



**YOUNGSTOWN
STATE
UNIVERSITY**

**MAHONING COUNTY
SINGLE AUDIT REPORT**

For the Years Ended June 30, 2022 and 2021



OHIO AUDITOR OF STATE
KEITH FABER



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Board of Trustees
Youngstown State University
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We have reviewed the *Independent Auditor's Report* of the Youngstown State University, Mahoning County, prepared by Plante & Moran, PLLC, 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 Youngstown State University is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

December 09, 2022

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YOUNGSTOWN STATE UNIVERSITY

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YOUNGSTOWN STATE UNIVERSITY

MESSAGE FROM PRESIDENT TRESSEL

October 13, 2022

There's a printed flyer that we produce every year to hand out to folks at campus events and gatherings that includes all sorts of numbers to explain our university profile – 100+ majors, 200 student organizations, 5 university residence halls, \$42.6 million in research and service grants, 21 athletics teams, and so on. Many of these numbers are part of the FY 2022 Annual Financial Report now before you. The numbers certainly are impressive, reflecting the magnitude of the impact that YSU continues to have on our community and our region. Numbers, as they say, don't lie.

But truth be told, I've never been much of a numbers guy myself. Maybe that's because we all know that the real story behind all of these numbers are tens of thousands of alums, students, donors, faculty and staff whose decades of hard work, dedication and generosity have left a lasting imprint on the entire Northeast Ohio and Western Pennsylvania regions.

Individuals like Tumi Adeeko, a Mechanical Engineering major named National STEM Intern of the Year, the third straight year that a YSU student has won the award. Or alumnae Amy Acton, who led the Ohio Department of Health through the early stages of the COVID-19 pandemic and was recently named one of *USA Today's* Women of the Year. Then there is Chander M. Kohli, neurosurgeon and former YSU trustee, and his wife, Karen, who donated \$5 million to support the new YSU Excellence Training Center. It was the largest donation in our record-setting \$126 million "We See Tomorrow" fund-raising campaign. Also consider Dan Kuzma, who leads YSU's campus recycling program that consistently ranks first in Ohio and in the top 10 nationally, diverting thousands of tons of materials from area landfills. And, finally, there's faculty Jeff Dick and Tom Jordan, and the entire Department of Physics, Astronomy, Geology and Environmental Science, who recently received the prestigious FBI Director's Community Leadership Award for their assistance and expertise in several recent criminal investigations.

These individuals, and thousands more like them across the region, nation and the world, are at the heart of all we do and are central to any report about YSU's health and future. Through more than a century of financial ups and downs, bulls and bears, pandemics and prosperity, it is our people who have driven us to ever-increasing heights and will continue to guide us in our continued pursuit of excellence.

Sincerely yours,



James P. Tressel
President

Independent Auditor's Report

To the Board of Trustees
Youngstown State University

Report on the Audits of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of Youngstown State University (the "University"), a component unit of the State of Ohio, as of and for the years ended June 30, 2022 and 2021 and the related notes to the financial statements, which collectively comprise Youngstown State University's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component unit of Youngstown State University as of June 30, 2022 and 2021 and the respective changes in its financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2022, the University adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

To the Board of Trustees
Youngstown State University

Auditor's Responsibilities for the Audits of the Financial Statements

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

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

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

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

Required Supplementary Information

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

To the Board of Trustees
Youngstown State University

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise Youngstown State University's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the basic financial statements. The other information comprises the message from President Tressel, the board of trustees, and the executive officers but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2022 on our consideration of Youngstown State University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Youngstown State University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Youngstown State University's internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 13, 2022

YOUNGSTOWN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis section of Youngstown State University's (the University or YSU) Financial Report presents a discussion and analysis of the financial performance of the University during the fiscal year ended June 30, 2022 with comparative information for the fiscal years ended June 30, 2021 and June 30, 2020. This discussion has been prepared by management and should be read in conjunction with the financial statements and the accompanying notes that follow.

Introduction

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

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

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

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

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

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

The University is located on a 145-acre campus near downtown Youngstown, Ohio and is equidistant (approximately 60 miles) from both Pittsburgh and Cleveland. Fall 2022 enrollment was 11,072.

YOUNGSTOWN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic, now known as COVID-19. In response to the COVID-19 pandemic, governments have taken preventative or protective actions, such as temporary closures of non-essential businesses and “shelter-at-home” guidelines for individuals. As a result, the global economy has been negatively affected, and the University’s operations were also impacted. Due to the “shelter-at-home” guidelines during April and May 2020, the University shifted to a remote online learning environment and sent students home. The University issued room and board adjustments, resulting in refunds to students. The University also had many events cancelled or temporarily postponed until the “shelter-at-home” guidelines were reduced or removed, which resulted in lost revenues for the University for the years ended June 30, 2021 and June 30, 2020. In response, the University instituted measures to reduce personnel expenses, including temporary layoffs, permanent layoffs, furloughs, and pay reductions. In addition, operating expenses were reduced by closing some operations, suspending travel, and renegotiating vendor contracts. To offset the financial impact to students, the losses incurred by the University due to the disruption caused by COVID-19 and to defray COVID-19 expenses, the University received grants and other relief primarily authorized through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Coronavirus Relief & Recovery Supplemental Appropriations Act (CRRSAA), and the American Rescue Plan Act of 2021.

Using the Financial Statements

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

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

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

Under the standards required by these statements, the net pension/OPEB asset/liability equals the University’s proportionate share of each pension/OPEB plan’s collective present value of estimated future pension/OPEB benefits attributable to employees’ past service minus plan assets available to pay these benefits. Pension/OPEB obligations, whether funded or unfunded, are part

YOUNGSTOWN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits and the promise of a future pension and OPEB. The unfunded portions of these pension/OPEB promises are a present obligation, part of a bargained-for benefit to the employee, and are reported by the University as liabilities since the benefit of the exchange was received.

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

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

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

YOUNGSTOWN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Overall key presentation elements of the financial statements include:

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

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

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

The Statement of Net Position

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

YOUNGSTOWN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

A summarized comparison of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30, 2022, 2021, and 2020 follows:

	June 30, 2022	As Restated June 30, 2021	June 30, 2020
Assets			
Current assets	\$ 86,366,161	\$ 94,074,484	\$ 61,921,355
Noncurrent assets			
Capital assets, net	225,004,275	226,308,045	219,966,440
Other assets	39,870,619	38,723,748	31,826,862
Total noncurrent assets	<u>264,874,894</u>	<u>265,031,793</u>	<u>251,793,302</u>
Total Assets	<u>351,241,055</u>	<u>359,106,277</u>	<u>313,714,657</u>
Deferred Outflows of Resources	25,271,598	19,957,699	27,832,781
Liabilities			
Current liabilities	27,162,689	27,159,030	26,164,070
Noncurrent liabilities	127,294,072	182,280,299	231,807,101
Total Liabilities	<u>154,456,761</u>	<u>209,439,329</u>	<u>257,971,171</u>
Deferred Inflows of Resources	79,906,614	43,242,835	32,373,740
Total Net Position	<u>\$ 142,149,278</u>	<u>\$ 126,381,812</u>	<u>\$ 51,202,527</u>
Net Position			
Net investment in capital assets	\$ 157,523,714	\$ 156,049,345	\$ 147,352,730
Restricted	37,343,505	28,284,607	29,338,685
Unrestricted	<u>(52,717,941)</u>	<u>(57,952,140)</u>	<u>(125,488,888)</u>
Total Net Position	<u>\$ 142,149,278</u>	<u>\$ 126,381,812</u>	<u>\$ 51,202,527</u>

Current assets include unrestricted and restricted cash and cash equivalents, investments that mature within one year, receivables, inventories, and other short-term assets. Noncurrent assets include unrestricted investments that mature in more than one year and investments that are restricted by donors or external parties as to their use. Also included are receivables deemed to be collectible in more than one year, capital assets, and net OPEB assets. Current assets decreased \$7.7 million from fiscal year 2021 to fiscal year 2022 and increased \$32.2 million from fiscal year 2020 to fiscal year 2021. Noncurrent assets remained flat from fiscal year 2021 to fiscal year 2022 and increased \$13.2 million from fiscal year 2020 to fiscal year 2021.

Deferred outflows of resources include resources where the consumption is applicable to a future reporting period, but does not require further exchange of service. Deferred outflows, which include items relating to pensions/OPEB, increased \$5.3 million from fiscal year 2021 to fiscal year 2022 and decreased \$7.9 million from fiscal year 2020 to fiscal year 2021.

Current liabilities include all liabilities that are payable within the next fiscal year. Unearned revenues, principally from summer programs, are also presented as current liabilities. Liabilities that are due to be paid beyond the next fiscal year are reported as noncurrent liabilities and include debt, compensated absences, and net pension/OPEB asset/liabilities. Current liabilities remained flat from fiscal year 2021 to fiscal year 2022 and increased \$1 million from fiscal year 2020 to fiscal year 2021. Noncurrent liabilities decreased \$55 million from fiscal year 2021 to fiscal year 2022 and decreased \$49.5 million from fiscal year 2020 to fiscal year 2021.

YOUNGSTOWN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Deferred inflows of resources represent the acquisition of resources that are applicable to a future reporting period. Deferred inflows of resources which include unamortized concession arrangements and items relating to pensions/OPEB increased \$36.7 million from fiscal year 2021 to fiscal year 2022 and increased \$10.9 million from fiscal year 2020 to fiscal year 2021.

Assets

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

	June 30, 2022	As Restated June 30, 2021	June 30, 2020
Cash and cash equivalents	\$ 29,097,272	\$ 26,292,042	\$ 5,791,497
Investments	70,088,007	76,697,768	68,470,267
Accounts, loans, and pledges receivable, net	11,994,668	18,574,813	12,615,556
Net OPEB asset	13,227,241	9,486,443	5,446,000
Capital assets, net	225,004,275	226,308,045	219,966,440
Other	1,829,592	1,747,166	1,424,897
Total Assets	<u>\$ 351,241,055</u>	<u>\$ 359,106,277</u>	<u>\$ 313,714,657</u>

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

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

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

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

YOUNGSTOWN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Cash and cash equivalents increased \$20.5 million or 354% from fiscal year 2020 to fiscal year 2021. This increase was partially due to unbudgeted reimbursements from COVID-19 relief funds for lost revenues and expenses including defraying payroll costs, recovering indirect costs, and restored state appropriations not budgeted, along with unspent grant revenue received in advance of expenses.

Investments increased \$8.2 million or 12% from fiscal year 2020 to fiscal year 2021. This increase was primarily due to unrealized gains resulting from a favorable market environment.

Overall accounts, loans, and pledges receivable, net increased \$6 million or 47.2% from fiscal year 2020 to fiscal year 2021. This increase was primarily due to an increase in net accounts receivable. Net accounts receivable increased \$6.3 million from \$11.7 million at June 30, 2020 to \$18 million at June 30, 2021. Student accounts, net increased \$1.7 million largely due to the impact of a student reengagement initiative utilizing \$2.7 million of Higher Education Emergency Relief Fund (HEERF) funds in fiscal year 2022 to discharge student debt, which resulted in a decrease in the allowance for doubtful accounts at June 30, 2021. Grants and contracts receivables, net increased \$7 million due to \$4 million increase in year-end capital grant activity relating to the construction of the Excellence Training Center, and \$2.6 million in unreimbursed uses of HEERF funds awarded. State capital appropriation receivables decreased \$1.4 million due to decreased year end activity on capital projects funded from state capital appropriations, and other receivables decreased \$1 million.

Net OPEB assets increased \$4 million or 74% from fiscal year 2020 to fiscal year 2021.

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

At June 30, 2022, the University had \$225 million in capital assets, net of accumulated depreciation. Depreciation totaled \$14.8 million, \$14.1 million, and \$14.1 million in fiscal years 2022, 2021, and 2020 respectively.

Details of net capital assets are shown below.

	June 30, 2022	As Restated June 30, 2021	As Restated June 30, 2020
Land	\$ 18,538,609	\$ 17,810,443	\$ 17,789,943
Buildings, net	92,196,287	96,922,214	101,561,380
Improvements to buildings, net	80,215,957	81,347,110	67,462,490
Improvements other than buildings, net	19,866,589	20,994,408	22,284,712
Construction in progress	5,553,563	1,515,662	4,290,786
Moveable equipment and furniture, net	6,016,480	4,857,512	5,249,533
Vehicles, net	363,254	218,327	299,330
Historical treasures	1,041,338	1,021,538	943,288
Right-to-use assets - equipment	1,212,198	1,620,831	1,661,336
Total Capital Assets, net	<u>\$ 225,004,275</u>	<u>\$ 226,308,045</u>	<u>\$ 221,542,798</u>

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

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

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

Major capital activity during fiscal year 2020 included completion of the multimedia center on the east side of Stambaugh Stadium and the North Central Parking Lot adjacent to the multimedia center. Also, an athletic field on the north side of campus was completed as well as an indoor tennis facility. The first phase of renovations was completed in the Cushwa Hall physical therapy department, and the second phase of renovations were completed in Meshel Hall. Additionally, the Bliss Hall entranceway was renovated as well as upgrades to the utility distribution system and roof repairs to the Cafaro House and Lyden House dormitories. Construction in progress includes the Excellence Training Center which is part of the Mahoning Valley Innovation & Commercialization Consortium, Ward Beecher Science Hall structural improvements, replacement of the Fok Hall roof and sections of the Ward Beecher roof, and renovations to the two pedestrian bridges on campus.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

See Note 7 for additional information on capital assets.

Other assets remained flat from fiscal year 2021 to fiscal year 2022, and from fiscal year 2020 to fiscal year 2021.

Deferred Outflows/Inflows of Resources

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

Deferred Outflows of Resources	June 30, 2022	June 30, 2021	June 30, 2020
Related to pension	\$ 23,035,309	\$ 15,805,606	\$ 20,224,223
Related to OPEB	780,035	2,597,825	5,929,505
Bond refunding	1,456,254	1,554,268	1,679,053
Total Deferred Outflows of Resources	<u>\$ 25,271,598</u>	<u>\$ 19,957,699</u>	<u>\$ 27,832,781</u>

Deferred Inflows of Resources	June 30, 2022	June 30, 2021	June 30, 2020
Service concession agreements	\$ 132,500	\$ 220,000	\$ 307,500
Related to pension	65,195,303	22,329,129	19,543,642
Related to OPEB	14,578,811	20,693,706	12,522,598
Total Deferred Inflows of Resources	<u>\$ 79,906,614</u>	<u>\$ 43,242,835</u>	<u>\$ 32,373,740</u>

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

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

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

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

Deferred outflows of resources decreased \$7.9 million or 28% from fiscal year 2020 to fiscal year 2021. Deferred outflows of resources related to pension decreased \$4.4 million or 21.85% primarily due to a combination of a \$7.1 million decrease in changes in assumptions, including \$2.6 million decrease related to the OPERS plan and \$4.5 million decrease related to the STRS Ohio plan and a \$3.7 million increase in the net difference between projected and actual earnings on pension plan investments related to the STRS Ohio plan. Deferred outflows of resources related to OPEB decreased \$3.3 million or 56.2% primarily due to a \$3.4 million decrease in the net difference between projected and actual earnings on OPEB plan investments related to the OPERS plan.

Deferred inflows of resources increased \$11 million or 34% from fiscal year 2020 to fiscal year 2021. Deferred inflows of resources related to pension increased \$2.8 million or 14.25% primarily due to a \$2 million increase in change in proportionate share of contribution, including \$1.6 million increase related to the OPERS plan, and \$0.4 million increase related to the STRS Ohio plan. Although the net difference between projected and actual earning on pension plan investments decreased \$0.2 million, this included an increase of \$3.4 million related to the OPERS plan and a decrease of \$3.6 million related to the STRS Ohio plan. Deferred inflows of resources related to OPEB increased \$8.2 million or 65.25% primarily due to a combination of a \$5.7 million increase in change in assumptions, including a \$6.4 million increase relating to the OPERS plan and \$0.7 million decrease relating to the STRS Ohio plan; a \$1.3 million increase in the difference between expected and actual experience, including \$0.5 million increase relating to the OPERS plan and \$0.8 million increase relating to the STRS Ohio plan; and a \$1.1 million increase in the change in proportionate share of contribution relating to the OPERS plan.

See Note 13 for additional information on employee benefit plans.

During fiscal year 2014, the University entered into a ten-year agreement with a food service company for the exclusive right to provide and manage the University's food service program including catering services. The University received initial support funds in the amount of \$425,000 which are contingent upon the University utilizing the services of the food service company over the ten-year period. During fiscal year 2015, the University entered into a ten-year agreement with a beverage company for exclusive pouring rights and sponsorship program. The

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

University received initial support funds in the amount of \$450,000 which are contingent upon the University utilizing the services of the beverage company over a ten-year period. The unamortized amounts are reflected as Deferred Inflows of Resources in the Statement of Net Position.

Liabilities

Liabilities largely consist of accrued payroll and payroll withholdings, debt, unearned revenue, compensated absences, and net pension/OPEB asset/liability. The following table summarizes balances at:

	June 30, 2022	As Restated June 30, 2021	June 30, 2020
Accounts and construction payable	\$ 7,006,100	\$ 5,277,472	\$ 4,877,936
Payroll liabilities	8,708,877	8,418,693	8,150,854
Notes payable	12,109,512	13,059,956	13,919,024
Bonds payable, net	55,327,063	56,985,643	60,278,073
Unearned revenue	6,618,717	7,155,847	6,384,286
Compensated absences	6,314,388	6,595,243	6,996,865
Refundable advance	172,310	670,781	1,288,875
Other	2,732,737	2,768,844	2,053,012
Net pension liability	55,467,057	108,506,850	120,551,697
Net OPEB liability	-	-	33,470,549
Total Liabilities	<u>\$ 154,456,761</u>	<u>\$ 209,439,329</u>	<u>\$ 257,971,171</u>

Total liabilities decreased \$55 million or 26% from fiscal year 2021 to fiscal year 2022.

Accounts and construction payable increased \$1.7 million largely due to increased year end activity on construction projects. Bonds payable decreased \$1.7 million due to scheduled debt service payments. The net pension liability decreased \$53 million, including a \$40.1 million decrease in the STRS Ohio net pension liability and a \$12.9 million decrease in the OPERS net pension liability. The STRS Ohio and OPERS net pension liability balances were \$36 million and \$19.5 million at June 30, 2022 compared to \$76.1 million and \$32.4 million at June 30, 2021, respectively.

Total liabilities decreased \$48.5 million or 19% from fiscal year 2020 to fiscal year 2021. Bonds payable decreased \$3.3 million due to scheduled debt service payments. The net pension liability decreased \$12 million, including a \$3.4 million increase in the STRS Ohio net pension liability and a \$15.4 million decrease in the OPERS net pension liability. The STRS Ohio and OPERS net pension liability balances were \$76.1 million and \$32.4 million at June 30, 2021 compared to \$72.7 million and \$47.8 million at June 30, 2020, respectively. The net OPERS OPEB liability/(asset) was (\$5.4) million at June 30, 2021 compared to \$33.5 million at June 30, 2020.

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

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Net Position

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

	As Restated		
	June 30, 2022	June 30, 2021	June 30, 2020
Total Net Position	\$ 142,149,278	\$ 126,381,812	\$ 51,202,527
Add			
Deferred inflows of resources related to pension/OPEB	79,774,114	43,022,835	32,066,240
Net pension/OPEB liability	55,467,057	108,506,850	154,022,246
Subtract			
Deferred outflows of resources related to pension/OPEB	(23,815,344)	(18,403,431)	(26,153,728)
Net pension/OPEB asset	(13,227,241)	(9,486,443)	(5,446,000)
Total Net Position without GASBs 68 and 75	<u>\$ 240,347,864</u>	<u>\$ 250,021,623</u>	<u>\$ 205,691,285</u>

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

	As Restated		
	June 30, 2022	June 30, 2021	June 30, 2020
Net investment in capital assets, net of related debt	\$ 157,523,714	\$ 156,049,345	\$ 147,352,730
Restricted, nonexpendable - endowments	5,755,537	5,674,506	5,534,526
Restricted, expendable - gifts, grants, and student loans	31,587,968	22,610,101	23,804,159
Unrestricted (without GASBs 68 and 75)	45,480,645	65,687,671	28,999,870
GASBs 68 and 75	(98,198,586)	(123,639,811)	(154,488,758)
Total Net Position	<u>\$ 142,149,278</u>	<u>\$ 126,381,812</u>	<u>\$ 51,202,527</u>

Overall, the University's total net position increased \$15.7 million or 12.5% from \$126.4 million at June 30, 2021 to \$142.1 million at June 30, 2022. This resulted from an excess of revenues over expenses and includes a \$1.5 million increase in the net amount invested in capital assets, a \$9 million increase in restricted net position, a \$20.2 million decrease in unrestricted net position excluding the impact of GASBs 68 and 75, and a \$25.4 million increase in unrestricted net position attributed to the impact of GASBs 68 and 75.

Overall, the University's total net position increased \$75.2 million or 147.8% from \$51.2 million at June 30, 2020 to \$126.5 million at June 30, 2021. This resulted from an excess of revenues over expenses and includes an \$8.7 million increase in the net amount invested in capital assets, a \$1 million decrease in restricted net position, a \$36.7 million increase in unrestricted net position excluding the impact of GASBs 68 and 75, and a \$30.8 million increase in unrestricted net position attributed to the impact of GASBs 68 and 75.

The net investment in capital assets consists of capital assets net of accumulated depreciation and deferred outflows of resources relating to bond refunding reduced by the outstanding balance of

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The increase of \$1.5 million from fiscal year 2021 to fiscal year 2022 was due to net capital additions of \$13.4 million, an increase in outstanding debt of \$2.9 million and current year depreciation and amortization of \$14.8 million. Outstanding debt was \$68.9 million at June 30, 2022 compared to \$71.8 million at June 30, 2021. \$

The increase of \$8.7 million in net investment and capital assets from fiscal year 2020 to fiscal year 2021 was due to net capital additions of \$20.3 million, a \$2.5 million decrease in outstanding debt and current year depreciation and amortization of \$14.1 million. Outstanding debt was \$71.8 million at June 30, 2021 compared to \$74.3 million at June 30, 2020.

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

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

	June 30, 2022	June 30, 2021	June 30, 2020
Gifts, grants, and contracts	\$ 26,981,009	\$ 26,854,723	\$ 18,406,182
COVID-19 relief funds	45,733	(9,104,861)	(1,079,230)
Plant funds	4,294,855	4,714,765	6,685,905
Other	266,371	145,474	(208,698)
Total Net Position	<u>\$ 31,587,968</u>	<u>\$ 22,610,101</u>	<u>\$ 23,804,159</u>

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

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

Total restricted expendable net position was \$22.6 million at June 30, 2021 compared to \$23.8 million at June 30, 2020, an overall decrease of \$1.2 million or 5%. Gifts, grants and contracts increased \$8.4 million primarily due to \$4.1 million in unspent funds received for workforce

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

development and energy storage training, \$2.9 million increase in undistributed investment earnings on University endowments due to a favorable investment environment, and \$0.6 million in undistributed emergency COVID-19 funds received from YSUF during fiscal year 2021.

COVID-19 Relief funds decreased \$8 million primarily due to timing differences between the recognition of revenue and expenses. A decrease of \$9.3 million was attributed to HEERF III institutional portion allowable uses that were not reimbursable until fiscal year 2022 when the HEERF III Financial Aid funds were disbursed combined with an increase of \$1.1 million due to fiscal year 2020 expenses that were not reimbursable until July 2020 when the Ohio Department of Higher Education granted emergency relief in the form of Coronavirus Relief Fund (CRF) in fiscal year 2021.

Plant funds increased \$2 million primarily due to a \$1.1 million decrease in capital gifts internally set aside for debt service and a \$0.5 million capital gift transferred to YSUF at the request of the donor.

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

	June 30, 2022	June 30, 2021	June 30, 2020
Operating and designated funds	\$ 22,651,471	\$ 44,129,811	\$ 8,618,056
Operating reserves	8,837,982	8,837,982	7,786,754
Plant funds	13,968,673	12,697,359	12,572,675
Loan funds	22,519	22,519	22,385
Total without GASBs 68 and 75	45,480,645	65,687,671	28,999,870
GASB 68 (Pension fund)	(97,627,051)	(115,030,373)	(119,871,116)
GASB 75 (OPEB fund)	(571,535)	(8,609,438)	(34,617,642)
Total Unrestricted Net Position	\$ (52,717,941)	\$ (57,952,140)	\$ (125,488,888)

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

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

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

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

Total unrestricted net position was (\$57.9) million at June 30, 2021 compared to (\$125.4) million at June 30, 2020. The increase of \$67.5 million from fiscal year 2020 to fiscal year 2021 reflects an excess of revenues over expenses during fiscal year 2021 from noncapital activity. Total unrestricted net position without funds relating to pension/OPEB increased \$36.7 million whereas the funds relating to pension/OPEB increased \$30.6 million.

The overall increase of \$36.7 million unrestricted net position excluding GASBs 68 and 75 was due to a combination of the impact of strategic utilization of the COVID-19 relief funds, conservative operating budgets to control spending in an uncertain environment, and a favorable investment environment.

The fiscal year end operating fund balances increased \$11.1 million due to the utilization of \$7.8 million of COVID-19 relief funds, including defraying \$3.4 million in payroll expenses with COVID-19 relief funds, recovery of \$1.0 million of indirect costs, \$1.8 million resulting from the impact of student balances discharged in fiscal year 2022 (bad debt credit), and \$0.7 million reimbursement for lost revenue due to student account adjustments, as well as \$3.3 million in restored state share of instruction funding.

Also, \$10.1 million of COVID-19 relief funds were used to reimburse the University for \$2.8 million in lost revenues and eligible expenses incurred during fiscal year 2020 and \$7.3 million for fiscal year 2021 lost revenue. These funds were designated to be used for COVID-19 projects and to fulfill the fiscal year 2022 operating budget plan.

Other increases include \$8.3 million increase in the fund designated to record unrealized investment income which is not spendable according to board policy, \$2.5 million increase in the sick leave conversion fund to fund the sick leave liability, \$1.9 million increase in funds set aside for open purchase orders, and \$1 million increase in the long-term operating reserve fund.

The GASB 68 (Pension) fund increased \$4.9 million from (\$119.9) million at June 30, 2020 to (\$115) million at June 30, 2021, whereas the GASB 75 (OPEB) fund increased \$26 million from (\$34.6) million at June 30, 2020 to (\$8.6) million at June 30, 2021.

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

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

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

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

	June 30, 2022	As Restated June 30, 2021	June 30, 2020
Operating Revenues			
Net tuition, fees and other student charges	\$ 79,392,052	\$ 82,277,583	\$ 81,330,058
Auxiliary enterprises	15,700,492	13,261,789	17,060,256
Grants and contracts	14,202,141	15,942,273	12,296,168
Other	3,191,121	3,766,968	2,963,247
Total Operating Revenues	112,485,806	115,248,613	113,649,729
Operating Expenses	200,533,632	165,297,531	208,208,708
Operating Loss	(88,047,826)	(50,048,918)	(94,558,979)
Nonoperating Revenues (Expenses)			
State appropriations	44,378,444	43,927,035	42,089,994
Federal appropriations	33,228,720	24,976,068	6,063,592
Gifts, grants, and contracts	29,075,594	29,868,317	31,513,479
Investment income	(7,367,959)	13,779,629	2,555,860
Other	(1,341,001)	(2,396,430)	(3,461,407)
Net Nonoperating Revenues	97,973,798	110,154,619	78,761,518
Gain (Loss) Before Other Revenues, Expenses, and Changes	9,925,972	60,105,701	(15,797,461)
Other Revenues, Expenses, and Changes			
State capital appropriations	3,023,039	9,345,533	5,186,305
Capital grants and gifts	2,844,595	6,387,877	3,274,660
Other	(26,140)	(519,902)	72,164
Total Other Revenues, Expenses, and Changes	5,841,494	15,213,508	8,533,129
Change in Net Position	15,767,466	75,319,209	(7,264,332)
Net Position at Beginning of the Year	126,381,812	51,202,527	58,466,859
Adjustment for Change in Accounting Principle	-	(139,924)	-
Net Position at Beginning of the Year, as restated	126,381,812	51,062,603	58,466,859
Net Position at End of the Year	\$ 142,149,278	\$ 126,381,812	\$ 51,202,527

Revenues

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

	June 30, 2022	June 30, 2021	June 30, 2020
Net tuition, fees, and other student charges	\$ 79,392,052	\$ 82,277,583	\$ 81,330,058
Gifts, grants and contracts	46,122,330	52,198,467	47,084,307
State appropriations	44,378,444	43,927,035	42,089,994
Federal appropriations	33,228,720	24,976,068	6,063,592
Auxiliary enterprises	15,700,492	13,261,789	17,060,256
Other revenue	3,491,536	4,420,799	3,422,390
State capital appropriations	3,023,039	9,345,533	5,186,305
Investment income	(7,367,959)	13,779,629	2,555,860
Total Revenues	\$ 217,968,654	\$ 244,186,903	\$ 204,792,762

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

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

Net tuition, fees and other student charges decreased \$2.9 million or 4% from fiscal year 2021 to fiscal year 2022. This was due to combination of a \$4.1 million decrease in gross tuition, the result of increased tuition and fees and decreased enrollment and a \$1.2 million decrease in scholarship allowance. Gross tuition and fees were \$104.9 million in fiscal year 2022 compared to \$109 million in fiscal year 2021, whereas scholarship allowance was \$25.5 million and \$26.7 million, respectively. Gifts, grants and contracts revenue decreased \$6.1 million or 12% from fiscal year 2021 to fiscal year 2022, primarily due to a combination of a \$.8 million increase in gifts, a \$1.9 million increase in non-capital federal grants and contracts activity, a \$3.8 million decrease in federal capital grant activity related to the construction of the Excellence Training Center, a \$3.6 million decrease in a private grants for workforce development and energy storage training and a \$1.4 million decrease in Pell grants due to decreased enrollment. State appropriations increased slightly from fiscal year 2021 to fiscal year 2022. Federal appropriations totaled increased \$8.3 million or 33% from \$25 million in fiscal year 2021 to \$32.2 million in fiscal year 2022. The \$32.2 million in fiscal year 2022 included \$15.3 million of Higher Education Emergency Relief Funds (HEERF) Student Aid, \$17.3 million HEERF Institutional Portion and \$.6 million in Coronavirus Relief Funds (CRF), whereas the \$25 million in fiscal year 2021 included \$7.2 million HEERF Student Aid, \$11.9 million Institutional Portion \$5.7 CRF and \$.2 million in other grant revenue for the University's radio station. Auxiliary enterprises revenue increased \$2.4 million or 18% from fiscal year 2021 to fiscal year 2022 primarily due to increased Intercollegiate Athletic revenue including \$.7 million in football guarantees and \$.8 million in NCAA revenue sharing. State capital appropriations decreased \$6.3 million or 68% from fiscal year 2021 to fiscal year 2022 due to decreased activity on capital projects funded with state capital dollars, primarily the Excellence Training Center. Investment income decreased \$21.1 million or 153% from fiscal year 2021 to fiscal year 2022 due to significant unrealized losses resulting from an unfavorable environment.

Overall, the University's total revenues increased \$39.4 million between fiscal year 2020 and fiscal year 2021 from \$204.8 million to \$244.2 million or 19.2%.

Net tuition, fees and other student charges increased \$1 million or 1.2% from fiscal year 2020 to fiscal year 2021. This was due to a combination of a \$1.9 million decrease in gross tuition, the result of increased tuition and fees and decreased enrollment and a \$2.9 million decrease in the scholarship allowance. Gross tuition and fees were \$109 million in fiscal year 2021 compared to \$110.9 million in fiscal year 2020, whereas scholarship allowance was \$26.7 million and \$29.6 million, respectively. Gifts, grants, and contracts increased \$5.1 million or 10.9% from fiscal year 2020 to fiscal year 2021 primarily due to a combination of an increase in private grants activity, including \$4.3 million received from General Motors, LLC for workforce development and energy storage training, \$4.2 million in federal capital grant funding from the Economic Development Agency for a portion of the construction of the Excellence Training Center, and a decrease in Pell grants due to decreased enrollment. State appropriations increased \$1.8 million or 4.4% from fiscal year 2020 to fiscal year 2021 due to fiscal year 2020 reflecting a reduction of \$1.7 million in State support due to the impact of COVID-19. Federal appropriations increased \$18.9 million or 311.9% from fiscal year 2020 to fiscal year 2021 due to the continuance of the COVID-19

YOUNGSTOWN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

pandemic declared on March 11, 2020 through fiscal year 2021 and the timing of COVID-19 relief funds awarded and expended. Federal appropriations in fiscal year 2021 totaled \$25 million, including \$19.1 million of Higher Education Emergency Relief Funds (HEERF), \$5.7 million of Coronavirus Relief Funds (CRF), and \$0.2 million in other grant revenue for the University's radio station. Auxiliary enterprises revenue decreased \$3.8 million or 22% from fiscal year 2020 to fiscal year 2021 primarily due to the impact of COVID-19 on auxiliary operations. Investment income decreased \$11.2 million or 439.1% from fiscal year 2020 to fiscal year 2021 due to significant realized gains resulting from a favorable environment, and State capital appropriations increased \$4.2 million or 80.2% primarily due to increased activity on capital projects funded with state capital dollars, primarily the Excellence Training Center.

See Note 16 for more information about the COVID-19 Pandemic.

Expenses

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

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

	June 30, 2022	June 30, 2021	June 30, 2020
Compensation	\$ 120,317,543	\$ 110,767,229	\$ 120,288,141
Operations	55,792,654	43,431,298	43,637,982
Scholarships	35,093,551	27,842,419	25,269,042
Depreciation and amortization	14,771,109	14,105,532	14,098,787
Operating expenses without GASBs 68 and 75 accruals	225,974,857	196,146,478	203,293,952
GASB 68 pension expense accruals	(17,403,322)	(4,840,743)	3,477,338
GASB 75 OPEB expense accrual	(8,037,903)	(26,008,204)	1,437,418
Total operating expenses	<u>\$ 200,533,632</u>	<u>\$ 165,297,531</u>	<u>\$ 208,208,708</u>

YOUNGSTOWN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Following is a recap of total operating expenses by functional classification excluding the impact of GASBs 68, and 75.

	June 30, 2022	June 30, 2021	June 30, 2020
Instruction	\$ 65,793,493	\$ 61,991,169	\$ 65,507,499
Research	3,265,810	2,798,779	4,160,244
Public service	6,463,004	4,994,104	5,544,742
Academic support	15,694,865	14,762,463	17,336,886
Student services	12,709,772	11,226,734	11,964,339
Institutional support	25,884,844	19,982,616	19,324,042
Operation and maintenance of plant	21,357,439	17,803,456	15,465,790
Scholarships	35,103,587	27,886,962	25,295,390
Auxiliary enterprises	24,930,934	20,594,663	24,596,233
Depreciation and amortization	14,771,109	14,105,532	14,098,787
Total operating expenses	<u>\$ 225,974,857</u>	<u>\$ 196,146,478</u>	<u>\$ 203,293,952</u>

Excluding the impact of the pension and OPEB accruals, total operating expenses increased \$29.8 million or 15% from \$196.1 million during fiscal year 2021 to \$226 million during fiscal year 2022. The increase was due to increases of \$9.5 million in compensation, \$12.3 million in operations, and \$7.2 million in scholarships.

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

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

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

Pension expense attributed to GASB 68 decreased \$12.6 million from (\$4.8) million in year 2021 to (\$17.4) million in fiscal year 2022; whereas OPEB expense attributed to GASB 75 increased \$18 million from (\$26) million in fiscal year 2021 to (\$8) million in fiscal year 2022. The \$12.6

YOUNGSTOWN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

million decrease in pension expense was due to a \$10.5 million decrease in the STRS Ohio plan and a \$2.1 million decrease in the OPERS plan. The \$18 million increase in OPEB expense was due to an increase in the OPERS plan. These expenses are the result of changes in the deferred outflows/inflows and liabilities related to pension/OPEB. The University has no control over the factors affecting these changes.

Excluding the impact of the pension and OPEB accruals, total operating expenses decreased \$7.2 million or 3.5% from \$203.3 million during fiscal year 2020 to \$196.1 million during fiscal year 2021. This net decrease was due to decreases of \$9.5 million in compensation, \$0.2 million in operations, offset by a \$2.5 million increase in scholarships.

Overall compensation decreased \$9.5 million or 7.9% from \$120.3 million in fiscal year 2020 to \$110.8 million in fiscal year 2021. Salaries and wages decreased \$7.5 million or 8.4% from \$89 million in fiscal year 2020 to \$81.5 million in fiscal year 2021; whereas fringe benefits decreased \$2 million from \$31.3 in fiscal year 2020 to \$29.3 million in fiscal year 2021. Overall fringe benefits as a percentage of salaries and wages was 35.9% in fiscal year 2021 compared to 35.1% in fiscal year 2020. The overall decrease was the result of planned actions due to COVID-19, including temporary and permanent layoffs, pay reductions, furloughs, academic reorganization, elimination of an administrative division, and a hiring freeze during fiscal year 2021.

Operations remained relatively flat at \$43.4 million in fiscal year 2021 compared to \$43.6 million in fiscal year 2020. This was due to the combination of strategic and across the board reductions to operating budgets campus wide, and utilization of COVID-19 relief funds. Approximately \$11.3 million in COVID-19 relief funds were utilized for operations in fiscal year 2021 including expenses for campus safety, equipment and software to enable distance learning and remote working, campus wide Wi-Fi upgrades, modifications of classrooms, and expenses associated with quarantined students. This compares to \$0.6 million of COVID-19 relief funds utilized in fiscal year 2020.

A large portion of aid is classified as scholarship allowance on the Statement of Revenues, Expenses and Changes in Net Position. Overall, the amount of aid disbursed to students by the University remained flat at \$54.5 million in fiscal year 2021 compared to \$54.8 million in fiscal year 2020. This was due to a combination of a \$2 million decrease in federal Pell grants, a decrease of \$2.7 million in institutional funds, and a \$4 million increase in federal aid to students from HEERF funds.

Pension expense attributed to GASB 68 decreased \$8.3 million from \$3.5 million in fiscal year 2020 to (\$4.8) million in fiscal year 2021; whereas OPEB expense attributed to GASB 75 decreased \$27.7 million from \$1.4 million in fiscal year 2020 to (\$26) million in fiscal year 2021. The \$8.3 million decrease in pension expense was attributed to a combination of an \$8.8 million decrease in the OPERS plan offset by \$0.5 million increase in the STRS Ohio plan. The \$27.4 million decrease in OPEB expense was attributed to a combination of a \$28.8 million decrease in the OPERS plan offset by a \$1.4 million increase in the STRS Ohio plan. These expenses are the result of changes in the deferred outflows/inflows and liabilities related to pension/OPEB. The University has no control over the factors affecting these changes.

YOUNGSTOWN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

See Note 13 for additional information on pension plans and other post-employment benefits (OPEB) and Note 16 for more information about the COVID-19 pandemic.

Total operating and non-operating expenses for the University were \$202,201,188, \$168,867,694, and \$212,057,094 in fiscal years 2022, 2021 and 2020, respectively.

YOUNGSTOWN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

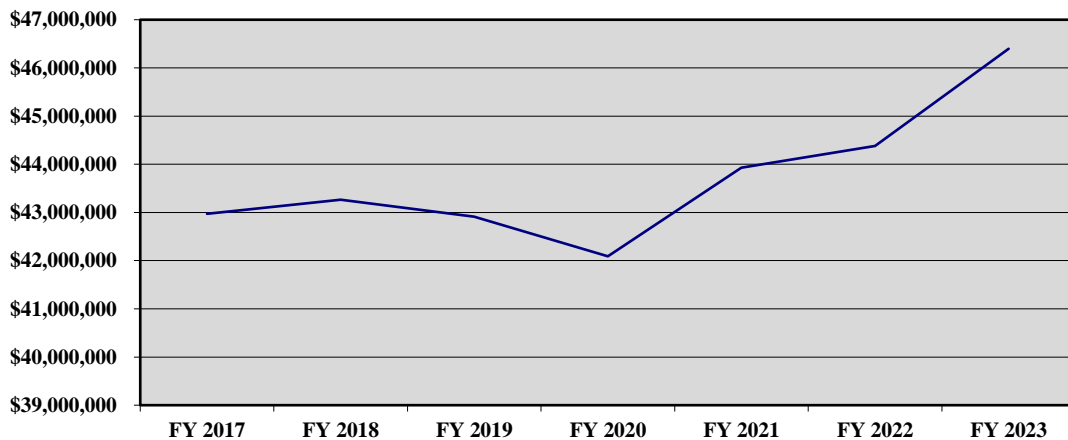
Economic Factors for the Future

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

Based on the most recent estimate provided by the Ohio Department of Higher Education, State Share of Instruction (SSI) funding for the University for fiscal year 2023 is expected to be 4.5% greater than during fiscal year 2022. This increase is partially attributable to a roughly 1% increase in the total statewide SSI appropriation that was enacted in the state of Ohio's operating budget legislation for the fiscal year 2022-fiscal year 2023 biennium. The University's increase in SSI funding is also driven by improved performance with respect to student success outcomes, underscored by a 14% improvement in the University's six-year graduation rate between 2014 and 2021. SSI formula allocations continue to be tied to student success, with degrees awarded and course completions serving as the primary drivers of SSI funding. Datasets used in the formula are based on a three-year rolling average and are weighted to take into account various at-risk student characteristics. The SSI formula continues to factor in discipline and program costs and enrollment levels.

The following graph reflects six years actual data for State Appropriations plus the budgeted amount for fiscal year 2023.

**State Appropriations
Fiscal Years 2017 through 2023**

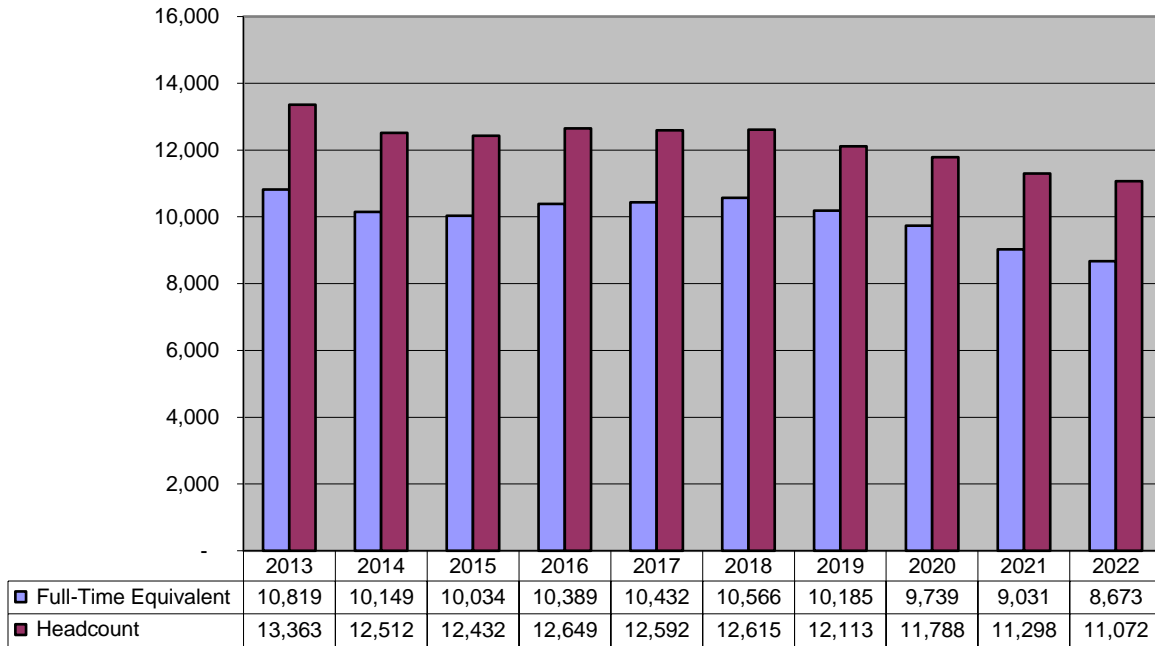


YOUNGSTOWN STATE UNIVERSITY

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONT.)

Fall Semester Enrollment Trends 2013 through 2022

The following graph reflects nine years of actual data for Fall enrollment trends plus the 14th day preliminary enrollment for Fall 2022.



Fall 2022 enrollments are 4% lower than the prior Fall semester on a full-time equivalency (FTE) basis. Following a five-year decline in FTE enrollments between Fall 2011 and 2015, YSU achieved three years of enrollment stability between Fall 2016 and Fall 2018 before these four consecutive setbacks. The number of the University’s new incoming student enrollments for Fall 2022 was unvarying over Fall 2021, which represents progress, due to growth of new incoming international students to a certain extent. When you consider our faster and increased rates of graduation for undergraduates, a 2% decline in total headcount is respectable. Even though a decline in overall enrollment continued, efforts to target special populations that helped to counteract demographic declines and the ways the pandemic impacted career path considerations of students is balanced. Student and parent expectations are evolving and requiring dramatically different recruitment and enrollment strategies with adjustment to messaging about what YSU offers in terms of a high-quality education at an affordable price.

The number of new Honors College freshmen for Fall 2022 was 371, which represents an 24.08% increase over Fall 2021. Honors College freshmen continuously contribute to the growth in and sustainability of the academic quality of YSU’s student body. The University experienced increases in new freshman for four consecutive years between Fall 2015 and Fall 2018, a 31% increase in that time, before dropping 0.12% in Fall 2022, 10.59% in Fall 2021, and 9.35% during Fall 2020.

YOUNGSTOWN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Freshman GPA averages were maintained with the highest in University history at 3.52 despite YSU's shift to a test optional policy for undergraduate admission over the last two years. The impressive academic quality of our new students continues to be a point of pride. Nearly 60% (58.94%) of our new freshmen had a high school GPA of 3.5 or better. Efforts to widen the University's appeal beyond its traditional footprint advanced for Fall 2022 with financial investment into more marketing, targeting special populations, and a continued reduction in out-of-state tuition. Multicultural freshman decreased slightly by 2.33% along with the number of Ohio counties represented in the freshman class to 39 counties from 42 counties last Fall.

The University's first year freshmen that were retained to the second year increased to 77.53% from 74.09% from last year.

YOUNGSTOWN STATE UNIVERSITY

STATEMENTS OF NET POSITION AT JUNE 30, 2022 AND 2021

	June 30, 2022	As Restated June 30, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 29,097,272	\$ 26,292,042
Investments	42,995,687	46,804,862
Restricted investments	732,941	825,349
Interest receivable	145,994	103,684
Accounts receivable, net	11,692,607	18,039,267
Pledges receivable, net	63,171	167,117
Loans receivable, net	98,137	335,284
Inventories	56,212	60,855
Prepaid expenses and unearned charges	1,484,140	1,446,024
Total Current Assets	86,366,161	94,074,484
Noncurrent Assets		
Investments	14,805,228	15,496,697
Endowments and other restricted investments	11,554,151	13,570,860
Pledges receivable, net	140,753	-
Loans receivable, net	-	33,145
Other noncurrent assets	143,246	136,603
Net OPEB asset	13,227,241	9,486,443
Nondepreciable capital assets	25,133,510	20,347,643
Depreciable capital assets, net	199,870,765	205,960,402
Total Noncurrent Assets	264,874,894	265,031,793
Total Assets	351,241,055	359,106,277
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	23,035,309	15,805,606
Deferred outflows related to OPEB	780,035	2,597,825
Bond refunding	1,456,254	1,554,268
Total Deferred Outflows of Resources	25,271,598	19,957,699
LIABILITIES		
Current Liabilities		
Accounts payable	4,680,963	4,638,278
Construction payable	2,325,137	639,194
Payroll liabilities	8,708,877	8,418,693
Bonds payable	1,320,000	3,230,000
Notes payable	1,078,673	950,444
Leased liabilities	247,691	267,129
Compensated absences	950,134	857,970
Unearned revenue	6,618,717	7,155,847
Other liabilities	1,232,497	1,001,475
Total Current Liabilities	27,162,689	27,159,030
Noncurrent Liabilities		
Bonds payable, net	54,007,063	53,755,643
Notes payable	11,030,839	12,109,512
Leased liabilities	1,252,549	1,500,240
Compensated absences	5,364,254	5,737,273
Refundable advance	172,310	670,781
Net pension liability	55,467,057	108,506,850
Total Noncurrent Liabilities	127,294,072	182,280,299
Total Liabilities	154,456,761	209,439,329
DEFERRED INFLOWS OF RESOURCES		
Service concession agreements	132,500	220,000
Deferred inflows related to pension	65,195,303	22,329,129
Deferred inflows related to OPEB	14,578,811	20,693,706
Total Deferred Inflows of Resources	79,906,614	43,242,835
NET POSITION		
Net investment in capital assets	157,523,714	156,049,345
Restricted, nonexpendable - endowments	5,755,537	5,674,506
Restricted, expendable - gifts, grants, and student loans	31,587,968	22,610,101
Unrestricted	(52,717,941)	(57,952,140)
Total Net Position	\$ 142,149,278	\$ 126,381,812

See accompanying notes to financial statements.

THE YOUNGSTOWN STATE UNIVERSITY FOUNDATION

STATEMENTS OF FINANCIAL POSITION AT JUNE 30, 2022 AND 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
ASSETS		
Cash and cash equivalents	\$ 1,630,642	\$ 1,031,736
Investments	306,116,478	325,195,829
Pledges receivable, net	5,170,262	6,604,115
Pledges receivable for Youngstown State University, net	3,982,190	3,118,955
Prepaid expenses and other assets	1,160,165	872,106
Property and equipment, net	209,391	234,011
TOTAL ASSETS	<u>\$ 318,269,128</u>	<u>\$ 337,056,752</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 691,352	\$ 508,407
Grant commitments to Youngstown State University	10,907,374	9,328,575
Accrued liabilities and other	75,042	81,571
TOTAL LIABILITIES	<u>11,673,768</u>	<u>9,918,553</u>
NET ASSETS		
Without donor restrictions	159,593,219	179,416,076
With donor restrictions	147,002,141	147,722,123
TOTAL NET ASSETS	<u>306,595,360</u>	<u>327,138,199</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 318,269,128</u>	<u>\$ 337,056,752</u>

See accompanying notes to financial statements.

YOUNGSTOWN STATE UNIVERSITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	June 30, 2022	As Restated June 30, 2021
OPERATING REVENUES		
Tuition, fees, and other student charges (net of scholarship allowance of \$25,458,962 in 2022 and \$26,673,403 in 2021)	\$ 79,392,052	\$ 82,277,583
Federal grants and contracts	6,568,342	4,656,571
State grants and contracts	5,878,067	6,093,136
Local grants and contracts	355,094	360,386
Private grants and contracts	1,400,638	4,832,180
Sales and services	408,408	240,227
Auxiliary enterprises	15,700,492	13,261,789
Other operating revenues	2,782,713	3,526,741
Total Operating Revenues	112,485,806	115,248,613
OPERATING EXPENSES		
Instruction	55,624,004	61,345,003
Research	3,104,125	2,452,821
Public service	5,392,882	2,729,059
Academic support	12,624,516	8,492,792
Student services	10,137,813	6,200,552
Institutional support	22,432,785	13,353,931
Operation and maintenance of plant	19,158,856	13,420,234
Scholarships	35,103,587	27,886,962
Auxiliary enterprises	22,183,955	15,310,645
Depreciation and amortization	14,771,109	14,105,532
Total Operating Expenses	200,533,632	165,297,531
Operating Loss	(88,047,826)	(50,048,918)
NONOPERATING REVENUES (EXPENSES)		
State appropriations	44,378,444	43,927,035
Federal appropriations	33,228,720	24,976,068
Federal grants	15,653,766	17,483,152
Private gifts	13,421,828	12,385,165
Unrestricted investment (loss) income, net of investment expense	(5,795,281)	10,308,245
Restricted investment (loss) income, net of investment expense	(1,572,678)	3,471,384
Interest on capital asset-related debt	(1,739,167)	(3,351,535)
Other nonoperating revenues, net	398,166	955,105
Net Nonoperating Revenues	97,973,798	110,154,619
Gain Before Other Revenues, Expenses, and Changes	9,925,972	60,105,701
OTHER REVENUES, EXPENSES, AND CHANGES		
State capital appropriations	3,023,039	9,345,533
Capital grants and gifts	2,844,595	6,387,877
Other revenue (expense), net	(26,140)	(519,902)
Total Other Revenues, Expenses, and Changes	5,841,494	15,213,508
Change In Net Position	15,767,466	75,319,209
NET POSITION		
Net Position at Beginning of the Year	126,381,812	51,202,527
Adjustment for Change in Accounting Principle	-	(139,924)
Net Position at Beginning of the Year, as restated	126,381,812	51,062,603
Net Position at End of the Year	\$ 142,149,278	\$ 126,381,812

See accompanying notes to financial statements.

THE YOUNGSTOWN STATE UNIVERSITY FOUNDATION

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	June 30, 2022		
	Without Donor	With Donor	Total
	Restrictions	Restrictions	
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions	\$ 2,500,717	\$ 16,372,483	\$ 18,873,200
Investment earnings	3,796,889	2,988,965	6,785,854
Net realized gain on sale of investments	6,961,368	5,452,482	12,413,850
Net unrealized change in long-term investments	(22,381,356)	(17,417,457)	(39,798,813)
Net assets released from restrictions	8,116,455	(8,116,455)	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	(1,005,927)	(719,982)	(1,725,909)
EXPENSES			
Distribution to Youngstown State University for scholarships and other programs	16,561,532	-	16,561,532
Administrative expenditures	2,255,398	-	2,255,398
TOTAL EXPENSES	18,816,930	-	18,816,930
INCREASE IN NET ASSETS	(19,822,857)	(719,982)	(20,542,839)
Net Assets - Beginning of Year	179,416,076	147,722,123	327,138,199
Net Assets - End of Year	\$ 159,593,219	\$ 147,002,141	\$ 306,595,360
	June 30, 2021		
	Without Donor	With Donor	Total
	Restrictions	Restrictions	
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions	\$ 2,512,954	\$ 9,530,708	\$ 12,043,662
Investment earnings	3,331,057	2,379,515	5,710,572
Net realized gain on sale of investments	11,517,403	7,750,431	19,267,834
Net unrealized change in long-term investments	29,334,594	19,997,031	49,331,625
Net assets released from restrictions	4,192,367	(4,192,367)	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	50,888,375	35,465,318	86,353,693
EXPENSES			
Distribution to Youngstown State University for scholarships and other programs	13,080,958	-	13,080,958
Administrative expenditures	2,125,304	-	2,125,304
TOTAL EXPENSES	15,206,262	-	15,206,262
INCREASE IN NET ASSETS	35,682,113	35,465,318	71,147,431
Net Assets - Beginning of Year	143,733,963	112,256,805	255,990,768
Net Assets - End of Year	\$ 179,416,076	\$ 147,722,123	\$ 327,138,199

See accompanying notes to financial statements.

YOUNGSTOWN STATE UNIVERSITY

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	June 30, 2022	June 30, 2021
Cash Flows from Operating Activities		
Student tuition and fees	\$ 80,436,200	\$ 82,541,704
Federal, state, and local grants and contracts	11,899,290	8,110,314
Private grants and contracts	1,297,054	4,823,170
Sales and services of educational and other departmental activities	16,849,090	14,258,760
Payments to suppliers	(55,048,692)	(44,106,705)
Payments to employees	(87,027,622)	(81,259,902)
Payments for benefits	(33,188,169)	(29,799,492)
Payments for scholarships	(35,333,319)	(27,821,838)
Direct lending receipts	46,925,469	50,679,162
Direct lending disbursements	(47,247,452)	(50,686,373)
Other receipts, net	2,711,442	3,448,007
Total Cash Flows Used In Operating Activities	(97,726,709)	(69,813,193)
Cash Flows from Noncapital Financing Activities		
Federal grants	15,199,219	16,710,007
Federal educational appropriations	35,357,833	25,725,512
State educational appropriations	44,378,444	43,927,035
Private gifts	13,503,303	12,946,388
Other nonoperating expenses	298,473	319,005
Student loans issued	-	550
Student loans collected	263,918	194,749
Student loan interest and fees collected	18,567	44,040
Total Cash Flows Provided by Noncapital Financing Activities	109,019,757	99,867,286
Cash Flows from Investing Activities		
Proceeds from sale of investments	36,264,869	10,769,589
Purchase of investments	(29,655,108)	(18,997,090)
Interest on investments	(7,410,269)	13,787,218
Total Cash Flows Provided by Investing Activities	(800,508)	5,559,717
Cash Flows from Capital and Related Financing Activities		
State capital appropriations	2,022,796	10,699,490
Private capital gifts and grants	6,502,334	2,150,743
Purchase of capital assets	(11,627,896)	(20,507,886)
Principal payments on capital debt	(2,472,573)	(3,998,647)
Bonds payable proceeds	286,375	-
Interest payments on capital debt	(2,398,346)	(3,456,965)
Total Cash Flows Used In Capital and Related Financing Activities	(7,687,310)	(15,113,265)
Change in Cash and Cash Equivalents	2,805,230	20,500,545
Cash and Cash Equivalents, Beginning of Year	26,292,042	5,791,497
Cash and Cash Equivalents, End of Year	\$ 29,097,272	\$ 26,292,042

YOUNGSTOWN STATE UNIVERSITY

STATEMENTS OF CASH FLOWS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

Reconciliation of Operating Loss to Net Cash Used in Operating Activities

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Operating loss	\$ (88,047,826)	\$ (50,048,918)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	14,771,109	14,105,532
Provision for bad debts	275,909	(1,875,681)
Changes in assets and liabilities:		
Accounts receivable, net	942,296	(2,811,738)
Inventories	4,643	29,025
Prepaid expenses and unearned charges	(38,116)	(351,668)
Net OPEB assets	(3,740,798)	(4,040,443)
Accounts payable	42,685	2,306,725
Accrued and other liabilities	588,444	(655,247)
Unearned revenue	(543,773)	739,346
Compensated absences	(280,855)	(401,622)
Net pension/OPEB liability	(53,039,793)	(45,515,396)
Deferred outflows-pensions and OPEB	(5,411,913)	7,750,297
Deferred inflows-pensions and OPEB	36,751,279	10,956,595
Net Cash Flows Used In Operating Activities	<u><u>\$ (97,726,709)</u></u>	<u><u>\$ (69,813,193)</u></u>

Noncash Investing and Financing Transactions

Capital Asset Related to Leases	<u><u>\$ -</u></u>	<u><u>\$ 1,943,399</u></u>
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See accompanying notes to financial statements.

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

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

Note 1 – Organization and Summary of Significant Accounting Policies

Organization and Basis of Presentation

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

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

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

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

- Net investment in capital assets – Capital assets, net of accumulated depreciation, reduced by outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- Restricted, nonexpendable – Resources subject to externally imposed stipulations that they be maintained permanently by the University. Such resources include the University's permanent endowment funds.
- Restricted, expendable – Resources whose use by the University is subject to externally imposed stipulations that can be fulfilled by actions of the University pursuant to those stipulations or that expire by the passage of time.
- Unrestricted – Resources that are not subject to externally imposed stipulations. Unrestricted resources may be designated for specific purposes by action of management, Board of Trustees or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted resources are designated for academic and research programs and initiatives, capital projects, and operating reserves.

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

Summary of Significant Accounting Policies

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

Change in Accounting Principle – Effective for the fiscal year ended June 30, 2022, the University adopted GASB Statement No. 87, Leases (GASB 87). This statement supersedes GASB Statement No. 62 and establishes new requirements for calculating and reporting the University’s lease activities. The adoption of GASB 87 has been reflected as of July 1, 2020.

Beginning net position as of July 1, 2020 was restated for the effects of the University’s adoption of GASB 87 as follows:

	June 30, 2020 as Originally Reported	GASB 87 Adoption	July 1, 2020 as Restated
Current assets	\$ 61,921,355	\$ -	\$ 61,921,355
Noncurrent assets	251,793,302	2,048,730	253,842,032
Total Assets	<u>313,714,657</u>	<u>2,048,730</u>	<u>315,763,387</u>
Deferred Outflows of Resources	27,832,781	-	27,832,781
Current liabilities	26,164,070	281,361	26,445,431
Noncurrent liabilities	231,807,101	1,767,369	233,574,470
Total Liabilities	<u>257,971,171</u>	<u>2,048,730</u>	<u>260,019,901</u>
Deferred Inflows of Resources	32,373,740	-	32,373,740
Net Position	<u>\$ 51,202,527</u>	<u>\$ (139,924)</u>	<u>\$ 51,062,603</u>

The Statement of Net Position as of June 30, 2021 was restated for the effects of the University’s adoption of GASB 87 as follows:

	June 30, 2021 as Originally Reported	GASB 87 Adoption	June 30, 2021 as Restated
Current assets	\$ 94,074,484	\$ -	\$ 94,074,484
Noncurrent assets	263,455,435	1,576,358	265,031,793
Total Assets	<u>357,529,919</u>	<u>1,576,358</u>	<u>359,106,277</u>
Deferred Outflows of Resources	19,957,699	-	19,957,699
Current liabilities	26,922,245	236,785	27,159,030
Noncurrent liabilities	180,800,802	1,479,497	182,280,299
Total Liabilities	<u>207,723,047</u>	<u>1,716,282</u>	<u>209,439,329</u>
Deferred Inflows of Resources	43,242,835	-	43,242,835
Net Position	<u>\$ 126,521,736</u>	<u>\$ (139,924)</u>	<u>\$ 126,381,812</u>

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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

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

Endowment Policy – Under Ohio law set forth in the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted in Ohio in 2009, the Board acts in a fiduciary capacity as trustee of its endowment funds. UPMIFA requires that the Board exercise its fiduciary duties prudently and consider both the charitable purposes and needs of the University and the purposes of the specific endowment regarding current expenditures and preservation of the purchasing power of the funds. The University Endowment Fund consists of 90 named funds. Each named fund is assigned a number of shares in the University Endowment Fund based on the value of the gifts to that named fund. The University's endowment spending policy states that annual distributions each fiscal year are set to 5% of the twelve-quarter average of the market value for the preceding twelve calendar quarters. In calculating the twelve-quarter average, census dates of March 31, June 30, September 30, and December 31 for the previous three years shall be used. Distributions greater than the calculated amount require written justification and Board of Trustees' approval.

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

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

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

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

Capital Assets – Capital assets are stated at cost or acquisition value at date of gift. Infrastructure assets are included in the financial statements and are depreciated. The University’s capitalization threshold for equipment, furniture, and vehicles is \$5,000; and for buildings, building improvements, and improvements other than buildings is \$100,000. Land is capitalized regardless of cost. Library purchases are excluded from capitalization and expensed as purchased.

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

When capital assets are sold, or otherwise disposed of, the carrying value of such assets and any accumulated depreciation is removed from asset accounts and the net investment in capital assets. The costs of normal maintenance and repairs that do not add to the value of the capital asset or materially extend the capital asset’s life are expensed when incurred. Estimated lives also apply to leased assets, which are amortized over the lesser of the estimated useful life of each class of capital assets or the lease term using the straight-line method. Estimated lives are as follows:

<u>Classification</u>	<u>Estimated Life</u>
Buildings	50 years
Improvements to buildings	10 to 50 years
Improvements other than buildings	15 years
Moveable equipment, furniture and vehicles	3 to 20 years

Unearned Revenue – Unearned revenue includes tuition and fee revenues billed or received prior to the end of the current fiscal year end, but related to the period after the current fiscal year. Also included are amounts received from grants and contract sponsors that have not yet been earned and other resources received before the eligibility requirements are met.

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

Refundable Advances from Government for Federal Loans – Funds provided by the United States government under the Federal Perkins Loan program are loaned to qualified students and re-loaned after collections. These funds are ultimately refundable to the government and, therefore, are recorded as a liability in the accompanying financial statements. Congress did not renew the program after September 30, 2017 and no disbursements were permitted after June 30, 2018.

Deferred Outflows of Resources – In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element,

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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

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

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

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

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

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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

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

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

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

Management’s Estimates – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures in the notes to financial statements. Actual results could differ from these estimates.

Adoption of New Accounting Pronouncements – In fiscal year 2022, the provisions of the following GASB Statements became effective:

- GASB Statement No. 87, *Leases*, issued June 2017. As a result of the adoption of GASB Statement No. 95, the requirements of this Statement are now effective for reporting periods beginning after June 15, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, issued June 2018. As a result of GASB Statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. Starting with the fiscal year ended June 30, 2022, interest costs associated with construction will be expensed as incurred.

- GASB Statement No. 92, *Omnibus 2020*, issued January 2020. As a result of the adoption of GASB Statement No. 95, the requirements of this Statement are effective for fiscal years beginning after June 15, 2021. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, issued June 2020. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021. The primary objectives of this Statement are to increase consistency and comparability related to the reporting of fiduciary component units; mitigate costs associated with the reporting of certain defined contribution pension plans; and enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans.

Except for the adoption GASB 87, the above standards had no impact on the statements as a whole. Refer to Change in Accounting Principle for details on the net position impact of GASB 87.

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

- GASB Statement No. 91, *Conduit Debt Obligations*, issued May 2019. As a result of the adoption of GASB Statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued March 2020. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued May 2020. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users.

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

- GASB Statement No. 99, *Omnibus 2022*, issued April 2022. The requirements of this statement are effective immediately, with the exception of requirements related to leases, PPPs and SBITAs effective June 30, 2023; and the requirements related to financial guarantees and the classification and reporting of derivative instruments effective June 30, 2024. The Statements enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature.
- GASB Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62*, issued June 2022. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, issued June 2022. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

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

Note 2 – State and Federal Support

The University receives support from the State in the form of State appropriations and capital appropriations. As required by the GASB, these are reflected as non-operating revenues on the Statement of Revenues, Expenses, and Changes in Net Position.

State appropriations totaled \$44,378,444 in fiscal year 2022 compared to \$43,927,035 in fiscal year 2021. The State Share of Instruction (SSI) is determined annually by the Ohio Department of Higher Education.

Capital appropriations from the State totaled \$3,023,039 in fiscal year 2022 compared to \$9,345,533 in fiscal year 2021, and included funding for equipment and the construction/major renovations of plant facilities.

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

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

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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

See Note 16 for additional information on funding received from the Coronavirus Aid, Relief, and Economic Security (CARES) Act due to the COVID-19 pandemic.

Note 3 – Cash and Cash Equivalents

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

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

Cash and Cash Equivalents at June 30, 2022 and June 30, 2021 consist of the following:

	2022	2021
Carrying Amount	<u>\$ 29,097,272</u>	<u>\$ 26,292,042</u>
FDIC Insured	\$ 750,000	\$ 678,410
Uninsured but collateralized by pools of securities pledged by the depository banks	1,263,509	821,090
Uninsured but assets held in name of YSU not pledged as collateral elsewhere	<u>27,757,496</u>	<u>26,609,707</u>
Bank Balance	<u>\$ 29,771,005</u>	<u>\$ 28,109,207</u>

The difference in carrying amount and bank balance is caused by items in transit and outstanding checks. Deposits held in safekeeping by a bank, as trustee or escrow agent, included in cash totaled \$47,230 at June 30, 2022 and \$17,930 at June 30, 2021, which approximates market. These deposits, including interest on the investments, are retained in the trust for payment of principal and interest on outstanding indebtedness.

Credit risk for deposits is the risk that, in the event of a bank failure, the University's deposits may not be returned to the University. At June 30, 2022 and June 30, 2021, all uncollateralized or uninsured deposits of the University are exposed to credit risk. The University's investment policy and asset allocation guidelines facilitate the management and monitoring of credit risk.

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

Note 4 – Investments

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

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

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

Level 1 – Investments reflect prices quoted in active markets.

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

Level 3 – Investments reflect prices based upon unobservable sources.

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

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

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

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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

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

As of June 30, 2021, the University had the following investments measured at fair value:

Investment Type	Fair Value Measurement				Total
	Level 1	Level 2	Level 3	NAV	
U.S. Government Obligations	\$ -	\$ 6,605,684	\$ -	\$ -	\$ 6,605,684
Corporate Bonds	-	8,173,981	-	-	8,173,981
U.S. Government Bonds	-	2,405,457	-	-	2,405,457
Bond Mutual Funds	14,508,180	-	-	-	14,508,180
Preferred Stock	-	114,900	-	-	114,900
Common Stock	10,134,324	-	-	-	10,134,324
Equity Mutual Funds	34,755,242	-	-	-	34,755,242
Totals	\$ 59,397,746	\$ 17,300,022	\$ -	\$ -	\$ 76,697,768

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

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

	Fair Value June 30		Redemption Frequency	Redemption Notice Period	Unfunded Commitment
	2022	2021			
Alternative investments:					
Hedge funds	<u>\$ 5,000,000</u>	<u>\$ -</u>	Quarterly	65 days	<u>\$ -</u>

The University's total alternative investment exposure are hedge funds through a limited partnership interest. The underlying hedge fund managers invest primarily in marketable securities that trade in well-established and liquid markets. Styles of managers include equity long-short, relative value, event driven, credit, or macro, among other sub-styles and specialties. The objective of the hedge funds is to achieve an attractive risk-adjusted return relative to other asset classes and provide

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

diversification and long-term growth. The hedge funds are valued at fair value that are reported in the investment manager financial statements, based on net asset value of the fund at the end of the depicted time period.

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

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

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

As of June 30, 2021, the University had the following investments and maturities using the segmented time distribution method:

Investment Type	Fair Value	Investment maturities (in years)			
		Less than 1	1-5	6-10	More than 10
U.S. Government Obligations	\$ 6,605,684	\$ 303,344	\$ 5,994,269	\$ 308,071	\$ -
Corporate Bonds	8,173,981	810,142	6,348,099	974,557	41,183
U.S. Government Bonds	2,405,457	151,278	50,171	1,493,372	710,636
Bond Mutual Funds	14,508,180	14,508,180	-	-	-
Preferred Stock	114,900	114,900	-	-	-
Common Stock	10,134,324	10,134,324	-	-	-
Equity Mutual Funds	34,755,242	34,755,242	-	-	-
Totals	\$ 76,697,768	\$ 60,777,410	\$ 12,392,539	\$ 2,776,000	\$ 751,819

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

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

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

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

As of June 30, 2021, investments had the following quality credit ratings:

Investment Type	Fair Value	Aaa	Aa	A	Baa	Unrated
Corporate Bonds	\$ 8,173,981	\$ 1,302,931	\$ 258,323	\$ 3,079,178	\$ 2,792,358	\$ 741,191
U.S. Government Bonds	2,405,457	2,254,178	151,279	-	-	-
Bond Mutual Funds	14,508,180	5,823,227	985,329	1,273,849	5,689,938	735,837
Totals	<u>\$25,087,618</u>	<u>\$ 9,380,336</u>	<u>\$ 1,394,931</u>	<u>\$ 4,353,027</u>	<u>\$ 8,482,296</u>	<u>\$ 1,477,028</u>

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

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

Custodial Credit Risk – Custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the University will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. Investments that are both unregistered and uninsured are exposed to custodial credit risk if investments are held by the counterparty, or are held by the counterparty’s trust department or agent but not in the name of the University. At June 30, 2022 and 2021, the University had no exposure to custodial credit risk. The University does not address custodial credit risk in its investment policy and asset allocation guidelines.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. As of June 30, 2022, \$5,113,700 or 7% of the University’s portfolio was held in an intermediate bond fund and \$5,343,570 or 8% was held in a short-term bond fund. As of June 30, 2021, \$5,647,949 or 7% was held in an intermediate bond fund.

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. At June 30, 2022 and 2021, the University had no material exposure to foreign currency risk. The University does not address foreign currency risk in its investment policy and asset allocation guidelines.

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NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

Note 5 – Accounts and Loans Receivable

Accounts and loans receivable at June 30, 2022 and June 30, 2021 consist of the following:

	2022	2021
Accounts receivable, net:		
Student accounts, net of allowance for doubtful accounts of \$1,194,018 in 2022 and \$1,073,988 in 2021	\$ 4,279,832	\$ 5,364,301
Grants and contracts, net of allowance for doubtful accounts of \$246 in 2022 and \$331 in 2021	3,639,408	9,425,445
State capital appropriations	1,296,162	295,920
Other receivables, net of allowance for doubtful accounts of \$13,639 in 2022 and \$28,459 in 2021	2,477,205	2,953,601
Accounts receivable, net	<u>\$ 11,692,607</u>	<u>\$ 18,039,267</u>
Loans receivable - student notes, net of allowance for doubtful accounts of \$2,701 in 2022 and \$35,826 in 2021	98,137	368,429
Less: current portion	98,137	335,284
Loans receivable, noncurrent portion	<u>\$ -</u>	<u>\$ 33,145</u>

Note 6 – Pledges Receivable

Unconditional promises to give to the University recorded as pledges receivable at June 30, 2022 and June 30, 2021 were as follows:

	2022	2021
Pledges receivable, net of allowance for doubtful accounts of \$0 in 2022 and \$7,950 in 2021, and present value discount of \$9,247 in 2022 and \$1,407 in 2021	\$ 203,924	\$ 167,117
Less: current portion	63,171	167,117
Pledges receivable, noncurrent portion	<u>\$ 140,753</u>	<u>\$ -</u>

Pledges have been discounted to net present value using June 30, 2022 and June 30, 2021 U.S. Treasury Note rates of 3.25% (5-year) in fiscal year 2022 and 0.893% (5-year) in fiscal year 2021.

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

Note 7 – Capital Assets

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

	Beginning Balance	Additions/ Transfers	Reductions	Ending Balance
Nondepreciable assets:				
Land	\$ 17,810,443	\$ 728,166	\$ -	\$ 18,538,609
Construction in progress	1,515,662	4,037,901	-	5,553,563
Historical treasures	1,021,538	19,800	-	1,041,338
Depreciable assets:				
Buildings	289,171,279	62,358	-	289,233,637
Improvements to buildings	112,738,797	3,194,222	-	115,933,019
Improvements other than buildings	48,447,151	1,451,099	-	49,898,250
Moveable equipment and furniture	41,550,738	3,697,586	359,537	44,888,787
Vehicles	1,519,972	278,515	87,469	1,711,018
Right-to-use assets - equipment	2,048,730	-	-	2,048,730
Total cost	<u>515,824,310</u>	<u>13,469,647</u>	<u>447,006</u>	<u>528,846,951</u>
Less accumulated depreciation:				
Buildings	192,249,065	4,788,285	-	197,037,350
Improvements to buildings	31,391,687	4,325,375	-	35,717,062
Improvements other than buildings	27,452,743	2,578,918	-	30,031,661
Moveable equipment and furniture	36,693,226	2,536,310	357,229	38,872,307
Vehicles	1,301,645	133,588	87,469	1,347,764
Right-to-use assets - equipment	427,899	408,633	-	836,532
Total accumulated depreciation	<u>289,516,265</u>	<u>14,771,109</u>	<u>444,698</u>	<u>303,842,676</u>
Capital assets, net	<u>\$ 226,308,045</u>	<u>\$ (1,301,462)</u>	<u>\$ 2,308</u>	<u>\$ 225,004,275</u>

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

Capital assets activity for the year ended June 30, 2021 was as follows:

	Restated Beginning Balance	Additions/ Transfers	Reductions	Ending Balance
Nondepreciable assets:				
Land	\$ 17,789,943	\$ 20,500	\$ -	\$ 17,810,443
Construction in progress	4,290,786	(2,775,124)	-	1,515,662
Historical treasures	943,288	78,250	-	1,021,538
Depreciable assets:				
Buildings	289,394,727	149,245	372,693	289,171,279
Improvements to buildings	95,068,939	17,669,858	-	112,738,797
Improvements other than buildings	47,364,302	1,498,352	415,503	48,447,151
Moveable equipment and furniture	41,563,384	2,433,606	2,446,252	41,550,738
Vehicles	1,493,582	47,858	21,468	1,519,972
Right-to-use assets - equipment	2,048,730	-	-	2,048,730
Total cost	<u>499,957,681</u>	<u>19,122,545</u>	<u>3,255,916</u>	<u>515,824,310</u>
Less accumulated depreciation:				
Buildings	187,833,347	4,787,788	372,070	\$ 192,249,065
Improvements to buildings	27,606,449	3,785,238	-	31,391,687
Improvements other than buildings	25,079,590	2,624,763	251,610	27,452,743
Moveable equipment and furniture	36,313,851	2,740,400	2,361,025	36,693,226
Vehicles	1,194,252	126,838	19,445	1,301,645
Right-to-use assets - equipment	387,394	40,505	-	427,899
Total accumulated depreciation	<u>278,414,883</u>	<u>14,105,532</u>	<u>3,004,150</u>	<u>289,516,265</u>
Capital assets, net	<u>\$ 221,542,798</u>	<u>\$ 5,017,013</u>	<u>\$ 251,766</u>	<u>\$ 226,308,045</u>

Note 8 – Payroll and Other Liabilities

Payroll and other liabilities at June 30, 2022 and 2021 consist of the following:

	2022	2021
Payroll liabilities		
Accrued compensation	\$ 5,238,373	\$ 4,940,753
Accrued benefits	232,983	123,527
Accrued health care benefits and insurance payable	1,679,381	1,814,760
Retirement system contribution payable	1,558,140	1,539,653
Totals	<u>\$ 8,708,877</u>	<u>\$ 8,418,693</u>
Other liabilities		
Deposits held in custody	\$ 445,036	\$ 230,120
Interest payable	459,892	527,130
Other liabilities	327,569	244,225
Totals	<u>\$ 1,232,497</u>	<u>\$ 1,001,475</u>

Estimated expenses ultimately to result, if unperformed commitments in process at June 30, 2022 are completed, totaled \$12.4 million compared to \$9.4 million at June 30, 2021. These amounts do not constitute expense incurred or liabilities.

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

Note 9 – Bonds

In July 2021, the University issued \$28,065,000 in Series 2021 General Receipts bonds. The proceeds from the bond sale were used for an advanced refunding of the Series 2010 General Receipts bonds and Series 2011 General Receipts bonds. As a result, \$20,305,000 of the 2010 bonds and \$13,185,000 of the 2011 bonds refunded are considered to be defeased and the liability was removed from the University's long-term obligations. The current refunding was undertaken to achieve debt service savings. This refunding transaction reduced debt service payments by \$7,512,351 and resulted in an economic gain of \$7,391,589. For this current refunding, the reacquisition price exceeds the net carrying amount of the old debt by \$29,017. This amount was recorded as a deferred outflow of resources and will be amortized over the remaining life of the new debt. As of June 30, 2022, the amount recorded as a deferred outflow was \$26,771. As of June 30, 2022, the outstanding principal of the 2021 General Receipts bond was \$28,065,000. In connection with the issuance of the Series 2021 General Receipts bonds, the University also recognized a net bond premium in the amount of \$5,872,342 which will be amortized against interest expense over the life of the bond.

Details of the bonds payable for the General Receipts Bonds, Series 2021 as of June 30, 2022 follow:

Bond Component	Rate	Yield	Maturity Through	Original Principal
Serial Bond	0.000%	0.00%	2023	-
Serial Bond	4.000%	0.25%	2024	105,000
Serial Bond	4.000%	0.31%	2025	1,945,000
Serial Bond	4.000%	0.44%	2026	2,465,000
Serial Bond	4.000%	0.57%	2027	2,560,000
Serial Bond	4.000%	0.78%	2028	2,660,000
Serial Bond	4.000%	0.90%	2029	2,770,000
Serial Bond	4.000%	0.99%	2030	2,875,000
Serial Bond	4.000%	1.09%	2031	2,990,000
Serial Bond	4.000%	1.17%	2032	3,110,000
Serial Bond	4.000%	1.22%	2033	3,240,000
Serial Bond	3.000%	1.43%	2034	3,345,000
Total				<u>\$28,065,000</u>

In January 2017, the University issued \$25,525,000 in Series 2016 General Receipts bonds. The proceeds from the bond sale were used for a partial advanced refunding of the Series 2009 General Receipts bonds and to construct a bookstore. As a result, \$19,930,000 of the 2009 bonds advanced refunded were considered to be defeased and the liability was removed from the University's long-term obligations. In addition, a deferred outflow of resources was recorded and will be amortized over the remaining life of the new debt. As of June 30, 2022 and 2021, the amount recorded as a deferred outflow was \$1,429,483 and \$1,554,268, respectively.

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NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

Details of the bonds payable for the General Receipts Bonds, Series 2016 as of June 30, 2022 follow:

Bond Component	Rate	Yield	Maturity Through	Original Principal
Serial Bond	5.000%	2.53%	2023	1,320,000
Serial Bond	5.000%	2.76%	2024	1,380,000
Serial Bond	5.000%	2.93%	2025	1,455,000
Serial Bond	5.000%	3.09%	2026	1,525,000
Serial Bond	5.000%	3.23%	2027	1,600,000
Serial Bond	3.000%	3.32%	2028	1,665,000
Serial Bond	3.250%	3.49%	2029	1,710,000
Serial Bond	5.000%	3.44%	2030	1,780,000
Serial Bond	5.000%	3.50%	2031	1,870,000
Serial Bond	3.500%	3.74%	2032	1,945,000
Serial Bond	3.625%	3.86%	2033	2,010,000
Serial Bond	3.625%	3.92%	2034	2,085,000
Term Bond	4.000%	4.12%	2035	310,000
Term Bond	4.000%	4.12%	2036	320,000
Term Bond	4.000%	4.12%	2037	335,000
Term Bond	4.000%	4.12%	2038	350,000
Total				<u>\$21,660,000</u>

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

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

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

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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

In March 2009, the University issued \$31,255,000 of General Receipts Bonds, Series 2009 to acquire, construct and equip the new Williamson College of Business Administration building, renovate and replace portions of the existing Wick Pollock Inn, refund the remaining General Receipts Bonds, Series 1997 and Series 1998, refund the General Receipts Bond Anticipation Notes, Series 2008 (BAN), and pay a portion of the costs of issuance of the bonds. In January 2017, \$19,930,000 of the bonds were advanced refunded with the issuance of the Series 2016 General Receipts bonds. The balance of the amount defeased and put in escrow was \$17,030,000 at June 30, 2022 and \$18,040,000 at June 30, 2021.

The indebtedness created through all issues of the General Receipts Bonds is bound by the Amended and Restated Trust Indenture dated as of March 1, 2009. The Series 2010 Bonds, Series 2011 Bonds, Series 2016 Bonds, and Series 2021 Bonds are also bound by the First Supplemental Trust Indenture dated as of February 2010; and in addition, the Series 2011 Bonds, Series 2016 Bonds and Series 2021 Bonds are also bound by the Second Supplemental Trust Indenture dated as of July 1, 2011, and the Series 2016 Bonds and Series 2021 Bonds are also bound by the Third Supplemental Trust Indenture dated December 1, 2010, and the Series 2021 Bonds are also bound by the Fourth Supplemental Trust Indenture dated June 1, 2021. The University has complied with all covenant requirements.

The debt is secured by a pledge of all University general receipts, excluding state appropriations and receipts previously pledged or otherwise restricted. Payment of bond principal and interest on the Bond Series 2009 was guaranteed under a municipal bond insurance policy.

Maturities of all bonds payable and debt service for fiscal years subsequent to June 30, 2022 follow (also see Note 12):

Fiscal Year	General Receipts Bonds		
	Principal	Interest	Total
2023	\$ 1,320,000	\$ 1,977,294	\$ 3,297,294
2024	1,485,000	1,907,694	3,392,694
2025	3,400,000	1,795,819	5,195,819
2026	3,990,000	1,633,119	5,623,119
2027	4,160,000	1,454,494	5,614,494
2028-2032	23,375,000	4,604,693	27,979,693
2032-2037	11,645,000	571,227	12,216,227
2038	350,000	7,000	357,000
Totals	<u>\$ 49,725,000</u>	<u>\$ 13,951,340</u>	<u>\$ 63,676,340</u>

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

Federal subsidies received by the University were \$16,613 in fiscal year 2022 and \$433,843 in fiscal year 2021. These are reported as non-operating federal grant revenue. Interest expense on indebtedness was \$1,321,249 in fiscal year 2022 and \$2,909,963 in fiscal year 2021.

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

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

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

Note 10 – Notes Payable

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

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NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

Details of the revised installment schedule follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 1,078,673	\$ 407,381	\$ 1,486,054
2024	1,203,118	371,093	1,574,211
2025	1,324,774	330,618	1,655,392
2026	1,438,677	286,051	1,724,728
2027	1,549,702	237,652	1,787,354
2028	1,712,894	185,518	1,898,412
2029	1,869,393	127,894	1,997,287
2030	1,932,281	65,005	1,997,286
Totals	<u>\$ 12,109,512</u>	<u>\$ 2,011,212</u>	<u>\$ 14,120,724</u>

Interest expense on indebtedness was \$409,834 in fiscal year 2022 and \$441,572 in fiscal year 2021.

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

- Failure to make payment as it becomes due, and any such failure continues for ten (10) days after the due date;
- Failure to perform or observe any obligations under Section 12.1, 14 or 18.1 hereof;
- Failure to perform or observe any other covenant, condition or agreement to be performed or observed by it under the agreement and such failure is not cured within thirty (30) days after receipt by the borrower of written notice thereof by the lender.

Note 11 – Leases

The University leases certain assets from various third parties. The assets leased includes print shop, mailroom and printer/copier equipment. Payments are generally fixed monthly. Future principal and interest payment requirements related to the University's lease liability at June 30, 2022 are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 247,691	\$ 6,499	\$ 254,190
2024	242,429	5,216	247,645
2025	235,941	4,059	240,000
2026	237,005	2,995	240,000
2027	238,073	1,927	240,000
2028-2033	299,101	898	299,999
Total	<u>\$ 1,500,240</u>	<u>\$ 21,594</u>	<u>\$ 1,521,834</u>

See Note 7 Capital Assets for the total amount of leased assets and the related accumulated amortization.

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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

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

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds payable					
General receipts bonds principal	\$ 56,405,000	\$ 28,065,000	\$ 34,745,000	\$ 49,725,000	\$ 1,320,000
Unamortized premium/discount	580,643	5,872,342	850,922	5,602,063	-
Bonds payable, net	56,985,643	33,937,342	35,595,922	55,327,063	1,320,000
Note payable	13,059,956	-	950,444	12,109,512	1,078,673
Leased liabilities	1,767,369	-	267,129	1,500,240	247,691
Compensated absences	6,595,243	-	280,855	6,314,388	950,134
Refundable advance	670,781	-	498,471	172,310	-
Total long-term liabilities	<u>\$ 79,078,992</u>	<u>\$ 33,937,342</u>	<u>\$ 37,592,821</u>	<u>\$ 75,423,513</u>	<u>\$ 3,596,498</u>

Long-term liability activity (also see Notes 9, 10, and 11) for the year ended June 30, 2021 was as follows:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds payable					
General receipts bonds principal	\$ 59,500,000	\$ -	\$ 3,095,000	\$ 56,405,000	\$ 3,230,000
Unamortized premium/discount	778,073	-	197,430	580,643	-
Bonds payable, net	60,278,073	-	3,292,430	56,985,643	3,230,000
Note payable	13,919,024	-	859,068	13,059,956	950,444
Leased liabilities	1,811,948	-	44,579	1,767,369	267,129
Compensated absences	6,996,865	-	401,622	6,595,243	857,970
Refundable advance	1,288,875	-	618,094	670,781	-
Total long-term liabilities	<u>\$ 84,294,785</u>	<u>\$ -</u>	<u>\$ 5,215,793</u>	<u>\$ 79,078,992</u>	<u>\$ 5,305,543</u>

Note 13 – Employee Benefit Plans

Plan Descriptions

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

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

Each retirement system issues a publicly available financial report that includes financial statements and required supplementary information for the pension and post-employment health care plans. The reports may be obtained by contacting:

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

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

Contributions

State retirement law requires contributions by covered employees and their employers, and Chapter 3307 of the Ohio Revised Code (ORC) limits the maximum rate of contributions. The retirement boards of the systems individually set contributions rates within the allowable limits. The adequacy of employer contribution rates is determined annually by actuarial valuation using the entry age normal cost method. Under these provisions, each University's contribution is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability.

Member contributions are set at the maximums authorized by the ORC. The plans' 2022 and 2021 employer and member contribution rates on covered payroll to each system are:

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

The required and actual contributions to the plans are:

	For the years ended 6/30			
	2022		2021	
	Pension	OPEB	Pension	OPEB
STRS	\$ 4,766,737	\$ -	\$ 4,865,815	\$ -
OPERS	5,391,644	-	4,816,380	-
	\$ 10,158,381	\$ -	\$ 9,682,195	\$ -

Benefits Provided

STRS Ohio

Plan benefits are established under Chapter 3307 of the ORC, as amended by Substitute Senate Bill 342 in 2012, gives the Retirement Board the authority to make future adjustments to the member

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

contribution rate, retirement age and service requirements, and the COLA as the need or opportunity arises, depending on the retirement system's funding progress.

Effective August 1, 2017-July 1, 2019, any member may retire who has (1) five years of service credit and attained age 60; (2) 27 years of service credit and attained age 55; or (3) 30 years of service credit regardless of age. Effective August 1, 2019-July 1, 2021, any member may retire with reduced benefits who has (1) five years of service credit and age 60; (2) 28 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Beginning August 1, 2015, eligibility requirements for an unreduced benefit changed. The maximum annual retirement allowance, payable for life, considers years of credited service, final average salary (3-5 years) and multiplying by a factor ranging from 2.2 percent to 2.6 percent with 0.1 percent incremental increases for years greater than 30-31, depending on retirement age.

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

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

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

OPERS

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

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

A death benefit of \$500 - \$2,500 is determined by the number of years of service credit of the retiree. Benefits may transfer to a beneficiary upon death with 1.5 years of service credits with the plan

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NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

obtained within the last 2.5 years, except for law enforcement and public safety personnel who are eligible immediately upon employment.

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

Net Pension Liability, Deferrals, and Pension Expense

At June 30, 2022 and 2021, the University reported a liability for its proportionate share of the net pension liability of STRS Ohio/OPERS. For June 30, 2022, the net pension liability was measured as of June 30, 2021 for STRS Ohio and December 31, 2021 for the OPERS plan. For June 30, 2021, the net pension liability was measured as of June 30, 2020 for STRS Ohio and December 31, 2020 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		Proportionate Share		Percent Change	Percent Change
		2022	2021	2022	2021	2021-22	2020-21
STRS Ohio	June 30	\$ 36,011,446	\$ 76,130,559	0.281650%	0.314635%	-0.032985%	-0.014159%
OPERS	December 31	19,455,611	32,376,291	0.234737%	0.223270%	0.011467%	-0.021398%
		<u>\$ 55,467,057</u>	<u>\$ 108,506,850</u>				

For the years ended June 30, 2022 and 2021, the University recognized pension expense of (\$7,244,941) and \$4,841,452, respectively. At June 30, 2022 and 2021, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,188,288	\$ 800,498	\$ 184,252	\$ 2,040,309
Changes of assumptions	12,619,750	-	4,141,044	-
Net difference between projected and actual earnings on pension plan investments	-	55,754,267	3,702,238	13,092,513
Changes in proportion and differences between University contributions and proportionate share of contributions	688,335	8,640,538	342,956	7,196,307
University contributions subsequent to the measurement date	7,538,936	-	7,435,116	-
Totals	<u>\$ 23,035,309</u>	<u>\$ 65,195,303</u>	<u>\$ 15,805,606</u>	<u>\$ 22,329,129</u>

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NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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

Year Ended June 30	Amount
2023	\$ (10,983,267)
2024	(14,705,783)
2025	(12,485,547)
2026	(11,531,777)
2027	(3,482)
Thereafter	10,926
Totals	<u>\$ (49,698,930)</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.

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

At June 30, 2022, the University reported a liability/(asset) for its proportionate share of the net OPEB liability/(asset) of STRS Ohio/OPERS. For June 30, 2022, the net OPEB liability/(asset) was measured as of June 30, 2021 for STRS Ohio and December 31, 2021 for the OPERS plan. For June 30, 2021, the net OPEB liability/(asset) was measured as of June 30, 2020 for STRS Ohio and December 31, 2020 for the OPERS plan. The total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of those dates, except OPERS which used an actuarial valuation dated December 31, 2020 and 2019, respectively, rolled forward to the measurement date by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year for the defined benefit health care plans.

Typically, the University's proportion of the net OPEB liability/(asset) would be based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined, except as noted below.

For plan years ending June 30, 2021 and 2020, STRS Ohio did not allocate employer contributions to the OPEB plan. Therefore, STRS Ohio's calculation of the employers' proportionate share is based on total contributions to the plan for both pension and OPEB.

For plan years ending December 31, 2021 and 2020, OPERS did not allocate employer contributions to the OPEB plan. Therefore, OPERS's calculation of the employers' proportionate share is based on total contributions to the plan for both pension and OPEB.

Plan	Measurement Date	Net OPEB Liability (Asset)		Proportionate Share		Percent Change	Percent Change
		2022	2021	2022	2021	2021-22	2020-21
STRS Ohio	June 30	\$ (5,938,000)	\$ (5,530,000)	0.281650%	0.314652%	-0.033002%	-0.013289%
OPERS	December 31	(7,289,241)	(3,956,443)	0.232723%	0.222075%	0.010648%	-0.020244%
		<u>\$ (13,227,241)</u>	<u>\$ (9,486,443)</u>				

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NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

For the years ended June 30, 2022 and 2021, the University recognized a credit to OPEB expense of \$8,037,903 and \$26,008,204, respectively. At June 30, 2022 and 2021, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 211,000	\$ 2,193,666	\$ 354,000	\$ 4,671,668
Changes of assumptions	379,000	6,493,602	2,036,033	11,662,624
Net difference between projected and actual earnings on OPEB investments	-	5,120,996	194,000	2,107,256
Changes in proportion and differences between University contributions and proportionate share of contributions	190,035	770,547	13,792	2,252,158
University contributions subsequent to the measurement date	-	-	-	-
Totals	\$ 780,035	\$ 14,578,811	\$ 2,597,825	\$ 20,693,706

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

Year Ended June 30	Amount
2023	\$ (6,856,090)
2024	(3,165,628)
2025	(2,345,822)
2026	(1,192,946)
2027	(239,853)
Thereafter	1,563
Totals	\$ (13,798,776)

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

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NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

Actuarial Assumptions

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

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

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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

	STRS Ohio	OPERS
Valuation date - Pension	June 30, 2020	December 31, 2020
Valuation date - OPEB	June 30, 2020	December 31, 2019
Actuarial cost method	Entry age normal	Individual entry age
Cost of living	None	.50% - 3.00%
Salary increases, including inflation	2.50% - 12.50%	3.25% - 10.75%
Inflation	2.50%	3.25%
Investment rate of return - Pension	7.45%, net of investment expense including inflation	7.20%, net of investment expense, including inflation
Investment rate of return - OPEB	7.45%, net of investment expense including inflation	6.00%, net of investment expense, including inflation
Health care cost trend rates	6.69% to 11.87% initial, 4% ultimate	8.5% initial, 3.50% ultimate in 2035
Experience study date	Period of 5 years ended June 30, 2016	Period of 5 years ended December 31, 2015
Mortality basis	RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016.	RP-2014 Healthy Annuitant Mortality Table

Pension Discount Rate

The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates for all plans. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rates used to measure the total pension liabilities for STRS Ohio were 7.00 percent and 7.45 percent for the plan years ended June 30, 2021 and 2020, respectively. The discount rates used to measure the total pension liability for OPERS were 6.90 percent and 7.20 percent for the plan years ended December 31, 2021 and 2020, respectively.

OPEB Discount Rate

The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates for all plans. Plans that project fiduciary net position to be insufficient to make all projected future benefit payments for current active and inactive employees used a blended discount rate between the long-term expected rate of return on plan investments and a 20-year municipal bond rate applied to all periods of projected benefit payments to determine the total OPEB liability/(asset).

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

STRS Ohio OPEB Discount Rate - The discount rates used to measure the total OPEB liabilities/(assets) were 7.00 percent and 7.45 percent for the plan years ended June 30, 2021 and 2020, respectively. At June 30, 2021 and 2020, the plan's fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability/(asset).

OPERS OPEB Discount Rate - The discount rate used to measure the total OPEB liabilities/(assets) was 6.00 percent for the plan years ended December 31, 2021 and 2020, respectively. At December 31, 2021 and 2020, the plan's fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

The long-term expected rate of return on pension plan and OPEB plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. OPERS has two different portfolios of investment, a defined benefit portfolio for pension and health care portfolio for OPEB. As a result, there are different target allocations and long-term expected real rates of return disclosed for each portfolio. The target allocation and best estimates of arithmetic (geometric for STRS Ohio) real rates of return for each major asset class are summarized in the following table as of the dates listed below:

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

STRS Ohio as of 6/30/20			OPERS as of 12/31/20				
Investment Category	Target Allocation	Long-Term Expected Real Rate of Return	Investment Category	Pension Portfolio		Health Care Portfolio	
				Target Allocation	Long-Term expected Real Rate of Return	Target Allocation	Long-Term expected Real Rate of Return
Domestic Equity	28.0%	7.35%	Fixed Income	25.0%	1.32%	34.0%	1.07%
International Equity	23.0%	7.55%	Domestic Equities	21.0%	5.64%	25.0%	5.64%
Alternatives	17.0%	7.09%	Real Estate	10.0%	5.39%	0.0%	0.00%
Fixed Income	21.0%	3.00%	Private Equity	12.0%	10.42%	0.0%	0.00%
Real Estate	10.0%	6.00%	International Equity	23.0%	7.36%	25.0%	7.36%
Liquidity Reserves	1.0%	2.25%	REITs	0.0%	0.00%	7.0%	6.48%
			Other Invesments	9.0%	4.75%	9.0%	4.02%
Totals	<u>100.0%</u>			<u>100.0%</u>		<u>100.0%</u>	

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the University calculated using the discount rate listed below, as well as what the University's net pension liability would be if it were calculated using a discount rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate.

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

Plan	1% Decrease		2021 (\$ in thousands)		1% Increase	
			Current Discount Rate			
STRS Ohio	6.45%	\$ 108,397	7.45%	\$ 76,131	8.45%	\$ 48,788
OPERS	6.20%	62,820	7.20%	32,376	8.20%	7,085
		<u>\$ 171,217</u>		<u>\$ 108,507</u>		<u>\$ 55,873</u>

Sensitivity of the net OPEB liability/(asset) to changes in the discount rate

The following presents the net OPEB liability/(asset) of the University, calculated using the discount rate listed below, as well as what the University's net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

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

Plan	1% Decrease		2021 (\$ in thousands)		1% Increase	
			Current Discount Rate			
STRS Ohio	6.45%	\$ (4,811)	7.45%	\$ (5,530)	8.45%	\$ (6,139)
OPERS	5.00%	(984)	6.00%	(3,956)	7.00%	(6,400)
		<u>\$ (5,795)</u>		<u>\$ (9,486)</u>		<u>\$ (12,539)</u>

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NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

Sensitivity of the net OPEB liability/(asset) to changes in the health care cost trend rate

The following presents the net OPEB liability/(asset) of the University, calculated using the healthcare cost trend rate listed below, as well as what the University's net OPEB liability/(asset) would be if it were calculated using a health care cost trend rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

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

Plan	2021 (\$ in thousands)		
	1% Decrease	Current Trend Rate	1% Increase
STRS Ohio	\$ (6,101)	\$ (5,530)	\$ (4,833)
OPERS	(4,053)	(3,956)	(3,849)
	<u>\$ (10,154)</u>	<u>\$ (9,486)</u>	<u>\$ (8,682)</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 plan(s) since the prior two measurement dates for STRS Ohio. Effective in 2022, OPERS will replace the current self-insured group plan with a marketplace concept for pre-Medicare retirees.

Changes since the measurement date

STRS Ohio had a new experience study completed for the period July 1, 2016 to June 30, 2021, which will be used for the 2022 valuation. The experience study indicates changes in assumptions, including updating mortality tables from RP-2014 to PubT-2010 (and related improvement factors), retirement rates, and OPEB participation assumptions which will impact STRS Ohio net pension liability and net OPEB liability.

Assumption changes

During the measurement periods ended June 30, 2021 and December 31, 2021, respectively, certain assumption changes were made by the plans. The STRS Ohio pension and OPEB discount rates were reduced from 7.45 percent to 7.00 percent, which impacted the annual actuarial valuation for the pension and OPEB liabilities as of the June 30, 2021 measurement date. The OPERS pension discount rate was reduced from 7.20 percent to 6.90 percent, which impacted the annual actuarial valuation for the pension liability as of December 31, 2021.

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

Payable to the Pension Plans and OPEB Plans

The University reported a payable of \$1,466,182 and \$1,434,065 for the outstanding amount of contributions to the STRS Ohio and OPERS pension plans required for the years ended June 30, 2022 and June 30, 2021, respectively

Defined Contribution Pension Plan

The Alternative Retirement Plan (ARP) is a defined contribution pension plan, under IRS Section 401(a), and established by Ohio Amended Substitute House Bill 586 (ORC 3305.02) on March 31, 1997, for public institutions of higher education. The University's Board of Trustees adopted the University's plan on December 11, 1998. Full-time employees are eligible to choose a provider, in lieu of STRS Ohio or OPERS, from the list of nine providers currently approved by the Ohio Department of Insurance and who hold agreements with the University. Employee and employer contributions equal to those required by STRS Ohio and OPERS are required for the ARP, less any amounts required to be remitted to the state retirement system in which the employee would otherwise have been enrolled.

Eligible employees have 120 days from their date of hire to make an irrevocable election to participate in the ARP. Under this plan, employees who would have otherwise been required to be in STRS Ohio or OPERS, and who elect to participate in the ARP, must contribute the employee's share of retirement contributions to one of nine private providers approved by the Ohio Department of Insurance. The legislation mandates that the employer must contribute an amount to the state retirement system to which the employee would have otherwise belonged, based on an independent actuarial study commissioned by the Ohio Retirement Study Council and submitted to the Ohio Department of Higher Education. That amount is 4.47 percent for STRS Ohio and 2.44 percent for OPERS for the years ended June 30, 2022 and 2021. If the employee was hired on or after August 2005, the employer contributes 6.00 percent. The employer also contributes what would have been the employer's contribution under STRS Ohio or OPERS, less the aforementioned percentages, to the private provider selected by the employee. The University plan provides these employees with immediate plan vesting. The ARP does not provide disability benefits, survivor benefits, or postretirement health care. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options. STRS Ohio and OPERS also offer a defined contribution plan and a combined plan with features of both a defined contribution plan and a defined benefit plan. For the year ended June 30, 2022 and 2021, employee contributions totaled \$1,299,939 and \$1,279,040, and the University recognized pension expense of \$1,098,292 and \$1,073,882, respectively.

Note 14 – Contingencies and Risk Management

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

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

The University is a defendant in various lawsuits. It is the opinion of University management that disposition of pending litigation will not have a material adverse effect on the financial statements of the University. The University receives grants and contracts from certain federal, state, and local agencies to fund research and other activities. The costs, both direct and indirect, that have been charged to the grants or contracts are subject to examination and approval by the granting agency. It is the opinion of the University's administration that any disallowance or adjustment of such costs would not have a material effect on the financial statements.

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

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

	2022	2021	2020
Liability at beginning of fiscal year	\$ 1,786,667	\$ 2,323,017	\$ 1,426,480
Current year claims including changes in estimates	19,493,650	15,913,843	19,748,612
Claim payments	<u>(19,626,455)</u>	<u>(16,450,193)</u>	<u>(18,852,075)</u>
Liability at end of fiscal year	<u>\$ 1,653,862</u>	<u>\$ 1,786,667</u>	<u>\$ 2,323,017</u>

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

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

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

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

Note 15 – Component Unit

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

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

The following tables present information about the Foundation's assets measured at fair value on a recurring basis at June 30, 2022 and 2021 and the valuation techniques used by the Foundation to determine those fair values:

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

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2021			Balance at June 30, 2021
	Quoted Prices in Active markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments				
Cash and cash equivalents	\$ 372,904	\$ -	\$ -	\$ 372,904
Common stock - U.S. stocks	67,505,292	-	-	67,505,292
Mutual funds:				
Exchange traded	48,789,765	-	-	48,789,765
Money market	5,318,725	-	-	5,318,725
Fixed income	25,185,168	20,714,887	-	45,900,055
Equity	66,847,346	-	-	66,847,346
Total mutual funds	146,141,004	20,714,887	-	166,855,891
Alternative investments:				
Private equity	-	-	33,524,159	33,524,159
Commodities hedge funds	-	-	1,322,067	1,322,067
Total alternative investments	-	-	34,846,226	34,846,226
Total	<u>\$ 214,019,200</u>	<u>\$ 20,714,887</u>	<u>\$ 34,846,226</u>	269,580,313
Investments measured at NAV -				
Hedge funds				55,615,516
Total assets				<u>\$ 325,195,829</u>

Net assets without donor restrictions at June 30, 2022 and 2021 consist of the following:

	2022	2021
Current operations	\$ 152,779,669	\$ 173,564,001
Amounts committed to the University to be disbursed	6,813,550	5,852,075
Total net assets without donor restrictions	<u>\$ 159,593,219</u>	<u>\$ 179,416,076</u>

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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

	2022	2021
Subject to the Foundation's spending policy and appropriation -		
Investments in perpetuity (including original gift amount of \$119,544,129 and \$106,026,544, as of June 30, 2022 and 2021, respectively), which, once appropriated, is expendable to support various activities	\$ 135,788,976	\$ 135,944,628
Subject to appropriation and expenditures when a specified event occurs:		
Funds available to assist the University's Department of Philosophy and Religious Studies in the scholarly study of religion, history, and culture	1,274,925	1,713,235
Funds available to assist the University in land acquisitions	514,212	511,996
Land received in kind	43,289	41,524
Other	(156,654)	(391,320)
Subtotal	1,675,772	1,875,435
Subject to the passage of time - Pledges receivable for the benefit of the University for scholarships and other programs or endowments	9,537,393	9,902,060
Net assets with donor restrictions	\$ 147,002,141	\$ 147,722,123

Financial support from YSUF was \$9,328,575 for the fiscal year ended June 30, 2022 and \$9,987,574 for the fiscal year ended June 30, 2021. Financial support from YSUF has been committed for fiscal year 2023 in the amount of \$10,907,374.

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

Note 16 – COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic, now known as COVID-19

To offset the financial impact to students, the losses incurred by the University due to the disruption caused by COVID-19 and to defray COVID-19 expenses, the University received grants and other relief primarily authorized through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Coronavirus Relief & Recovery Supplemental Appropriations Act (CRRSAA), and the American Rescue Plan Act of 2021. The total amount awarded from the onset of the pandemic through June 30, 2022, cumulatively, was \$64.6 million detailed as follows:

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

Funding Agency/Fund	Award
Department of Education - Education Stabilization Fund	
COVID-19 Higher Education Emergency Relief Fund - Student Aid	\$ 25,718,908
COVID-19 Higher Education Emergency Relief Fund - Institutional Portion	32,478,036
United States Department of Treasury	
Coronavirus Relief Fund (through the Ohio Dept. of Higher Education)	6,221,960
Corporation For Public Broadcasting	
Emergency Stabilization Fund	223,564
Total Awards	<u>\$ 64,642,468</u>

Revenue, reflected as federal appropriations in the Statements of Revenues, Expenses and Changes in Net Position, totaled \$33,228,720 in fiscal year 2022 compared to \$24,976,068 in fiscal year 2021, whereas expenses totaled \$24,040,000 in fiscal year 2022 compared to \$22,094,262 in fiscal year 2021. Substantially all awarded funds have either been spent as of June 30, 2022 or encumbered.

The severity of the continued impact due to COVID-19 on the University's financial condition, results of operations or cash flows will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the University's community, all of which are uncertain and cannot be predicted.

YOUNGSTOWN STATE UNIVERSITY

REQUIRED SUPPLEMENTARY INFORMATION

Schedules of the University's Proportionate Share of the Net Pension Liability Plan Years Ended 2014 to 2021

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

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

YOUNGSTOWN STATE UNIVERSITY

REQUIRED SUPPLEMENTARY INFORMATION (CONT.)

Schedules of the University's Pension Contributions

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

Changes of benefit terms

There were no changes in benefit terms affecting the STRS Ohio and OPERS plans.

Changes of assumptions

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

OPERS – During the plan year ended December 31, 2021, there were changes to several assumptions for OPERS. The discount rate was reduced from 7.50% to 6.9%. The wage inflation dropped from 3.25% to 2.75%. The projected salary increase range changed from 3.25%-10.75% to 2.75%-10.75%. The experience study changed from the 5-year period ended December 31,

YOUNGSTOWN STATE UNIVERSITY

REQUIRED SUPPLEMENTARY INFORMATION (CONT.)

2015 to the 5 year period ended December 31, 2020. The mortality tables used changed from RP2014 to PUB-2010.

During the plan year ended December 31, 2018, the discount rate was reduced from 7.50% to 7.20%. During the plan year ended December 31, 2016, there were changes to several assumptions for OPERS. The wage inflation dropped from 3.75% to 3.25%. The projected salary increase range changed from 4.25%-10.05% to 3.25%-10.75%. The mortality tables used changed from RP-2000 to RP-2014.

YOUNGSTOWN STATE UNIVERSITY

REQUIRED SUPPLEMENTARY INFORMATION (CONT.)

Schedules of the University's Proportionate Share of the Net OPEB Liability (Asset) Plan Years Ended 2017 to 2021

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

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

YOUNGSTOWN STATE UNIVERSITY

REQUIRED SUPPLEMENTARY INFORMATION (CONT.)

Schedules of the University's OPEB Contributions

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

Changes of benefit terms

There were no significant changes in benefit terms affecting the STRS Ohio and OPERS plans for the plan years ended June 30, 2021 and December 31, 2021, respectively.

Changes of assumptions

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

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

OPERS – During the year ended December 31, 2021, there were changes to several assumptions for OPERS. The experience study changed from the 5-year period ended December 31, 2015 to the 5-year period ended December 31, 2020. The municipal bond rate decreased from 2.00% to 1.84%. Wage inflation decreased 3.25% to 2.75%. The projected salary increase range changed

YOUNGSTOWN STATE UNIVERSITY

REQUIRED SUPPLEMENTARY INFORMATION (CONT.)

from 3.25%-10.75% to 2.75%-10.75%. Health care cost trend rate decreased from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.

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

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

YOUNGSTOWN STATE UNIVERSITY

OTHER INFORMATION

Board of Trustees

Julie Lynn Centofanti	<i>Student Trustee</i>
Dr. Sergul A. Erzurum	<i>Surgeon and Owner Center for Advanced Eye Surgery</i>
Charles T. George	<i>Chief Executive Hapco, Inc., Strangepresse and Triptech</i>
Dr. Anita A. Hackstedde	<i>President and Chief Executive Officer Salem Regional Medical Center</i>
Dr. John R. Jakubek	<i>Anesthesiologist Bel-Park Anesthesia Associates, Inc. and St. Elizabeth Boardman Health Center</i>
Joseph J. Kerola	<i>President and CEO PI&I Motor Express, Inc.</i>
Elsa Khan	<i>Student Trustee</i>
Helen K. Lafferty	<i>National/Global Trustee Administrator and Faculty Member Villanova University</i>
Laura A. Lyden	<i>Sales and Operations Manager, Corporate Secretary Lyden Oil Co.</i>
Michael A. Peterson	<i>Managing Partner and Chief Security Officer President Global Investigations Cello HR; The Orsus Group</i>
Allen L. Ryan	<i>Director of Corporate Affairs Covelli Enterprises</i>
Molly S. Seals	<i>Retired, Vice President of Human Resources Program Delivery Mercy Health Youngstown</i>
Eric A. Spiegel	<i>National/Global Trustee Former President and Chief Executive Siemens USA</i>

YOUNGSTOWN STATE UNIVERSITY

OTHER INFORMATION (CONT.)

Executive Officers

James P. Tressel, M.A.

President

Brien Smith, Ph.D.

Provost and Vice President for Academic Affairs

Holly A. Jacobs, J.D.

Vice President for Legal Affairs/Human Resources

Neal P. McNally, M.P.A.

Vice President for Finance & Business Operations

Mike Sherman, Ph.D.

Vice President for Institutional Effectiveness and Board Professional

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Board of Trustees
Youngstown State University

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Youngstown State University (the "University"), a component unit of the State of Ohio, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 13, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

To Management and the Board of Trustees
Youngstown State University

Purpose of This Report

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

Plante & Moran, PLLC

October 13, 2022

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

Independent Auditor's Report

To the Board of Trustees
Youngstown State University

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Youngstown State University's (the "University") compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2022. 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 the major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

To the Board of Trustees
Youngstown State University

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Plante & Moran, PLLC

October 13, 2022

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
Clusters:				
Student Financial Assistance Cluster				
U.S. Department of Education - Direct Programs:				
Federal Supplemental Educational Opportunity Grants	84.007	Not Applicable	-	438,957
Federal Work Study Program	84.033	Not Applicable	-	538,597
Federal Perkins Loan Program	84.038	Not Applicable	-	396,581
Federal Pell Grant Program	84.063	Not Applicable	-	15,637,153
Federal Direct Student Loans	84.268	Not Applicable	-	47,247,452
Total Student Financial Assistance Cluster			-	64,258,740
Research and Development Cluster				
U.S. Department of Commerce - Direct Program:				
Investments for Public Works and Economic Development Facilities	11.300	Not Applicable	-	45,203
U.S. Department of Commerce - Pass-through Program:				
National Oceanic & Atmospheric Administration - The Ohio State University - Sea Grant Support	11.417	60074491	-	5,561
Total U.S. Department of Commerce			-	50,764
U.S. Department of Defense - Pass-through Programs:				
National Center for Defense Manufacturing and Machining (NCDMM) - Air Force Defense Research Sciences Program	12.800	Not Available	56,587	514
National Center for Defense Manufacturing and Machining (NCDMM) - Air Force Defense Research Sciences Program	12.800	Not Available		835,504
National Center for Defense Manufacturing and Machining (NCDMM) - Air Force Defense Research Sciences Program	12.800	Not Available		182,800
Air Force Research Lab - Wright State University Research and Technology Development	12.910	671100-1	11,108	1,282,700
Total U.S. Department of Defense			67,695	2,301,518
National Aeronautics and Space Administration - Direct Programs:				
Science	43.001	Not Applicable	-	6,323
Space Technology	43.012	Not Applicable	-	38,981

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2022

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
Research and Development Cluster (Continued)				
National Aeronautics and Space Administration - Pass-through Programs:				
Ohio Space Grant Consortium - Science	43.001	Not Available	-	1,616
Space Telescope Science Institute - Science	43.001	HST-GO-15235.004-A	-	-
Space Telescope Science Institute - Science	43.001	HST-GO-15258.005-A	-	-
Space Telescope Science Institute - Science	43.001	HST-GO-16082.002-A	-	1,450
Space Telescope Science Institute - Science	43.001	HST-GO-16257.002-A	-	7,397
Space Telescope Science Institute - Science	43.001	Not Available	-	(79)
Space Telescope Science Institute - Science	43.001	HST-GO-16762.002-A	-	13,336
Total National Aeronautics and Space Administration			-	69,024
National Science Foundation - Direct Programs:				
Engineering Grants	47.041	Not Applicable	-	22,689
Mathematical and Physical Sciences	47.049	Not Applicable	-	272,546
Education and Human Resources	47.076	Not Applicable	18,460	315,405
Total National Science Foundation			18,460	610,640
U.S. Department of Energy - Pass-through Programs:				
Lawrence Berkeley National Laboratory-Energy Efficiency and Renewable Energy Education and Outreach	81.117	7595906		16,333
Lawrence Berkeley National Laboratory-Energy Efficiency and Renewable Energy Education and Outreach	81.117	7646533		8,045
Total U.S. Department of Energy				24,378
U.S. Department of Education - Pass-through Programs:				
Ohio Department of Education - The University of Cincinnati - Special Education Grants to States	84.027	012966-022	-	(189)
Ohio Department of Education - The University of Cincinnati - Special Education Grants to States	84.027	013684-00002	-	3,910
Ohio Department of Education - The University of Cincinnati - Special Education Grants to States	84.027	014007-00002	-	17,000
Ohio Department of Education - The University of Cincinnati - Special Education Grants to States	84.027	013688-00002	-	33,494
Ohio Department of Education - The University of Cincinnati - Special Education Grants to States	84.027A	012969-022	-	2,195
Ohio Department of Education - The University of Cincinnati - School Improvement Grants	84.377	013279-002	-	3,136
The Ohio State University - Transition Programs for Students with Intellectual Disabilities into Higher Education	84.407A	60051504	-	24,434
Total U.S. Department of Education			-	83,980

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2022

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
Clusters (continued):				
Research and Development Cluster (Continued)				
U.S. Department of Health and Human Services - Direct Programs:				
Nurse Anesthetist Traineeships	93.124	Not Applicable	-	19,633
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Not Applicable	-	91,900
U.S. Department of Health and Human Services - Pass-through Programs:				
COVID-19 - Centers for Disease Control and Prevention - Ohio State University -				
Epidemiology and Laboratory Capacity for Infection Diseases	93.323	GR124769/SPC-1000005404	-	231,075
University of Pittsburgh - Aging Research	93.866	CNVA00058552 (131451-1)	-	16,545
University of Pittsburgh - Aging Research	93.866	AWD00003998 (136085-1)	-	33,167
Total U.S. Department of Health and Human Services			-	392,320
Total Research and Development Cluster			86,155	3,532,624
TRIO Cluster				
U.S. Department of Education - Direct Program:				
TRIO Upward Bound	84.047A	Not Applicable	-	310,045
Total TRIO Cluster			-	310,045
Economic Development Cluster				
Economic Development Agency - Direct Program:				
Economic Adjustment Assistance	11.307	Not Applicable	-	426,694
Total Economic Development Cluster			-	426,694
Child Nutrition Cluster				
U.S. Department of Agriculture - Pass-through Program:				
State of Ohio Department of Education - Summer Food Service Program for Children				
	10.559	02428971	-	2,738
Total Child Nutrition Cluster			-	2,738
Total clusters			86,155	68,530,841
Other Programs				
U.S. Department of Commerce - Pass-through Program:				
Consortium for Ocean Leadership - NOAA Mission-Related Education Awards				
	11.008	Not Available	-	5,656
U.S. Department of Defense - Pass-through Programs:				
State of Ohio, Development Services Agency - Procurement Technical Assistance for Business Firms				
	12.002	PTAG20210527	-	25,267
State of Ohio, Development Services Agency - Procurement Technical Assistance for Business Firms				
	12.002	PTAG20220527	-	23,423
Total U.S. Department of Defense			-	48,690

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2022

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
Other federal awards:				
Other Programs				
U.S. Department of State - Direct Program: Public Diplomacy Programs	19.040	Not Applicable	-	18,076
U.S. Department of the Treasury - Pass through Programs: COVID-19 - State of Ohio Department of Education - Coronavirus Relief Fund	21.019	Not Available	-	427,629
COVID-19 - State of Ohio Department of Education - Coronavirus Relief Fund	21.019	Not Available	-	140,117
Total U.S. Department of the Treasury			-	567,746
National Aeronautics and Space Administration - Direct Program: Science	43.001	Not Applicable	-	7,500
Small Business Administration - Pass-through Programs: State of Ohio, Development Services Agency - Small Business Development Centers	59.037	OSBG-20-350	-	152,842
State of Ohio, Development Services Agency - Small Business Development Centers	59.037	OSBG-21-326	-	111,100
State of Ohio, Development Services Agency - Small Business Development Centers	59.037	OSBG-22-326A	-	198,901
Total Small Business Administration			-	462,843
U.S. Department of Education - Direct Programs: Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	Not Applicable	-	6,900
U.S. Department of Education - Education Stabilization Fund: COVID-19 - Higher Education Emergency Relief Fund - Institutional Portion	84.425F	Not Applicable	-	118,296
COVID-19 - Higher Education Emergency Relief Fund - Student Aid	84.425E	Not Applicable	-	15,342,446
COVID-19 - Higher Education Emergency Relief Fund - Institutional Portion	84.425F	Not Applicable	-	2,192,131
COVID-19 - Higher Education Emergency Relief Fund - Institutional Portion	84.425F	Not Applicable	-	5,706,549
U.S. Department of Education - Education Stabilization Fund - Pass-through Programs: COVID-19 - Governor's Emergency Education Relief Fund (GEER)	84.425C	Not Available	-	34,406
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER I and II)	84.425D	1899	-	5,192
COVID-19 - American Rescue Plan-Elementary and Secondary School Emergency Relief Fund (ARP ESSER)	84.425U	063156	-	904
Total Education Stabilization Fund			-	23,399,924

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2022

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
Other federal awards:				
Other Programs (Continued)				
U.S. Department of Education - Pass-through Programs:				
State of Ohio Department of Education - Twenty-First Century Community Learning Centers	84.287	12107	-	217
State of Ohio Department of Education - Twenty-First Century Community Learning Centers	84.287	10936	-	216
State of Ohio Department of Education - Twenty-First Century Community Learning Centers	84.287	10864	-	216
State of Ohio Department of Education - Twenty-First Century Community Learning Centers	84.287	12107	-	158,868
State of Ohio Department of Education - Twenty-First Century Community Learning Centers	84.287	10936	-	114,532
State of Ohio Department of Education - Twenty-First Century Community Learning Centers	84.287	10864	-	120,013
State of Ohio Department of Education - Twenty-First Century Community Learning Centers	84.287	17307	-	120,732
Total State of Ohio Department of Education - Twenty-First Century Community Learning Centers			-	514,794
DC Department of Higher Education - College Access Challenge Grant Program	84.378A	Not Available	-	360
Total U.S. Department of Education			-	23,921,978
U.S. Department of Health and Human Services - Pass-through Programs:				
State of Ohio Department of Jobs and Family Services - Foster Care - Title-IV-E	93.658	G-2223-06-0083	-	750
State of Ohio Department of Jobs and Family Services - Foster Care - Title-IV-E	93.658	G-2021-06-0247	-	25,000
State of Ohio Department of Jobs and Family Services - Foster Care - Title-IV-E	93.658	G-2223-06-0083	-	61,102
Total U.S. Department of Health and Human Services			-	86,852
U.S. Department of Homeland Security - Pass-through Programs:				
United States Coast Guard - Ohio Department of Natural Resources - Boating Safety Financial Assistance	97.012	Not Available	-	3,396
United States Coast Guard - Ohio Department of Natural Resources - Boating Safety Financial Assistance	97.012	2022-0441	-	16,557
Total U.S. Department of Homeland Security			-	19,953
Total other federal awards			-	25,139,294
Total federal awards			\$ 86,155	\$ 93,670,135

See notes to schedule of expenditures of federal awards.

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Youngstown State University (the "University") under programs of the federal government for the year ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net position, or cash flows of the University.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement, except for expenditures related to ALN 21.019, Coronavirus Relief Fund (CRF). CRF does not apply 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*, but rather applies the U.S. Department of the Treasury's guidance. Pass-through entity identifying numbers are presented where available.

The University has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance, and instead uses indirect cost rates ranging from 8 percent to 26.3 percent per the respective grant agreements or current federally negotiated indirect cost rate.

Note 3 - Loan Balances

Federal Direct Loan Program

The University participates in the Federal Direct Student Loan Program (84.268). The University originates but does not provide funding for federal direct loans (FDL). The amount presented on the schedule of expenditures of federal awards represents the value of new FDL processed by the University for the year ended June 30, 2022.

Federal Perkins Loan Program

The amount presented on the schedule of expenditures of federal awards for the Federal Perkins Loan Program (84.038) represents the value of new loans made or received during the audit period, plus the beginning of the audit period balance of loans from previous years for which the federal government imposes continuing compliance requirements. The amount outstanding for the Federal Perkins Loan Program at June 30, 2022 is \$99,538. Total new loans disbursed under the Federal Perkins Loan Program for the fiscal year ended June 30, 2022 were \$0.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported
- Noncompliance material to financial statements noted? _____ Yes X None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported
- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
Various	Research and Development Cluster	Unmodified
84.425	COVID-19 - Education Stabilization Fund	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$2,810,104

Auditee qualified as low-risk auditee? X Yes _____ No

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None



**YOUNGSTOWN
STATE
UNIVERSITY**

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OHIO AUDITOR OF STATE KEITH FABER



YOUNGSTOWN STATE UNIVERSITY

MAHONING 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 12/22/2022

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