

BOWLING GREEN STATE UNIVERSITY FOUNDATION
WOOD COUNTY
FINANCIAL AUDIT
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Directors
Bowling Green State University Foundation, Inc. and Subsidiary
1851 North Research Drive
Bowling Green, Ohio 43403

We have reviewed the *Independent Auditor's Report* of the Bowling Green State University Foundation, Inc. and Subsidiary, Wood County, prepared by Crowe LLP, for the audit period July 1, 2021 through June 30, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

October 04, 2022

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**THE BOWLING GREEN STATE UNIVERSITY
FOUNDATION, INC. AND SUBSIDIARY**

Bowling Green, Ohio

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022 and 2021

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THE BOWLING GREEN STATE UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
Bowling Green, Ohio

CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

Management and the Board of Directors
The Bowling Green State University
Foundation, Inc. and Subsidiary

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

We have audited the consolidated financial statements of Bowling Green State University Foundation and Subsidiary (the "Foundation"), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Foundation has adopted *ASU 2020-07 – Not-For-Profit Entities: Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)* effective July 1, 2020. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability

(Continued)

to continue as a going concern for one year from the date the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 opinion. 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 consolidated 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 consolidated 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 consolidated 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 Foundation'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2022 on our consideration of the Foundation'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 Foundation'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 Foundation's internal control over financial reporting and compliance.


Crowe LLP

Columbus, Ohio
September 20, 2022

THE BOWLING GREEN STATE UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,728,607	\$ 1,671,854
Contributions receivable, net of allowance for uncollectible contributions of \$2,313,793 in 2022 and \$2,535,096 in 2021	<u>4,456,998</u>	<u>3,857,466</u>
Total current assets	6,185,605	5,529,320
Investments		
Fixed income funds	44,347,547	68,176,724
Mutual funds	150,740,911	150,988,700
Alternative investments	33,372,844	30,290,580
Corporate stocks	703,099	817,453
Money market funds	<u>23,709,919</u>	<u>28,402,817</u>
Total investments	252,874,320	278,676,274
Prepaid and other assets		
Long-term contributions receivable, net of allowance for uncollectible contributions of \$403,735 in 2022 and \$315,284 in 2021	7,225,895	5,825,305
Beneficial interest in trust held by others	1,774,364	1,740,338
Cash value of life insurance	<u>1,693,375</u>	<u>1,797,223</u>
Total assets	<u>\$ 269,755,787</u>	<u>\$ 293,600,939</u>
 LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	<u>\$ 469,971</u>	<u>\$ 348,546</u>
Total current liabilities	469,971	348,546
Annuities payable	<u>3,137,502</u>	<u>3,655,184</u>
Total liabilities	3,607,473	4,003,730
Net assets		
Without donor restrictions	19,928,873	28,923,225
With donor restrictions	<u>246,219,441</u>	<u>260,673,984</u>
Total net assets	<u>266,148,314</u>	<u>289,597,209</u>
Total liabilities and net assets	<u>\$ 269,755,787</u>	<u>\$ 293,600,939</u>

See accompanying notes to consolidated financial statements.

THE BOWLING GREEN STATE UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support, revenue, and gains			
Contributions and gifts	\$ 536,614	\$ 20,883,497	\$ 21,420,111
Contributions and gifts – nonfinancial	-	172,686	172,686
Provision for uncollectible contributions	-	(485,365)	(485,365)
University support	4,247,100	-	4,247,100
Interest and dividends	1,544,009	3,473,742	5,017,751
Net realized and unrealized gains (losses)	(9,187,003)	(19,514,753)	(28,701,756)
Other revenue	4,485	356,711	361,196
Transfers	-	-	-
Net assets released from restriction	<u>19,539,941</u>	<u>(19,539,941)</u>	<u>-</u>
Total support, revenue, and gains	<u>16,685,146</u>	<u>(14,653,423)</u>	<u>2,031,723</u>
Expenses			
Program services	19,826,351	-	19,826,351
Fundraising	2,679,738	-	2,679,738
Management and general	<u>3,173,409</u>	<u>-</u>	<u>3,173,409</u>
Total expenses	<u>25,679,498</u>	<u>-</u>	<u>25,679,498</u>
Change in net assets from operations	(8,994,352)	(14,653,423)	(23,647,775)
Change in split interest agreements	<u>-</u>	<u>198,880</u>	<u>198,880</u>
Change in net assets	(8,994,352)	(14,454,543)	(23,448,895)
Net assets at beginning of year	<u>28,923,225</u>	<u>260,673,984</u>	<u>289,597,209</u>
Net assets at end of year	<u>\$ 19,928,873</u>	<u>\$ 246,219,441</u>	<u>\$ 266,148,314</u>

See accompanying notes to consolidated financial statements.

THE BOWLING GREEN STATE UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support, revenue, and gains			
Contributions and gifts	\$ 420,899	\$ 47,736,285	\$ 48,157,184
Contributions and gifts – nonfinancial	-	310,342	310,342
Provision for uncollectible contributions	-	(940,155)	(940,155)
University support	4,097,300	-	4,097,300
Interest and dividends	395,368	3,727,551	4,122,919
Net realized and unrealized gains (losses)	14,252,616	36,515,431	50,768,047
Other revenue	2,275	230,124	232,399
Transfers	(321,446)	321,446	-
Net assets released from restriction	<u>16,425,328</u>	<u>(16,425,328)</u>	<u>-</u>
Total support, revenue, and gains	<u>35,272,340</u>	<u>71,475,696</u>	<u>106,748,036</u>
Expenses			
Program services	16,897,958	-	16,897,958
Fundraising	2,690,487	-	2,690,487
Management and general	<u>2,504,598</u>	<u>-</u>	<u>2,504,598</u>
Total expenses	<u>22,093,043</u>	<u>-</u>	<u>22,093,043</u>
Change in net assets from operations	13,179,297	71,475,696	84,654,993
Change in split interest agreements	<u>-</u>	<u>(200,009)</u>	<u>(200,009)</u>
Change in net assets	13,179,297	71,275,687	84,454,984
Net assets at beginning of year	<u>15,743,928</u>	<u>189,398,297</u>	<u>205,142,225</u>
Net assets at end of year	<u>\$ 28,923,225</u>	<u>\$ 260,673,984</u>	<u>\$ 289,597,209</u>

See accompanying notes to consolidated financial statements.

THE BOWLING GREEN STATE UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ (23,448,895)	\$ 84,454,984
Adjustments to reconcile change in net assets to net cash from operating activities:		
Net realized and unrealized (gains) losses	28,701,756	(50,768,047)
Proceeds from contributions restricted for long-term purposes	(5,812,310)	(8,795,128)
Provision for uncollectible contributions	485,365	940,155
Changes in operating assets and liabilities:		
Contributions receivable	(2,485,487)	(1,718,447)
Change in beneficial interest in trusts held by others	(34,026)	(63,465)
Prepaid and other assets	30,251	35,019
Accounts and annuities payable	(78,216)	1,011,138
Net cash from (used by) operating activities	<u>(2,641,562)</u>	<u>25,096,209</u>
Cash flows from investing activities		
Sales of investments	31,114,574	21,319,239
Purchases of investments	(34,014,376)	(55,022,449)
Net change in cash surrender value of life insurance	<u>103,848</u>	<u>87,508</u>
Net cash from (used by) investing activities	<u>(2,795,954)</u>	<u>(33,615,702)</u>
Cash flows from financing activities		
Proceeds from contributions restricted for long term purposes	5,812,310	8,795,128
Payments to annuitants	<u>(318,041)</u>	<u>(393,534)</u>
Net cash from financing activities	<u>5,494,269</u>	<u>8,401,594</u>
Change in cash and cash equivalents	56,753	(117,899)
Cash and cash equivalents at beginning of year	<u>1,671,854</u>	<u>1,789,753</u>
Cash and cash equivalents at end of year	<u>\$ 1,728,607</u>	<u>\$ 1,671,854</u>
Supplemental disclosures of noncash information		
In-kind gifts	\$ 172,686	\$ 310,342
University Support	4,247,100	4,097,300

See accompanying notes to consolidated financial statements.

THE BOWLING GREEN STATE UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The consolidated financial statements include accounts of The Bowling Green State University Foundation, Inc. (the Foundation) and The Bowling Green State University Foundation LLC (the Corporation). Significant intercompany accounts and transactions have been eliminated.

The Foundation is a non-profit Ohio corporation that assists in the development and advancement of Bowling Green State University (the University). All program expenses are for the benefit of the University.

In July 2004, the Corporation was formed as a wholly owned subsidiary of the Foundation. The Corporation was organized to acquire, hold title to, and collect income from real property to the benefit of the Foundation and the University.

Significant accounting policies followed in preparing the consolidated financial statements of the Foundation are presented below.

Basis of Accounting: The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting.

Use of Estimates: The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues, expenses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents: The Foundation considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Deposits in banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2022 and 2021, the Foundation had \$1,445,363 and \$1,429,594 in excess of the FDIC insured limit, respectively.

Investments: Investments are recorded at fair value. Realized gains or losses from sale of securities are determined using the cost basis of the securities sold. Interest and dividend income is reported when earned. The Foundation's endowment funds participate in an investment pool in which each fund receives a proportionate share of the total earnings pool. All investment income, including realized and unrealized gains and losses, derived from investments in the endowment investment pool is allocated to the participating endowment fund based upon the current three year rolling average balance of each endowment fund. Investment expenses are netted with investment income.

Split Interest Agreements: The Foundation is trustee and beneficiary of numerous irrevocable charitable trusts and gift annuities. Such assets are included in investment securities and are recorded at fair value. These assets have been donated to the Foundation for investment, in return for payments to the donor(s) or their designees. Annuity obligations are recorded at the net present value each year and are based on an actuarial calculation that considers the life expectancy of the annuitant and the expected rate of return to be earned on the annuitant's gift. Upon the satisfaction of the terms of each trust or annuity, the Foundation receives the balance of the invested assets. These assets are then added to the endowment per the donor's direction.

The Foundation is also named as beneficiary of several irrevocable trusts for which third parties are the trustees. The Foundation's interest in the future income stream of perpetual trusts is recognized based on the present fair value of the trust assets. The Foundation's interest in such trusts is based on the estimated value of the assets to be received from each trust.

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NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Asset Classifications: Resources of the Foundation are maintained in accounts that are classified into net asset categories based on the limitations and restrictions placed on the contributions and gifts received. The net assets of the Foundation are classified into the following types for financial reporting purposes:

- Net assets with donor restrictions represent contributions received whereby the donors have stipulated that the funds are to be used for a specific time or purpose.
- Net assets without donor restrictions are funds not restricted by donors, or the donor-imposed restrictions have expired. The Foundation's governing board has designated from net assets without donor restrictions, net assets for board-designated endowment. The governing board has the right to approve the use of these funds.

Expiration of Donor-Imposed Restrictions: The expiration of a donor-imposed restriction on a contribution or on endowment income is recognized in the period in which the restriction expires and at that time the related resources are reclassified to net assets without donor restriction. A restriction expires when either the stipulated time has elapsed or when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donors or by the change of restrictions specified by the donors. When an expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Foundation's policy to apply restricted resources first, then unrestricted resources as needed.

Contributions and Gifts: All contributions and gifts are considered available for use without donor restriction unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restriction support.

Promises to Give: Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using a discount rate commensurate with the risks involved. Conditional promises to give are not included as support until the conditions are substantially met. The Foundation uses the allowance method to estimate uncollectible unconditional promises to give. The allowance is based upon prior experience and management's analysis of promises to give.

Contributions and Gifts – Nonfinancial Assets and University Support: In-kind gifts, when received, are recorded as Contributions and Gifts – Nonfinancial Assets in the accompanying consolidated statement of activities at the estimated fair value at the date of receipt. Fair value measurement is determined based on various assumptions, judgments, and factors specific to the gift. In management's opinion, the values determined approximate fair value. Upon receipt, the donated nonfinancial assets are given to the University to support its educational mission.

Expenses related to occupancy of facilities and to certain salaries and fringe benefits of advancement, alumni, and development personnel are paid by the University on behalf of the Foundation and are recorded in the consolidated statement of activities as University Support.

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THE BOWLING GREEN STATE UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 June 30, 2022 and 2021

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and gifts – nonfinancial assets were as follows for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Supplies and Materials	\$ 64,134	\$ 66,431
Services	78,552	66,911
Buildings and Equipment	-	177,000
Artwork	<u>30,000</u>	<u>-</u>
Contributions and gifts – nonfinancial assets	<u>\$ 172,686</u>	<u>\$ 310,342</u>

Income Taxes: The Foundation has been recognized by the Internal Revenue Service as an organization exempt from federal taxation under Section 501(c)(3) of the Internal Revenue Code. The Foundation is a public charity by reason of being described in Internal Revenue Code Section 170(b)(1)(A)(iv). The Foundation is exempt from federal income taxes except to the extent of income derived from unrelated business activities. Unrelated business income is not material to the consolidated financial statements. The Corporation is incorporated as a limited liability corporation.

Accounting principles generally accepted in the United States of America prescribe recognition thresholds and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Tax benefits will be recognized only if a tax position is more-likely-than-not sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit will be recorded. The Foundation completed an analysis of its tax positions, in accordance with *Accounting Standards Codification (ASC) 740, Income Taxes*, and determined that no amounts were required to be recognized in the consolidated financial statements at June 30, 2022 and 2021.

The Foundation would recognize interest and penalties related to unrecognized tax benefits in interest and income tax expense, respectively. The Foundation has no amounts accrued for interest or penalties for the year ended June 30, 2022 and 2021. The Foundation does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months.

Annuities Payable: The Foundation receives life annuity donations. Fixed payments from these funds are to be remitted to the donor from the donor’s specified date of commencement until death, at which time any remaining balance will revert to the Foundation. The Foundation reports as a contribution the difference between the funds received and the present value of all expected annuity payments to be made to the donor. A portion of the payments to the donors is charged to the annuities payable account each year.

Risk and Uncertainties: During December 2019, the Novel Coronavirus (COVID-19) was discovered in the country of China and has since spread to other countries, including the U.S. The COVID-19 was subsequently declared a world-wide pandemic by the World Health Organization. On March 13, 2020, the President declared a National Emergency Concerning the COVID-19 outbreak. The Foundation anticipates an economic impact resulting from the effects of the COVID-19 outbreak on the national, state, and local economies. The Foundation has currently not determined what material impact this outbreak could potentially have on revenues such as contributions, investments, and other local revenues related to economic conditions.

(Continued)

THE BOWLING GREEN STATE UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent events relating to the armed conflict involving Russia and Ukraine and the global economic sanctions that have resulted impacted global economic and market activity and contributed to significant volatility in the financial markets. The impact of the conflict has been rapidly evolving, and the ultimate economic fallout and the long-term impact on global economies, markets, industries and individuals are not known. The Foundation continues to monitor developments relating to the conflict. The Foundation has no direct exposure to Russia, Ukraine, or Belarus as of the date the consolidated financial statements were available to be issued.

Adoption of New Accounting Standard: In September 2020, FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. The Foundation adopted ASU 2020-07 effective July 1, 2020.

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

Subsequent Events: The Foundation evaluated the effect of subsequent events through September 20, 2022, representing the date on which the consolidated financial statements were available to be issued. Management has determined no subsequent events have occurred requiring disclosure in these financial statements.

NOTE 2 - CONTRIBUTIONS RECEIVABLE

Contributors to the Foundation have made written unconditional promises to give, on which management has set up an allowance for uncollectible pledges. Contributions receivable reflect net present value using discount rates ranging from 0.84% to 1.69%. Write-offs of uncollectible pledges for the years ended June 30, 2022 and 2021, amounted to approximately \$400,000 and \$692,000, respectively.

Contributions receivable at June 30 are due as follows:

	<u>2022</u>	<u>2021</u>
Within one year	\$ 6,770,791	\$ 6,392,562
One to five years	7,674,845	5,963,977
More than five years	<u>399,850</u>	<u>341,710</u>
	14,845,486	12,698,249
Less allowance	(2,717,528)	(2,850,380)
Present value discount	<u>(445,065)</u>	<u>(165,098)</u>
Total	<u>\$ 11,682,893</u>	<u>\$ 9,682,771</u>

Contributions receivable from related parties totaled approximately \$2,691,000 and \$1,153,000 at June 30, 2022 and 2021, respectively. Related party contribution revenue recognized for the years ended June 30, 2022 and 2021 totaled approximately \$3,266,000 and \$508,000, respectively.

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THE BOWLING GREEN STATE UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 June 30, 2022 and 2021

NOTE 2 - CONTRIBUTIONS RECEIVABLE (Continued)

The Foundation has conditional promises from donors of approximately \$109,937,000 and \$104,030,000 for estates or planned gifts as of June 30, 2022 and 2021, respectively, which are not shown in the accompanying consolidated financial statements until the condition has been fulfilled.

NOTE 3 - INVESTMENTS

Investments at fair value at June 30 are as follows:

	<u>2022</u>	<u>2021</u>
Fixed income funds	\$ 44,347,547	\$ 68,176,724
Mutual equity funds	150,740,911	150,988,700
Corporate stocks	703,099	817,453
Money market funds	23,709,919	28,402,817
Alternative investments:		
Private investment funds – private equity	23,720,628	21,122,415
Private investment funds – private debt	4,537,258	4,998,309
Private investment funds – real assets	4,504,073	3,558,971
Real estate and other	<u>610,885</u>	<u>610,885</u>
Total alternative investments	<u>33,372,844</u>	<u>30,290,580</u>
Total	<u>\$ 252,874,320</u>	<u>\$ 278,676,274</u>

Net unrealized gains (losses) on investments were as follows for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Beginning of year	\$ 56,311,195	\$ 10,328,291
End of year	<u>26,588,832</u>	<u>56,311,195</u>
Net unrealized gains (losses) for the year	<u>\$ (29,722,363)</u>	<u>\$ 45,982,904</u>

Realized gains from sales of investment securities amounted to \$1,020,607 in 2022 and \$4,785,143 in 2021.

(Continued)

NOTE 4 - DISCLOSURES ABOUT FAIR VALUE OF ASSETS

The Foundation measures certain financial assets and liabilities at fair value on a recurring basis. Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. The Foundation's assessment of the significance of a particular input to fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. The following three-tier fair value hierarchy prioritizes the inputs used in measuring fair value:

Level 1 - Observable inputs such as quoted prices in active markets

Level 2 - Inputs, other than quoted prices in active markets, that are observable either directly or indirectly

Level 3 - Unobservable inputs for which there is little or no market data that requires the Foundation to develop assumptions

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. Investments using net asset values ("NAV") per share (or its equivalent) as a fair value expedient have not been classified in the fair value hierarchy. These investments are presented as "NAV" in the following tables to permit reconciliation of the fair value hierarchy table to the total investments at fair value presented in the consolidated balance sheet.

Investments: Investments of the Foundation include cash equivalents, corporate stocks, equity securities, fixed income funds, mutual funds and various alternative investment strategies. The Foundation records investments in cash equivalents, corporate stocks, equity securities, corporate bond funds, and mutual funds at their current fair values based on quoted market prices in active markets for identical assets, which is consistent with Level 1 in the hierarchy.

Alternative Investments: For other investments for which there is no active market, generally referred to as "alternative investments", fair values are initially based on valuations determined by the investment managers using audited net asset values ("NAV") as of their most recent audited financial statements, adjusted for cash receipts, cash disbursements, and other anticipated income or loss through year end. The NAV's of the investment funds are determined on the accrual basis of accounting in conformity with GAAP. The managers utilize standard valuation procedures and policies to assess the fair value of the underlying investment holdings to derive NAV. Foundation management has performed considerable independent review of valuations reported by investment managers and determined that NAV is a reasonable and prudent estimate of fair value. Alternative investments are not readily marketable, and their estimated value is subject to uncertainty. Therefore, there may be a material difference between their estimated value and the value that would have been used had a readily determinable fair value for such investments existed. Fund strategies and fair value level classifications for each of the assets in this security type are summarized as follows:

(Continued)

NOTE 4 - DISCLOSURES ABOUT FAIR VALUE OF ASSETS (Continued)

For the private investment and funds of funds investments, the Foundation has estimated fair value 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. At June 30, 2022 and 2021, these investments consist mainly of limited partnerships, with a smaller percentage of investments in closely held companies. There are no redemption options on the majority of the funds. The partnerships are scheduled to terminate in 2022-2033. Commitments outstanding on these funds are approximately \$19,163,500 and \$18,689,000 at June 30, 2022 and 2021, respectively. The investment objectives of these funds are to obtain long term growth capital and they offer investors an opportunity to access the private equity market through a much smaller commitment than would be feasible investing directly in funds.

For other investments for which there is no active market, including real estate, Foundation management has estimated fair value using the net asset value per share of the investment, or its equivalent. The market value of the securities is highly sensitive to assumption changes and market volatility. Other than real estate owned directly by the Foundation, there are no redemption options on these funds. There were no outstanding commitments at June 30, 2022 and 2021. The investment objectives of the funds are overall long-term capital growth.

Split Interest Agreements: The Foundation's investments under charitable remainder trusts and charitable gift annuities are classified as Level 1. The Foundation records investments in cash equivalents, corporate stocks, and mutual funds at their current fair values based on quoted market prices in active markets for identical assets, which is consistent with Level 1 in the hierarchy.

Beneficial Interest in Trust Held by Others: The Foundation's beneficial interest in irrevocable split interest agreements held or controlled by a third party are classified as Level 3, as the fair values are based on significant unobservable inputs. The fair values are estimated using the income approach and are measured at the present value of the future distributions the Foundation expects to receive over the term of the agreements.

(Continued)

THE BOWLING GREEN STATE UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 4 - DISCLOSURES ABOUT FAIR VALUE OF ASSETS (Continued)

The fair value of these financial assets was determined using the following inputs at June 30, 2022 and 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>June 30, 2022</u>
Investments					
Cash equivalents and money market funds	\$ 23,512,013	\$ -	\$ -	\$ -	\$ 23,512,013
Domestic corporate stocks	703,099	-	-	-	703,099
Mutual funds					
Domestic equity funds	115,203,016	-	-	-	115,203,016
International equity funds	33,397,812	-	-	-	33,397,812
Fixed income funds	41,946,054	-	-	-	41,946,054
Alternative investments					
Private investment funds – private equity	-	-	-	23,720,628	23,720,628
Private investment funds – private debt	-	-	-	4,537,258	4,537,258
Private investment funds – real assets	-	-	-	4,504,073	4,504,073
Real estate and other	-	-	-	610,885	610,885
Split interest agreements					
Cash equivalents and money market funds	197,906	-	-	-	197,906
Mutual equity funds	2,140,083	-	-	-	2,140,083
Fixed income funds	2,401,493	-	-	-	2,401,493
Beneficial interest in trust held by others					
	-	-	1,774,364	-	1,774,364
Total assets	<u>\$ 219,501,476</u>	<u>\$ -</u>	<u>\$ 1,774,364</u>	<u>\$ 33,372,844</u>	<u>\$ 254,648,684</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>June 30, 2021</u>
Investments					
Cash equivalents and money market funds	\$ 28,286,733	\$ -	\$ -	\$ -	\$ 28,286,733
Domestic corporate stocks	817,453	-	-	-	817,453
Mutual funds					
Domestic equity funds	110,187,710	-	-	-	110,187,710
International equity funds	37,938,232	-	-	-	37,938,232
Fixed income funds	65,453,753	-	-	-	65,453,753
Alternative investments					
Private investment funds – private equity	-	-	-	21,122,415	21,122,415
Private investment funds – private debt	-	-	-	4,998,309	4,998,309
Private investment funds – real assets	-	-	-	3,558,971	3,558,971
Real estate and other	-	-	-	610,885	610,885
Split interest agreements					
Cash equivalents and money market funds	116,084	-	-	-	116,084
Mutual equity funds	2,862,758	-	-	-	2,862,758
Fixed income funds	2,722,971	-	-	-	2,722,971
Beneficial interest in trust held by others					
	-	-	1,740,338	-	1,740,338
Total assets	<u>\$ 248,385,694</u>	<u>\$ -</u>	<u>\$ 1,740,338</u>	<u>\$ 30,290,580</u>	<u>\$ 280,416,612</u>

(Continued)

THE BOWLING GREEN STATE UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 June 30, 2022 and 2021

NOTE 4 - DISCLOSURES ABOUT FAIR VALUE OF ASSETS (Continued)

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying balance sheet using significant unobservable (Level 3) inputs:

	Funds Held In Trust by <u>Others</u>
Beginning balance, July 1, 2021	\$ 1,740,338
Total gains or losses (realized/unrealized) included in earnings	47,100
Change in split interest agreements	<u>(13,074)</u>
Ending balance, June 30, 2022	<u>\$ 1,774,364</u>
	Funds Held In Trust by <u>Others</u>
Beginning balance, July 1, 2020	\$ 1,676,873
Total gains or losses (realized/unrealized) included in earnings	51,311
Change in split interest agreements	<u>12,154</u>
Ending balance, June 30, 2021	<u>\$ 1,740,338</u>

Certain investment securities are held by independent custodial and management agents. Custodial and management fees paid were approximately \$118,000 and \$106,000 in 2022 and 2021, respectively, and are reported as reductions to interest and dividends in the accompanying consolidated statements of activities.

Other Financial Instruments: The Foundation's other financial instruments include cash and cash equivalents, contributions receivable, cash surrender value of life insurance, accounts payable, and annuities payable.

For cash and cash equivalents and accounts payable, the carrying amounts approximate fair value because of the short maturity of these items. The carrying amount of contributions receivable, cash surrender value of life insurance, and annuities payable are a reasonable estimate of the corresponding fair value.

NOTE 5 - LIFE INSURANCE POLICIES

The Foundation is owner and beneficiary of certain life insurance policies that have a total face value of approximately \$8,916,000 at June 30, 2022 and \$9,853,000 at June 30, 2021. Premiums on these policies are generally paid by the insured individuals. The cash surrender value of such policies approximated \$1,693,000 and \$1,797,000 at June 30, 2022 and 2021, respectively.

(Continued)

THE BOWLING GREEN STATE UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 June 30, 2022 and 2021

NOTE 6 - NET ASSETS

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

	<u>2022</u>	<u>2021</u>
Scholarships	\$ 136,870,619	\$ 150,132,798
General and operational support	71,552,790	69,768,752
Professorships	16,666,727	18,295,284
Capital and equipment	10,663,670	11,195,729
Centers and institutes	4,060,329	4,377,305
Chair	3,228,847	3,624,824
Faculty and staff	1,468,937	1,636,027
Research	1,265,663	1,393,190
Fellowships	<u>441,859</u>	<u>250,075</u>
Total net assets with donor restrictions	<u>\$ 246,219,441</u>	<u>\$ 260,673,984</u>

The following represents a summary of the net assets released from restrictions during the years ended June 30:

	<u>2022</u>	<u>2021</u>
Scholarships	\$ 9,461,848	\$ 8,739,976
General and operational support	6,885,583	4,823,633
Professorships	388,545	339,656
Capital and equipment	2,387,649	2,117,828
Centers and institutes	176,345	195,746
Chair	126,375	118,705
Faculty and staff	63,654	42,311
Research	27,917	26,448
Fellowships	<u>22,025</u>	<u>21,025</u>
Total net assets released from restrictions	<u>\$ 19,539,941</u>	<u>\$ 16,425,328</u>

Board designated endowment funds included within the category of without donor restrictions have been earmarked for future allocations, grants or other uses as determined by action of the Board. The primary purpose of these amounts are to prevent an interruption or a reduction of services due to an unanticipated shortage of available funds.

(Continued)

NOTE 7 - ENDOWMENT BALANCES

The Foundation's endowment consists of approximately 1,199 individual funds established for a variety of purposes. The endowment includes donor-restricted endowment funds. Net assets associated with endowment funds, including funds designated by the governing board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Governing board restrictions are reported in net assets without donor restrictions.

The governing Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, less (d) the amounts appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

The Foundation has its investment and spending policies for endowment assets such that it attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specific period(s). Under this policy, as approved by the governing board, the endowment assets are invested in a manner that is intended to produce a real return, net of inflation and investment management costs over the long term. Actual returns in any given year may vary.

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

The Foundation records the annual income of the endowment as restricted and appropriated for expenditure upon meeting donor stipulations. In establishing this policy, the Foundation considered the long-term expected return on its endowment. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment returns.

(Continued)

THE BOWLING GREEN STATE UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 7 - ENDOWMENT BALANCES (Continued)

The Foundation has adopted a spending policy with respect to amounts available for distribution on all endowed funds. The spending policy provides for a range of 3.0% to 7.0% of the three year rolling average market value of endowed fund balances, with the Board of Directors approving 4.0% for 2022 and 3.5% for 2021.

The Foundation Board of Directors approved charging an administrative fee of 1.0% for the years ended June 30, 2022 and 2021, on all endowed funds, and certain non-endowed funds, unless prohibited by the guidelines of the fund. The fee is based on the prior three-year average market value balance for endowed funds.

The composition of net assets by type of endowment fund at June 30, 2022 and 2021 was:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
<u>June 30, 2022</u>			
Donor-restricted endowment funds	\$ -	\$ 183,275,347	\$ 183,275,347
Board-designated endowment funds	<u>2,189,550</u>	<u>-</u>	<u>2,189,550</u>
Total endowment funds	<u>\$ 2,189,550</u>	<u>\$ 183,275,347</u>	<u>\$ 185,464,897</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
<u>June 30, 2021</u>			
Donor-restricted endowment funds	\$ -	\$ 197,104,254	\$ 197,104,254
Board-designated endowment funds	<u>2,651,298</u>	<u>-</u>	<u>2,651,298</u>
Total endowment funds	<u>\$ 2,651,298</u>	<u>\$ 197,104,254</u>	<u>\$ 199,755,552</u>

Changes in endowment net assets for the years ended June 30, 2022 and 2021 were:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
<u>June 30, 2022</u>			
Endowment net assets, beginning of year	\$ 2,651,298	\$ 197,104,254	\$ 199,755,552
Investment return			
Investment income	43,866	3,181,946	3,225,812
Net gains/(losses)	<u>(260,820)</u>	<u>(18,866,922)</u>	<u>(19,127,742)</u>
Total investment return	<u>(216,954)</u>	<u>(15,684,976)</u>	<u>(15,901,930)</u>
Contributions and additions	-	7,002,896	7,002,896
Transfers	-	-	-
Change in split interest agreement	-	198,880	198,880
Appropriation of endowment assets for expenditure	<u>(244,794)</u>	<u>(5,345,707)</u>	<u>(5,590,501)</u>
Endowment net assets, end of year	<u>\$ 2,189,550</u>	<u>\$ 183,275,347</u>	<u>\$ 185,464,897</u>

(Continued)

THE BOWLING GREEN STATE UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 June 30, 2022 and 2021

NOTE 7 - ENDOWMENT BALANCES (Continued)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
<u>June 30, 2021</u>			
Endowment net assets, beginning of year	\$ 2,417,413	\$ 153,312,583	\$ 155,729,996
Investment return			
Investment income	40,332	2,744,577	2,784,909
Net gains/(losses)	<u>533,309</u>	<u>35,743,652</u>	<u>36,276,961</u>
Total investment return	<u>573,641</u>	<u>38,488,229</u>	<u>39,061,870</u>
Contributions and additions	-	10,136,134	10,136,134
Transfers	(317,357)	317,357	-
Change in split interest agreement	-	(200,009)	(200,009)
Appropriation of endowment assets for expenditure	<u>(22,399)</u>	<u>(4,950,040)</u>	<u>(4,972,439)</u>
Endowment net assets, end of year	<u>\$ 2,651,298</u>	<u>\$ 197,104,254</u>	<u>\$ 199,755,552</u>

From time to time, the fair value of assets associated with individual donor-restricted funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature that are in excess of related amounts with donor restrictions are reported in net assets with donor restrictions. There were 50 funds with deficiencies totaling \$(140,200) as of June 30, 2022 and no funds with deficiencies as of June 30, 2021.

NOTE 8 – AVAILABLE RESOURCES AND LIQUIDITY

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs. In addition, the Foundation receives support without donor restrictions.

The Foundation considers investment income without donor restrictions, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Foundation's fiscal year.

The Foundation manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long term grant commitments and obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

(Continued)

THE BOWLING GREEN STATE UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 June 30, 2022 and 2021

NOTE 8 – AVAILABLE RESOURCES AND LIQUIDITY (Continued)

The table below presents financial assets available for general expenditures within one year at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 1,728,607	\$ 1,671,854
Investments	252,874,320	278,676,274
Net contributions receivable	11,682,893	9,682,771
Cash surrender value of life insurance	1,693,375	1,797,223
Beneficial interest in trusts held by others	<u>1,774,364</u>	<u>1,740,338</u>
Total financial assets	269,753,559	293,568,460
Less amounts not available to be used within one year:		
Investments for endowments or restricted purposes	(249,716,322)	(275,063,704)
Investments held in custodial and non-custodial trusts	(4,892,270)	(5,265,508)
Contributions receivable – due after one year	<u>(7,225,895)</u>	<u>(5,825,305)</u>
Financial assets not available to be used within one year	<u>(261,834,487)</u>	<u>(286,154,517)</u>
 Financial asset available to meet general expenditure within one year	 <u>\$ 7,919,072</u>	 <u>\$ 7,413,943</u>

The amount available for spending from endowed funds is determined on an annual basis as calculated by the Foundation's spending policy, which is currently 4.0% of the fund's three-year rolling average market value. Disbursements related to non-endowed restricted purposes are determined based on annual receipts. The estimate of these amounts is not included in the calculation of financial assets available for general expenditures within one year.

(Continued)

THE BOWLING GREEN STATE UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 9 – EXPENSES BY BOTH NATURE AND FUNCTION

Expenses are presented below by functional classification in accordance with the overall service mission of the Foundation. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Support services include administration, accounting, facilities, public relations, and human resources. Most expenses are directly charged to the department/function incurring the expense. Costs are allocated based on direct costs charged to each department/function and time spent. Each functional classification displays all expenses related to the underlying operations by natural classification.

	<u>Program Services</u>	<u>Supporting Services</u>		
	<u>Support of University</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Totals</u>
<u>June 30, 2022</u>				
University programming	\$ 3,506,716	\$ 2,289,447	\$ 1,028,113	\$ 6,824,276
Capital projects	2,827,697	10,127	675,724	3,513,548
Scholarships & grants	11,246,881	-	-	11,246,881
Travel & meals	732,931	48,270	34,047	815,248
Stewardship events	81,949	72,038	500,069	654,056
Gift in kind expense	172,686	-	-	172,686
Printing & postage	68,581	21,773	23,391	113,745
Professional fees	367,538	432	402,790	770,760
Computer software & consulting	28,006	34,840	287,820	350,666
Professional development	260,016	6,334	31,303	297,653
Supplies	189,952	24,734	27,642	242,328
Maintenance & repairs	125,071	942	8,496	134,509
Insurance	43,740	-	2,651	46,391
Telephones & communication	174	157,388	10,658	168,220
Bank fees	4,675	-	59,711	64,386
Student wages	-	-	4,215	4,215
Advertising	5,640	959	24,373	30,972
Other expenses	<u>164,098</u>	<u>12,454</u>	<u>52,406</u>	<u>228,958</u>
Total expenses	<u>\$ 19,826,351</u>	<u>\$ 2,679,738</u>	<u>\$ 3,173,409</u>	<u>\$ 25,679,498</u>

	<u>Program Services</u>	<u>Supporting Services</u>		
	<u>Support of University</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Totals</u>
<u>June 30, 2021</u>				
University programming	\$ 2,109,859	\$ 2,242,922	\$ 986,348	\$ 5,339,129
Capital projects	2,234,085	-	320,718	2,554,803
Scholarships & grants	11,056,016	-	-	11,056,016
Travel & meals	262,943	14,586	12,433	289,962
Stewardship events	75,985	112,693	422,770	611,448
Gift in kind expense	310,342	-	-	310,342
Printing & postage	31,650	67,162	32,795	131,607
Professional fees	179,275	5,488	296,061	480,824
Computer software & consulting	6,587	202,590	256,322	465,499
Professional development	119,901	17,003	47,215	184,119
Supplies	242,496	15,782	6,445	264,723
Maintenance & repairs	188,730	147	22,786	211,663
Insurance	42,850	368	2,140	45,358
Telephones & communication	116	7,226	10,162	17,504
Bank fees	2,861	-	64,821	67,682
Student wages	-	-	1,559	1,559
Advertising	933	202	6,287	7,422
Other expenses	<u>33,329</u>	<u>4,318</u>	<u>15,736</u>	<u>53,383</u>
Total expenses	<u>\$ 16,897,958</u>	<u>\$ 2,690,487</u>	<u>\$ 2,504,598</u>	<u>\$ 22,093,043</u>

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

Management and the Board of Directors
The Bowling Green State University
Foundation, Inc. and Subsidiary

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of the Bowling Green State University Foundation, Inc. and Subsidiary (Foundation) which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 20, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation'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*.

(Continued)

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP
Crowe LLP

Columbus, Ohio
September 20, 2022

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OHIO AUDITOR OF STATE KEITH FABER



BOWLING GREEN STATE UNIVERSITY FOUNDATION

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 10/18/2022

88 East Broad 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