and Demonstration	96.007	0000002858	-	82,097
<b>Total Social Security Administration</b>			-	82,097
<b>Total Research and Development Cluster</b>			<b>1,169,811</b>	<b>6,959,334</b>
<b>U.S. Department of Transportation</b>				
<b>Highway Safety Cluster</b>				
Pass-through Programs from:				
Ohio Department of Public Safety - State and Community Highway Safety	20.600	SC-2023-BGSUnive-00019	-	8,478
Ohio Department of Public Safety - State and Community Highway Safety	20.600	SC-2024-BGSUnive-00007	-	31,105
<b>Total Highway Safety Cluster</b>			-	<b>39,583</b>
<b>U.S. Department of Education</b>				
<b>Special Education Cluster (IDEA)</b>				
Pass-through Programs from:				
University of Cincinnati - Special Education Grants to States	84.027	PO4600013606;014548-00002	-	6,789
University of Cincinnati - Special Education Grants to States	84.027	HQ23A22301111	-	94,844
<b>Total Special Education Cluster (IDEA)</b>			-	<b>101,633</b>

See notes to schedule of expenditures of federal awards.

**Bowling Green State University**  
**A Component Unit of the State of Ohio**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**June 30, 2024**

Cluster Title Federal Grantor / Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Education</b>				
<b>TRIO Cluster</b>				
Direct Programs:				
TRIO Student Support Services	84.042	N/A	-	583,559
TRIO Talent Search	84.044	N/A	-	417,221
TRIO McNair Post-Baccalaureate Achievement	84.217	N/A	-	157,390
TRIO Upward Bound	84.047A	N/A	-	357,257
<b>Total TRIO Cluster</b>			-	<b>1,515,427</b>
<b>U.S. Department of Education</b>				
<b>Education Stabilization Fund</b>				
Pass-through Programs from:				
Ohio Department of Education - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	EDUFAR21	-	58,019
Ohio Department of Education - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	EDUFAR21	-	220,840
Ohio Department of Education - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	EDUFAR21	-	494,552
<b>Total Education Stabilization Fund</b>			-	<b>773,411</b>
<b>Other Programs</b>				
<b>U.S. Department of Agriculture - Direct Program</b>				
Rural Development Cooperative Agreement Program	10.890	N/A	-	83,636
<b>Total U.S. Department of Agriculture</b>			-	83,636
<b>U.S. Department of Commerce - Direct Programs</b>				
Science, Technology, Engineering, and Mathematics (STEM) Talent Challenge Program	11.023	N/A	-	58,149
Economic Development Support for Planning Organizations	11.302	N/A	-	462
<b>Total U.S. Department of Commerce</b>			-	58,611
<b>U.S. Department of Defense - Direct Program</b>				
Science, Technology, Engineering & Mathematics (STEM) Education, Outreach and Workforce Program	12.330	N/A	-	8,928
<b>Total U.S. Department of Defense</b>			-	8,928
<b>U.S. Department of Interior</b>				
Pass-through Programs from:				
AmericaView - National Cooperative Geologic Mapping	15.810	AV18-OH-01	-	8,866
AmericaView - National Cooperative Geologic Mapping	15.810	AV23-OH-01; 10010337	-	14,513
<b>Total U.S. Department of Interior</b>			-	23,379
<b>U.S. Department of Justice - Direct Program</b>				
STOP School Violence	16.839	N/A	15,868	529,467
<b>Total U.S. Department of Justice</b>			15,868	529,467
<b>National Endowment for the Arts</b>				
Pass-through Programs from:				
Ohio Humanities Council - Promotion of the Humanities Federal/State Partnership	45.129	IG23-032	-	20,132
Northern Illinois University - Promotion of the Humanities Division of Preservation and Access	45.149	G2B66860 Bowling Green	-	1,186
<b>Total National Endowment for the Arts</b>			-	21,318
<b>U.S. Department of Education</b>				
Direct Programs:				
Child Care Access Means Parents in School	84.335	N/A	-	64,628
Teacher Quality Partnership Grants	84.336	N/A	-	333,020
Pass-through Programs from:				
Ohio Department of Education - Career and Technical Education -- Basic Grants to States	84.048	EDUF2023	-	112,668
Putnam County Educational Service Center - Twenty-First Century Community Learning Centers	84.287	20231204095910	-	4,751
University of Cincinnati - Special Education - State Personnel Development	84.323	PO #4600019910	-	39,180
<b>Total U.S. Department of Education</b>			-	554,247
<b>U.S. Election Assistance Commission - Direct Program</b>				
Help America Vote College Program	90.400	N/A	-	4,526
<b>Total U.S. Election Assistance Commission</b>			-	4,526



**Bowling Green State University**  
**A Component Unit of the State of Ohio**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**June 30, 2024**

Cluster Title Federal Grantor / Pass-Through Grantor Program Title		Federal Assistance Listing Number	Pass-Through Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Health and Human Services</b>					
Direct Program:					
Substance Abuse and Mental Health Services Projects of Regional and National Significance		93.243	N/A	-	117,822
Pass-through Programs from:					
Ohio Dept of Mental Health/Addiction Srv - Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances		93.104	2400819	-	127,124
Ohio Department of Job and Family Svcs - Stephanie Tubbs Jones Child Welfare Services Program		93.645	G-2223-06-1133	-	61,167
Mercy College of Ohio - Mental and Behavioral Health Education and Training Grants		93.732	T26HP39449	-	33,033
ProMedica - Primary Care Training and Enhancement		93.884	1002105-3357-224; 1202201	-	614
ProMedica - Primary Care Training and Enhancement		93.884	1002105-3497-248; 1202300	-	31,555
<b>Total U.S. Department of Health and Human Services</b>				-	371,315
<b>U.S. Department of Homeland Security</b>					
Pass-through Programs from:					
ODPS Emergency Management Agency - Disaster Grants - Public Assistance (Presidentially Declared Disasters)		97.036	PA-05-OH-4507-PW-00384	-	227,413
<b>Total U.S. Department of Homeland Security</b>				-	227,413
<b>Total Other Programs</b>				<b>15,868</b>	<b>1,882,840</b>
<b>Total Expenditures of Federal Awards</b>				<b>\$ 1,185,679</b>	<b>\$ 139,817,484</b>

Bowling Green State University  
A Component Unit of the State of Ohio  
Notes to Schedule of Expenditures of Federal Awards  
June 30, 2024

**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Bowling Green State University (the “University”) under programs of the federal government for the year ended June 30, 2024. 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.

**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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

**3. Indirect Costs**

The University recovers indirect costs by means of provisional fixed indirect cost rates. The provisional fixed rates are a result of negotiated agreements with the U.S. Department of Health and Human Services. The predetermined fixed rate for on-campus research is 42 percent of modified total direct costs, and the off-campus predetermined rate is 21 percent of modified total direct costs effective July 1, 2015 through June 30, 2024.

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

**4. Federal Direct Student Loans and Other Loans**

The University acts as an intermediary for students receiving Federal Direct Student Loans (ALN 84.268), which include Direct Loans and Parents' Loans for Undergraduate Students, from the federal government. The federal government is responsible for billings and collections of the loans. The University assists the federal government by processing the applications and applying funds to student accounts from the federal government. Since this program is administered by the federal government, new loans made in the fiscal year ended June 30, 2024 related to Federal Direct Loans are considered current year federal expenditures, whereas the outstanding loan balance is not.

The outstanding balances on the Federal Perkins Loans (ALN 84.038) and Federal Nursing Loans (ALN 93.364) at June 30, 2024 are \$1,012,633 and \$812,206, respectively.

## **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**

Board of Trustees  
Bowling Green State University  
Bowling Green, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the business-type activities and discretely presented component unit of Bowling Green State University (University), collectively a component unit of the State of Ohio, as of and for the year ended June 30, 2024, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 14, 2024.

### ***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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### ***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.

**Forvis Mazars, LLP**

Cincinnati, Ohio  
October 14, 2024

## **Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance**

### **Independent Auditor's Report**

Board of Trustees  
Bowling Green State University  
Bowling Green, Ohio

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Bowling Green State University's (University) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2024. The University's major federal programs are 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 each of its major federal programs for the year ended June 30, 2024.

#### ***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 (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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.

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.

**Forvis Mazars, LLP**

Cincinnati, Ohio  
October 14, 2024

Bowling Green State University  
A Component Unit of the State of Ohio  
Schedule of Findings and Questioned Costs  
June 30, 2024

**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 ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ None reported

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of major federal programs:

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.007, 84.033, 84.038, 84.063, 84.268, 84.379, 93.364	Student Financial Assistance Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? ☒ Yes ☐ No



Bowling Green State University  
A Component Unit of the State of Ohio  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2024

**Section II – Financial Statement Findings**

<b>Reference Number</b>	<b>Finding</b>
	No matters are reportable.

**Section III – Federal Award Findings and Questioned Costs**

<b>Reference Number</b>	<b>Finding</b>
	No matters are reportable.

Bowling Green State University  
A Component Unit of the State of Ohio  
Summary Schedule of Prior Year Audit Findings  
June 30, 2024

<b>Reference Number</b>	<b>Finding</b>	<b>Status</b>
	No matters are reportable.	

# OHIO AUDITOR OF STATE KEITH FABER



**BOWLING GREEN STATE UNIVERSITY**

**WOOD COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 1/21/2025**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)