Central State University
Greene County
Regular and Single Audit
For the Year Ended June 30, 2022

OHIO AUDITOR OF STATE
KEITH FABER

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Board of Trustees
Central State University
1400 Brush Row Road
Wilberforce, OH 45384

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

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

The Auditor of State is performing an engagement as of the date of this report. The results of which may be reported at a later date.

Keith Faber
Auditor of State
Columbus, Ohio

December 21, 2023

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CENTRAL STATE UNIVERSITY
Wilberforce, Ohio

FINANCIAL STATEMENTS
June 30, 2022
(With comparative financial information
for the year ended June 30, 2021)

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INDEPENDENT AUDITOR'S REPORT

Management and Board of Trustees
Central State University
Wilberforce, Ohio

Report on the Audit of the Financial Statements

Unmodified and Disclaimer of Opinions

We have audited the financial statements of the business-type activities and we were engaged to audit the aggregate discretely presented component units of Central 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 as listed in the table of contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Business-Type Activities	Unmodified
Aggregate Discretely Presented Component Units	Disclaimer

Disclaimer of Opinion on Aggregate Discretely Presented Component Units

We do not express an opinion on the accompanying financial statements of the aggregate discretely presented component units of the University. Because of the significance of the matter described in the Basis for Disclaimer of Opinion on the Aggregate Discretely Presented Component Units section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the aggregate discretely presented component units.

Unmodified Opinion on Business-Type Activities

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

(Continued)

Basis for Disclaimer Opinion on Aggregate Discretely Presented Component Units

Management of the Central State University Foundation could not provide certain board minutes and updated controls, policies and procedures, or audit support for various journal entries, contribution revenue, artwork, endowments, restricted net assets, donated stock, payroll and benefit expenses and operating expenses as of and for the year ended June 30, 2022, and we were unable to satisfy ourselves by performing other audit procedures. As a result of these matters, we were unable to determine whether any adjustments might have been necessary with respect to the accounts listed above, and the elements making up the consolidated statement of financial position, and the related consolidated statements of activities and changes in net assets (deficit), and cash flows for the Central State University Foundation. Central State University Foundation's financial activities are included in the University's basic financial statements as a discretely presented component unit and represent 86%, 81%, and 71% of the assets, net assets, and revenues, respectively, of the University's aggregate discretely presented component units.

Basis for Unmodified Opinion

We conducted our audit of the financial statements of the business-type activities 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 (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 opinion.

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Auditor's Responsibilities for the Audit of the Aggregate Discretely Presented Component Units

Our responsibility is to conduct an audit of the University's financial statements in accordance with GAAS and *Government Auditing Standards* and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion on the Aggregate Discretely Presented Component Units section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the aggregate discretely presented component units.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

(Continued)

Auditor's Responsibilities for the Audit of the Business-type Activities

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Report on Partial Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the University's financial statements for the year ended June 30, 2021, from which such partial information was derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A), the Schedules of the University's Proportionate Share of the Net Pension Liability, the Schedules of the University's Pension Contributions, the Schedules of the University's Proportionate Share of the Net OPEB Liability, and the Schedules of the University's OPEB Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

(Continued)

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated November 6, 2023 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Columbus, Ohio
November 6, 2023

This section of Central State University's (the "University") annual financial report presents management's discussion and analysis of the financial performance of the University during the fiscal years ended June 30, 2022, 2021, and 2020. This discussion should be read in conjunction with the accompanying financial statements and notes. Management has prepared the financial statements and the related note disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the University's administration.

Using this Report

The University's annual report consists of a series of financial statements prepared in accordance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*, Governmental Accounting Standards Board Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities* as amended by Governmental Accounting Standards Board Statement *No. 37, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* and Governmental Accounting Standards Board Statement No. 38, *Certain Financial Statement Note Disclosures.*

The financial statements prescribed by GASB Statement No. 35 (the statement of net position, statement of revenue, expenses, and changes in net position, and the statement of cash flows) are prepared under the accrual basis of accounting, whereby revenue and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged. The financial statements focus on the financial condition, the results of operations, and the impact on cash flows of the University as a whole.

One of the most important questions asked about the University's finances is whether the University as a whole is better off, or worse off, as a result of the current year's activities. The keys to understanding this question are the statement of net position, the statement of revenue, expenses, and changes in net position, and the statement of cash flows. These statements present financial information in a form similar to that used by corporations. The University's net position is one indicator of its financial health.

The statement of net position includes all assets, deferred outflows, liabilities and deferred inflows of the University. Changes in net position are an indicator of the improvement or erosion of the University's financial health when considered with nonfinancial facts, such as enrollment levels, changes in state funding and facility changes.

The statement of revenue, expenses, and changes in net position presents the revenue earned and the expenses incurred during the year. Activities are reported either as operating or nonoperating. The financial reporting model reflects treatment of state and local appropriations, as well as gifts, as nonoperating revenue. Since dependency on State of Ohio and certain federal grants is recognized as nonoperating under accounting principles generally accepted in the United States of America, a public university normally presents operating results as a deficit. The utilization of long-lived assets, primarily capital assets, is reflected in the financial statements as depreciation/amortization, which amortizes the cost of an asset over its expected useful life.

Another important factor to consider when evaluating the University's financial viability is its ability to meet financial obligations as they mature. One measure of this factor is the University's working capital, or the relationship of its current assets less its current liabilities.

The statement of cash flows presents the information related to cash inflows and outflows. These cash inflows and outflows are summarized by operating, noncapital financing, capital and related financing, and related investing activities. This statement illustrates the University's sources and uses of cash and helps measure the ability to meet financial obligations as they mature.

(Continued)

The University follows GASB Statement No. 61, *The Financial Reporting Entity: Omnibus.* As such, Central State University Foundation's (the "Foundation") financial statements and notes have been discretely incorporated into the University's financial statements.

Analysis of Results of Operations

Total revenue for the years ended June 30, 2022 and 2021 was $102.6 million and $94.3 million, respectively, of which operating revenue totaled $44.6 million and $41.8 million, respectively. Operating revenue in fiscal year 2022 increased $2.8 million, or 6.6 percent, when compared with fiscal year 2021.

Total revenue for the years ended June 30, 2021 and 2020 was $94.3 million and $73.9 million, respectively, of which operating revenue totaled $41.8 million and $40.3 million, respectively. Operating revenue in fiscal year 2021 increased $1.5 million, or 3.7 percent, when compared with fiscal year 2020.

Total operating expenses for the years ended June 30, 2022 and 2021 were $96.9 million and $68.8 million, respectively. Operating expenses increased $28.1 million, or 40.8 percent, when compared with fiscal year 2021.

Total operating expenses for the years ended June 30, 2021 and 2020 were $68.8 million and $74.0 million, respectively. Operating expenses decreased $5.2 million, or 7.0 percent, when compared with fiscal year 2020.

The University's operating loss totaled $52.3 million during 2022 compared to $27.0 million during 2021, which represented an unfavorable increase in the operating loss of $25.3 million, or 93.8 percent.

The University's operating loss totaled $27.0 million during 2021 compared to $33.7 million in 2020, which represented a favorable decrease in the operating loss of $6.7 million, or 19.9 percent.

The University's total net position increased $5.4 million during 2022 compared to an increase of $24.9 million during 2021, which represents a difference of $19.5 million.

The University's total net position increased $24.9 million during 2021 compared to a decreased $0.8 million during 2020, which represents a difference of $25.7 million.

The $2.8 million increase in operating revenue was related to increases of $1.4 million in indirect cost recovery $3.1 million in contributions, and $3.0 million in other, offset by decreases of $1.6 million in tuition and fees, $2.5 in federal & state grants, and $0.7 million in auxiliary activities.

Traditional student enrollment increased 6.9 percent in fall fiscal year 2022 compared to fall fiscal year 2021 and increased 36.1 percent in spring fiscal year 2022 compared with spring fiscal year 2021.

Online student enrollment increased 87.5 percent in fall fiscal year 2022 compared to fall fiscal year 2021 and decreased 1.3 percent in spring fiscal year 2022 compared with spring fiscal year 2021.

The $1.5 million increase in operating revenue in 2021 was related to increases of $4.7 million in tuition and fees, $2.6 million in Federal grants and contracts and $2.5 million in State, local and private grants and contracts, $.5 million in indirect cost recovery, and $.1 million in other. offset by decreases of $8.0 million in auxiliary activities, $.9 million from contributions.

Student enrollment increased 50.3 percent in fall fiscal year 2022 compared to fall fiscal year 2021 and increased 7.7 percent in spring fiscal year 2022 compared with spring fiscal year 2021.

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A breakdown and comparison of operating revenues are provided below:

	2022	2021	2020
Operating Revenue (in millions)			
Tuition and fees - Net	$ 10.5	$ 12.1	$ 7.4
Federal grants and contracts	11.9	14.0	11.4
State, local, and private grants and contracts	6.3	6.6	4.1
Indirect cost recovery	2.1	0.8	0.3
Auxiliary activities - Net	4.1	4.8	12.8
Contributions	4.4	1.3	2.2
Other sources	5.3	2.2	2.1
Total	$ 44.6	$ 41.8	$ 40.3

A breakdown and comparison of non-operating revenue are as follows:

	2022	2021	2020
Non-operating Revenue (Expenses) (in millions)			
Federal Pell grant appropriations	$ 11.8	$ 9.9	$ 8.6
Federal Covid-related funding	28.4	14.7	6.3
State appropriations	15.3	14.7	14.7
Debt forgiveness	-	11.7	-
Interest expense	(0.3)	(0.6)	(0.7)
Other income	(0.3)	0.5	0.3
Total	$ 54.9	$ 50.9	$ 29.2

State appropriations include core funding sources composed of the State's Share of Instructional Support (SSIS) and the Central State University Supplement.

A breakdown and comparison of state appropriation revenues are as follows:

	2022	2021	2020
State Appropriations (in millions)			
State Share of Instructional Support	$ 3.7	$ 3.5	$ 3.5
Central State Supplement	11.6	11.2	11.2
Total	$ 15.3	$ 14.7	$ 14.7

As shown, there was a small increase in State of Ohio funding from 2021 to 2022 of $0.6 million.

(Continued)

Operating expenses include educational and general, auxiliary enterprises, restricted funding from grants and contracts, and depreciation/amortization. A breakdown and comparison of these expenses are as follows:

	2022	2021	2020
Expenses (in millions)			
Instruction	$ 14.6	$ 12.5	$ 10.1
Research	7.7	5.5	3.7
Student services	9.1	4.4	4.0
Academic support	8.0	5.6	6.1
Public services	9.7	7.8	5.3
Pension and OPEB administration	(4.7)	(8.0)	2.2
Institutional administration	13.7	9.8	7.9
Operation and maintenance of plant	8.2	6.9	7.3
Auxiliary enterprises	18.5		
12.9	14.7		
Student aid	4.7	4.0	5.6
Depreciation/Amortization	7.4	7.4	7.1
Total	$ 96.9	$ 68.8	$ 74.0

Central State University's operating expenses during 2022 reflected a $28.1 million increase in operating expenses, with expenses totaling $96.9 million in 2022 as compared to $68.8 million in 2021. The increase in expenses is shown above. As we moved out of the pandemic, we continued to incur Covid costs and we had expanding land grant activities.

Analysis of Overall Financial Position

At June 30, 2022, current assets totaled $29.3 million, as compared to $28.0 million at June 30, 2021, an increase of $1.3 million. The increase in current assets was primarily attributable to an $6.3 million increase in accounts receivable, $0.5 million due from CSU Foundations offset by a decrease in cash and cash equivalents of $4.8 million and $0.7 million in contributions receivable.

Current liabilities at June 30, 2022, totaled $25.0 million, as compared to $20.2 million at June 30, 2021 an increase of $4.8 million. Movement within current liabilities was attributable to an increase of $0.6 million in accounts payable, $0.7 million increase in accrued salaries and wages, $0.5 million in other liabilities and $3.8 million in other unearned revenue, offset by a decrease of $0.8 million in unearned student revenue, and $0.2 million in the current portion of long-term debt and leases.

At June 30, 2021, current assets totaled $27.9 million, as compared to $20.9 million at June 30, 2020, an increase of $7.0 million. The increase in current assets was primarily attributable to an increase in cash and cash equivalents of $3.0 million, $2.1 million increase in accounts receivable, $0.1 million in contributions receivable, $1.1 million in prepaid assets, $0.6 million due from CSU Foundation and $0.1 million from Central State Innovation and Development Foundation. Current liabilities at June 30, 2021, totaled $20.2 million, as compared to $18.4 million at June 30, 2020 an increase of $1.8 million. Movement within current liabilities was attributable to an increase of $1.0 million in accounts payable, $2.0 million in unearned student fee revenue, $0.9 million in the current portion of long-term lease, $0.4 million due to CSU Innovation and Development Foundation and $0.4 million in other unearned revenue offset by a decrease of $0.4 million in accrued salaries, wages and benefits, $0.4 million in the current portion of long-term debt and $2.2 million in other liabilities.

Noncurrent assets are comprised of capital assets, investments, contributions receivable and net OPEB assets. The $4.5 million increase in the University's noncurrent assets, which total $143.7 million at June 30, 2022 and $139.2 million at June 30, 2021, is associated with an $0.2 million increase in capital assets, $0.3 million in investments, $1.8 million in contributions receivable, and a $2.1 increase in net OPEB assets.

The prior year $2.7 million increase in the University's noncurrent assets, which total $139.2 million at June 30, 2021 and $136.5 million at June 30, 2020, is associated with an $0.8 million decrease in restricted cash and cash equivalents, a decrease in capital assets of $0.4 million, offset by an increase of $1.2 million in investments, $0.4 million in contributions receivable and $2.4 million in net OPEB asset..

The University's noncurrent liabilities at June 30, 2022 total $25.6 million, as compared to $35.6 million at June 30, 2021. The $10.0 million decrease is primarily attributed to a decrease of $8.3 million in net pension liability, a decrease of $0.7 million in long term lease and a decrease in long-term debt of $1.1 million.

The University's noncurrent liabilities at June 30, 2021 total $35.6 million, as compared to $56.5 million at June 30, 2020. The $20.9 million decrease is primarily attributed to a decrease of $1.3 million in net pension liability, decrease of $8.3 million in net OPEB liability and a decrease in long-term debt of $12.3 million offset by an increase in long-term lease of $0.9 million and $0.1 million increase in long-term liabilities.

The University's net position was $112.6 million at June 30, 2022 and $107.2 million at June 30, 2021. The University's net position was $107.2 million at June 30, 2021 and $82.3 million at June 30, 2020.

Net OPEB (Asset) Liability

During fiscal year 2018, the University adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. These statements significantly revise accounting for OPEB costs and liabilities. As a result of implementing GASB 75, the University is reporting a net OPEB asset and deferred outflows and deferred inflows of resources related to OPEB on the accrual basis of accounting.

Capital Assets and Long-term Debt Activity

The University utilizes state capital appropriations for capital asset expenditures. State capital appropriations are on a biennium basis, and individual institutions' capital funding allocations are based largely on enrollment as well as appropriations for new facilities. During 2022, the University utilized $2.73 million in state capital appropriations. During 2021, the University utilized $1.1 million in state capital appropriations.

The University's long-term debt is comprised of bonds issued during 2013 under the State of Ohio Air Quality Development Authority Tax Exempt Revenue Bond program for $16.6 million.

(Continued)

A breakdown and comparison of the University's balance sheet as of June 30, 2022, 2021, and 2020 are provided below:

Balance Sheet (in millions)	2022	2021	2020
Assets:			
Current assets	$ 29.3	$ 28.0	$ 20.9
Noncurrent assets:			
Restricted cash and equivalents	-	-	0.8
Investments	2.7	2.4	1.2
Contributions receivable	3.7	1.9	1.5
Net OPEB asset	4.5	2.3	-
Capital assets - net	132.8	132.6	133.0
Total assets	173.0	167.2	157.4
Deferred outflows of resources	13.3	6.1	6.7
Liabilities:			
Current	25.0	20.2	18.4
Noncurrent	25.6	35.6	56.5
Total liabilities	50.6	55.8	74.9
Deferred inflows of resources	23.1	10.3	6.9
Net position:			
Net investment in capital assets	123.5	121.3	110.9
Restricted – expendable	2.8	3.2	2.9
Unrestricted	(13.7)	(17.3)	(31.8)
Total net position	$ 112.6	$ 107.2	$ 82.3

Statement of Cash Flows

Net cash used in operating activities was $52.5 million, $26.9 million, in 2022, and 2021 respectively. In 2022, cash flows from operating activities were primarily comprised of tuition and fees $45.2 million, grants and contracts $18.1 million, other receipts of $6.3 million offset by auxiliary enterprise charges $14.3 million and by payments to suppliers and employees of $107.8 million.

Cash flows from noncapital financing activities were $55.6 million, $35.7 million, in 2022, 2021, respectively. In 2022, these were comprised of State of Ohio appropriations of $15.3 million, Federal Pell Grants of $11.8 million, Federal Covid-related funding of $28.4 million and other income of $0.1 million,

Cash used in capital and related financing activities were $7.5 million, $5.6 million in 2022, and 2021, In 2022, cash flows from capital grants and gifts were $2.7 million. This was offset by purchase of capital assets and construction of $7.5 million, principal payment on capital debt $1.4 million, principal payment of lease of $1.0 million, and interest on capital debt $0.3 million. In 2021, cash flows from capital grants and gifts were $1.1 million and principal of lease $2.2 million. This was offset by purchase of capital assets and construction of $7.0 million, principal payment on capital debt $1.0 million, principal payment of lease of $0.4 million, and interest on capital debt $0.6 million.

The net change in cash and cash equivalents was an decrease of $4.8 million in 2022, an increase of $2.2 million in 2021, and an increase of $1.4 million in 2020. Year-end cash and cash equivalents for 2022, 2021, and 2020 were $3.6 million, $8.4 million, and $6.3 million, respectively.

(Continued)

A breakdown and comparison of the University's statement of cash flows for the years ended 2022, 2021, are provided below:

	2022	2021
Cash Flows Activities (in millions)		
Cash flows from operating activities	$ (52.5)	$ (26.9)
Cash flows from noncapital financing activities	55.6	35.5
Cash flows from capital and related financing activities	(7.5)	(5.6)
Cash flows from investing activities	(0.4)	(0.9)
Net increase (decrease) in cash and cash equivalents	(4.8)	2.1
Cash and cash equivalents - Beginning of year	8.4	6.3
Cash and cash equivalents - End of year	$ 3.6	$ 8.4

Factors Impacting Future Periods

Central State University (CSU) a Historically Black College & University (HBCU) and an 1890 Land-Grant Institution aspires to be a premier institution of excellence in teaching and learning in Ohio. CSU is Ohio's only state assisted HBCU. CSU has a 136-year history of developing, nurturing, cultivating, and graduating underprepared, underrepresented students for diverse careers. The University's future includes growth in several areas; new academic programs, Land Grant research initiatives, global exchange opportunities and expanded online course delivery. These key strategic initiatives are leading to new collaborations, research opportunities, corporate partnerships, and career options for our students.

The University's strategic goals are aligned with President Thomas' nine priorities. These priorities build a foundation for strengthening the University in three key areas: enrollment growth, academic programs, and capital/corporate partnerships. These three categories are the framework of the strategic plan and the priorities for the University. We are currently developing our next strategic plan that will take the University from 2022-2032. This plan will incorporate new opportunities and the changing HE landscape.

The University ended FY22 in a sustainable financial position with the support of the Federal Cares Act. The impact of the pandemic was still a strong part of the actions and programming of the University during FY22. The pandemic led to a shift in how we deliver our courses and operate the University. This pivot led to a new business model and a developing strategic plan as we adapt to life after Covid. CSU developed new revenue streams, such as international enrollment partnerships, Land Grant operational growth, online enrollment expansion, certificate programs and external fundraising opportunities. These initiatives strengthened our financial capacity and helped us navigate our lower traditional enrollment levels. These new revenue streams and growing partnerships are building the infrastructure for a more diverse financial model for the institution going forward. These evolving opportunities continue to drive improvement in the University's fiscal health and show our commitment to sustainability.

The future of CSU has dramatically changed as a result of economic and industry headwinds. Our plans and focus shifted to align with new educational demands and shifting population projections. However, we continue to develop strategies in three key areas of sustainability: enrollment growth, academic programs, and physical infrastructure. The first key area is enrollment growth and diversification. The fall 2021 class of 804 new first-time students continued our solid enrollment trend and led to a 65% occupancy rate in our on-campus residency. This total traditional (face to face) enrollment reached 1,981 students, which is a key level in reaching and meeting the University budget. In addition, online enrollment reached 4,063 leading to total enrollment of 6,044. This enrollment level was the highest in CSU history. The impact of the tremendous growth in online students has brought diversification in the student population both ethnically and age. The University's enrollment footprint has now reached 49 states and 21 countries. This key diversification will bolster the financial model as we discover new populations of enrollment growth and diversity. The University must evolve and secure new student populations as high school graduation trends decline and the competitive marketplace continues to attack.

(Continued)

The second key area is the expansion of new academic programs, improved academic profile and research initiatives. The University has pushed this strategic initiative by establishing an Honors College, elevating the GPA and recruiting students in cutting edge majors. The entering class has a GPA of 2.8, up from 2.4 five years ago. This move will favorably impact course completion, degree completion and retention, which impacts our state support. The academic infrastructure is our foundation, and we are addressing needed changes to delivery and programming to stay relevant with industry needs and career opportunities. The University is considering new graduate programs and establishing the College of Health and Human Services in the next three years. These new initiatives are critical to the sustainability of CSU and the expansion of programming which will bring new students. The new structure of higher education is a blending of the traditional, non-traditional, 4 year and certificate programs. This remake of higher education has created an opportunity for CSU, and we are ready to take advantage.

The third major area in the CSU strategic game plan is captured in what we have called Project Innovation. This initiative is investing over $100 million in major capital projects over the next five years. The projects include a $15 million new Honors Housing complex (public/private partnership) completed November 2022, a $17 million recreation and wellness center, a new $6.5 million College of Health and Human Services, other Residential Halls $20 million, Land Grant Research Center $20 million, and a new $4.0 million facility building. These capital projects are building additional capacity for CSU and preparing the campus for expanding research opportunities and academic programs. The investment in the campus infrastructure strengthens recruitment, retention and learning. This focus along with the continuous investment into the physical plant of $5 million per year will sustain the campus infrastructure. Investment in our facilities and the campus footprint fuel our growth and future capacity needs.

The University has made it through the pandemic and tremendous changes to higher education over the last year. CSU has adapted to major disruptions and recalibrated itself to grow and thrive. CSU has a bright future for growth and is poised for the next phase of its expansion. We are investing in the future as we prepare our students for the opportunities of the 21st century.

CENTRAL STATE UNIVERSITY
STATEMENTS OF NET POSITION
June 30, 2022
(With comparative financial information
for the year ended June 30, 2021)

	2022	2021
Current assets		
Cash and cash equivalents	$ 3,575,717	$ 8,423,175
Accounts receivable - Net of allowance of approximately $15.7 million at June 30, 2022 and $16.6 million at June 30, 2021	21,969,625	15,663,160
Contributions receivable, net of allowance of $166,081 at June 30, 2022 and $143,467 at June 30, 2021	533,919	1,243,372
Due from CSU Foundation	311,554	657,009
Due from CSUID Foundation	1,035,518	89,678
Prepaid assets	1,901,310	1,862,776
Total current assets	29,327,643	27,939,170
Noncurrent assets		
Investments	2,657,177	2,373,736
Contributions receivable	3,726,038	1,882,346
Net OPEB asset	4,491,444	2,352,111
Depreciable/Amortizable capital assets – net	126,689,454	128,690,963
Non-depreciable/amortizable capital assets	6,086,382	3,919,577
Total noncurrent assets	143,650,495	139,218,733
Total assets	172,978,138	167,157,903
Deferred outflows of resources		
Pension	12,607,325	4,958,188
OPEB	725,132	1,177,195
Total deferred outflows of resources	13,332,457	6,135,383
Current liabilities		
Accounts payable	2,373,156	1,814,190
Accrued salaries, wages, and benefits	3,915,564	3,173,128
Unearned student fee revenue	2,220,631	3,022,931
Due to CSU Foundation	102,000	-
Due to CSUID Foundation	586,984	418,279
Current portion of long-term debt	1,115,115	1,440,903
Current portion of long-term lease	998,262	922,165
Other liabilities	1,348,251	768,650
Other unearned revenue	12,364,528	8,594,544
Total current liabilities	25,024,491	20,154,790
Noncurrent liabilities		
Long-term debt	6,921,299	8,036,414
Long-term lease	202,674	922,164
Long-term liabilities	934,326	926,849
Other long-term liabilities	17,532,276	25,759,250
Total noncurrent liabilities	25,590,575	35,644,677
Total liabilities	50,615,066	55,799,467
Deferred inflows of resources		
Pension	18,429,559	5,079,659
OPEB	4,677,312	5,186,659
Total deferred inflows of resources	23,106,871	10,266,318
Net position		
Net investment in capital assets	123,538,486	121,288,897
Restricted expendable	2,772,182	3,237,433
Unrestricted	(13,722,010)	(17,298,830)
Total net position	$ 112,588,658	$ 107,227,500

See accompanying notes to consolidated financial statements.

CENTRAL STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year ended June 30, 2022
(With comparative financial information
for the year ended June 30, 2021)

	2022	2021
Operating revenue		
Tuition and fees	$ 46,045,787	$ 36,330,241
Less grants and scholarships	(35,553,857)	(24,199,154)
Tuition and fees, net	10,491,930	12,131,087
Federal grants and contracts	11,841,579	13,980,042
State, local, and private grants and contracts	6,306,649	6,605,549
Indirect cost recovery	2,120,296	777,314
Auxiliary activities	18,439,945	14,436,869
Less grants and scholarships	(14,300,905)	(9,681,829)
Auxiliary activities, net	4,139,040	4,755,040
Contributions	4,417,339	1,296,138
Other sources	5,254,519	2,280,209
Total operating revenue	44,571,352	41,825,379
Operating expenses		
Instruction	14,609,283	12,549,328
Research	7,643,028	5,539,199
Student services	9,129,530	4,408,899
Academic support	8,030,557	5,590,735
Public services	9,705,750	7,808,654
Pension and OPEB administration	(4,722,828)	(8,032,442)
Institutional administration	13,694,641	9,845,126
Operation and maintenance of plant	8,152,034	6,870,172
Auxiliary enterprises	18,476,608	12,860,317
Student aid	4,692,427	4,005,228
Depreciation/Amortization	7,472,111	7,377,676
Total operating expenses	96,883,141	68,822,892
Operating loss	(52,311,789)	(26,997,513)
Nonoperating revenue (expenses)		
Federal Pell Grant appropriations	11,810,448	9,846,662
Federal COVID-related funding	28,427,940	14,745,631
State appropriations	15,278,647	14,738,209
Investment income	(366,274)	274,517
Interest expense	(306,487)	(587,659)
Other restricted nonoperating revenue	97,503	195,805
Debt forgiveness	-	11,650,807
Net nonoperating revenue	54,941,777	50,863,972
Income (Loss) - before other revenue	2,629,988	23,866,459
Other revenue - State capital appropriations	2,731,170	1,066,943
Increase (decrease) in net position	5,361,158	24,933,402
Net position - beginning of year	107,227,500	82,294,098
Net position - end of year	$ 112,588,658	$ 107,227,500

See accompanying notes to consolidated financial statements.

CENTRAL STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
Year ended June 30, 2022
(With comparative financial information
for the year ended June 30, 2021)

	2022	2021
Cash flows from operating activities		
Tuition and fees	$ 45,243,487	$ 40,003,952
Grants and contracts	18,148,228	11,373,092
Payments to suppliers and employees	(107,820,463)	(82,711,798)
Auxiliary enterprise charges	(14,337,569)	1,576,553
Other	6,251,056	2,814,636
Net cash used in operating activities	(52,515,261)	(26,943,565)
Cash flows from noncapital financing activities		
Federal Pell grant	11,810,447	9,846,662
Federal Covid-related funding	28,427,940	10,869,662
State appropriations	15,278,647	14,738,209
Other	97,503	195,805
Federal loan receipts	9,100,157	-
Federal loan disbursements	(9,100,157)	-
Net cash from noncapital financing activities	55,614,537	35,650,338
Cash flows from capital and related financing activities		
Capital grants and gifts received	2,731,170	1,066,943
Purchase of capital assets and construction in progress	(7,504,611)	(6,974,736)
Lease proceeds	-	2,244,329
Principal paid on capital debt	(1,440,904)	(982,198)
Principal paid on lease	(988,789)	(400,000)
Interest paid on capital debt	(306,487)	(587,659)
Net cash used in capital and related financing activities	(7,509,621)	(5,633,321)
Cash flows from investing activities		
Interest & Unrealized Gain / Loss investments	366,274	
14,412		
Purchase of investments	(803,388)	(913,450)
Net cash used in investing activities	(437,114)	(899,038)
Net change in cash and cash equivalents	(4,847,458)	2,174,414
Cash and cash equivalents - beginning of year	8,423,175	6,248,761
Cash and cash equivalents - end of year	$ 3,575,717	$ 8,423,175
Reconciliation of net operating loss to net cash from operating activities		
Operating loss	$ (52,311,791)	$ (26,997,513)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation/Amortization expense	7,472,111	7,377,676
Changes in operating assets and liabilities which (used) provided cash:		
Accounts receivable	(6,306,465)	1,023,006
Contributions receivable	(1,134,239)	(502,419)
Prepaids, and other assets	(38,531)	(1,099,062)
Accounts payable	558,966	1,449,069
Accrued salaries, wages, and benefits	742,437	(416,925)
Deferred outflows – Pension and OPEB	(7,197,074)	574,866
Deferred inflows – Pension and OPEB	12,840,553	3,317,211
Net liabilities – Pension and OPEB	(10,366,307)	(11,924,519)
Other liabilities	257,396	(2,187,417)
Unearned revenue and student deposits	2,967,684	2,442,462
Net cash used in operating activities	$ (52,515,261)	$ (26,943,565)

	2022	2021
Non-cash transactions:		
Debt Forgiveness	$ -	$ 11,373,460
Lease proceeds	278,772	2,244,328

See accompanying notes to consolidated financial statements.

CENTRAL STATE UNIVERSITY FOUNDATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Year ended June 30, 2022

Assets	
Cash and cash equivalents	$ 1,488,229
Receivable from Central State University	102,000
Contributions receivable, net	4,800
Other receivables	12,240
Prepaid expenses	2,023
Total current assets	1,609,292
Investments	4,028,169
Restricted cash and cash equivalents	2,791,069
Capital assets, net	8,644,304
Total assets	$ 17,072,834
Liabilities	
Accounts payable	$ 12,592
Accrued interest payable	259,041
Payable to Central State University	311,554
Current portion of long-term debt	730,000
Total current liabilities	1,313,187
Long-term debt, net of unamortized financing costs of $464,668	8,737,851
Total liabilities	10,051,038
Net Assets (Deficit)	
Without donor restrictions	(68,863)
With donor restrictions	7,090,659
Total net assets	7,021,796
Total liabilities and net assets	$ 17,072,834

See accompanying notes to consolidated financial statements.

CENTRAL STATE UNIVERSITY FOUNDATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (DEFICIT)
Year ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Rental revenue	$ 3,492,069	$ -	$ 3,492,069
Contributions	-	201,213	201,213
Other	173,343	-	173,343
Investment income	33,364	(575,957)	(542,593)
Net assets released from restrictions	-	-	-
Total revenue	3,698,776	(374,744)	3,324,032
Expenses			
Programs:			
Housing programs	2,934,526	-	2,934,526
Other expenses	35,530	-	35,530
Operating expenses	373,666	-	373,666
Fundraising expenses	154,261	-	154,261
Total expenses	3,497,983	-	3,497,983
Increase (Decrease) in net assets	200,793	(374,744)	(173,951)
Net Assets - beginning of year	(269,656)	7,465,403	7,195,747
Net Assets - end of year	$ (68,863)	$ 7,090,659	$ 7,021,796

See accompanying notes to consolidated financial statements.

CENTRAL STATE UNIVERSITY FOUNDATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended June 30, 2022

	2022
Cash flows from operating activities	
Change in net assets	$ (173,951)
Adjustments to reconcile increase (decrease) in net assets to net cash from operating activities:	
Depreciation	411,995
Amortization of issuance costs	92,235
Amortization of bond discount	14,837
Unrealized and realized loss on investments	680,128
Changes in operating assets and liabilities:	
Contributions receivable	279,000
Prepaid expenses	(4,869)
Other receivables	(12,240)
Accounts payable	(23,322)
Receivable/payable to Central State University	(447,455)
Accrued interest payable	(28,746)
Net cash provided by operating activities	787,612
Cash flows from investing activities	
Purchases of investments	(1,310,692)
Sale of investments	1,067,691
Net cash used in investing activities	(243,001)
Cash flows from financing activities	
Principal payment on bonds payable	(1,080,000)
Net cash used in financing activities	(1,080,000)
Net change in cash and cash equivalents	(535,389)
Cash and cash equivalents - beginning of year	4,814,687
Cash and cash equivalents - end of year	$ 4,279,298
Supplemental disclosures of cash flow information	
Cash paid during the year for interest	$ 546,828

See accompanying notes to consolidated financial statements.

CENTRAL STATE UNIVERSITY
INNOVATION AND DEVELOPMENT FOUNDATION
STATEMENT OF FINANCIAL POSITION
June 30, 2022

Assets	
Cash and cash equivalents	$ 2,146,076
Other receivable	1,522
Due from Central State University	586,984
Total assets	$ 2,734,582
Liabilities	
Payable to Central State University	$ 1,035,518
Total liabilities	1,035,518
Net Assets	
Without donor restrictions	798,899
With donor restrictions	900,165
Total net assets	1,699,064
Total liabilities and net assets	$ 2,734,582

See accompanying notes to consolidated financial statements.

CENTRAL STATE UNIVERSITY
INNOVATION AND DEVELOPMENT FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Contributions	$ 588,666	$ 737,567	$ 1,326,233
Net assets released from restrictions	479,128	(479,128)	-
Total revenue	1,067,794	258,439	1,326,233
Expenses			
Programs:			
Scholarship programs	331,030	-	331,030
Academic programs	111,325	-	111,325
Institution programs	76,433	-	76,433
Public services	5,547	-	5,547
Student support services	11,182	-	11,182
Total expenses	535,517	-	535,517
Change in restrictions	30,000	(30,000)	-
Change in net assets	562,277	228,439	790,716
Net assets – beginning of year	236,622	671,726	908,348
Net assets – end of year	$ 798,899	$ 900,165	$ 1,699,064

See accompanying notes to consolidated financial statements.

CENTRAL STATE UNIVERSITY
INNOVATION AND DEVELOPMENT FOUNDATION
STATEMENT OF CASH FLOWS
For the year ended June 30, 2022

Cash flows from operating activities	
Change in net assets	$ 790,716
Adjustments to reconcile increase (decrease) in net assets to net cash from operating activities:	
Changes in operating assets and liabilities:	
Accounts receivable	(163,205)
Other receivable	(1,250)
Accounts payable	945,840
Net cash from operating activities	1,572,101
Net change in cash and cash equivalents	1,572,101
Cash and cash equivalents – beginning of year	573,974
Cash and cash equivalents – end of year	$ 2,146,076

See accompanying notes to consolidated financial statements.

NOTE 1 - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Central State University (the "University") is a co-educational, degree-granting university located in Wilberforce, Ohio. The University was originally established in 1887 by the General Assembly of the State of Ohio and is considered a component unit of the State of Ohio. The University continued to expand degree programs, which resulted in a granting of university status in 1965 by Statutory Act under Chapter 3343 of the Ohio Revised Code. The University is governed by a board of trustees appointed by the governor with the advice and consent of the State Senate. The University offers undergraduate degrees in arts and science, business, teacher education, and technology. The University also has a branch facility, CSU-Dayton, located in Dayton, Ohio.

In early 2014, the University was designated as an 1890 land-grant institution which will enable the University to receive the benefits of the Morrill Act of 1890, legislation that provides support for agricultural and scientific research and education.

The Central State University Foundation (the "CSU Foundation") is included as a discretely presented as part of the University reporting entity (although it is a legally separate entity and governed by its own board of directors) because its sole purpose is to provide support for the University in accordance with GASB Statement No. 39. Separate statements for the CSU Foundation may be obtained through the state of Ohio auditor's web site. The CSU Foundation is a private organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from those under the GASB. No modifications have been made to the CSU Foundation financial information included in the University's financial report to account for these differences.

The CSU Foundation is an Ohio nonprofit corporation and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The CSU Foundation was formed to receive contributions, which are to be used to support the educational undertakings of Central State University. The CSU Foundation established and own's Marauder Development, LLC, ("Marauder"), an Ohio limited liability corporation, that was formed to develop property for the use of Central State University. The financial operations of Marauder, which maintains a fiscal year end of August 31, have been consolidated within these financial statements. The CSU Foundation also established Marauder West, LLC an Ohio limited liability corporation, which was formed to purchase property in Dayton for the location of the CSU - Dayton campus. Central State University Foundation and its wholly owned subsidiaries, Marauder and Marauder West, LLC, have been consolidated within these financial statements. All significant intercompany accounts and transactions have been eliminated. The CSU Foundation operates exclusively for the benefit of the University. The University provides certain administrative and accounting services for the Foundation.

The Central State University Innovation and Development Foundation (the "CSU Innovation and Development Foundation") is included as a discretely presented as part of the University reporting entity (although it is a legally separate entity and governed by its own board of directors) because its sole purpose is to provide support for the University in accordance with GASB Statement No. 39. Separate statements for the CSU Innovation and Development Foundation may be obtained through the state of Ohio auditor's web site. The CSU Innovation and Development Foundation is a private organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from those under the GASB. No modifications have been made to the CSU Innovation and Development Foundation financial information included in the University's financial report to account for these differences.

The University performs accounting services for the CSU Innovation and Development Foundation. Cash receipts for the CSU Innovation and Development Foundation are deposited directly to the CSU Innovation and Development Foundation bank account; however, disbursements are made by the University on behalf of the CSU Innovation and Development Foundation with a monthly cash settlement process.

(Continued)

NOTE 1 - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation: The accompanying financial statements have been prepared using the total economic resource measurement focus and the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America for publicly owned colleges and universities, and are presented in accordance with the reporting model as prescribed in GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*, as amended by GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures,* GASB Statement No. 63*, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No 65, *Items Previously Reported as Assets and Liabilities*. The College follows the "business-type" activities requirements of GASB Statement No. 34. This approach requires the following components of the University's financial statements:

- Management's discussion and analysis (unaudited)
- Basic financial statements, including a statement of net position, statement of revenue, expenses, and changes in net position, and a statement of cash flows for the University as a whole.
- Notes to the financial statements.

Net Position is classified into three major categories:

- Net Investment in Capital Assets: Capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of debt and deferred inflows of resources related to the acquisition, construction, or improvement of those assets.
- Restricted: Owned by the University, but the use or purpose of the funds is restricted by an external source or entity. The restricted net position category is subdivided further into expendable and nonexpendable.
    - Restricted Expendable: May be spent by the institution, but only for the purpose specified by the donor, grantor, or other external entity. This category includes the unspent balance in grant funds, loan funds, debt service funds, bond funded capital projects and outstanding balances of pledged contributions.
- Unrestricted: Resources derived primarily from student tuition, fees, state appropriations, and auxiliary enterprises. They are used for the general obligations of the University and may be used at the discretion of the board of trustees for any purpose furthering the University's mission.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the University's policy is to first apply restricted resources.

Cash and Cash Equivalents: Cash and cash equivalents include cash and money market funds, stated at cost (which approximates market).

Allowance for Student Accounts Receivable: The University uses a systematic method based on applying percentages to the student accounts receivable aging to determine the allowance for student accounts receivable.

(Continued)

NOTE 1 - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets: Capital assets are recorded at cost or, if acquired by gift, at acquisition value at the date of the gift. The University capitalizes all assets with a useful life greater than one year and a value in excess of $5,000. When capital assets are disposed of, the net carrying value of such assets is removed from the accounts and the invested in capital assets component of net position is adjusted as appropriate. Capital assets, with the exception of land, are depreciated on the straight-line method over the following estimated lives:

Buildings	40 years
Building improvements	20 years
Automobiles, machinery, and equipment	3-15 years

Unearned Student Fee Income: Unearned student fee income consists of the unearned portion of student tuition and fees for the summer sessions and prepaid tuition and fees for the upcoming fall semester. The amounts which are unearned are recognized as revenue in the following fiscal year.

Pensions: For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net positions of the Ohio Public Employees Retirement System (OPERS) and the State Teachers Retirement System of Ohio (STRS) and additions to/deductions from OPERS and STRS' fiduciary net position have been determined on the same basis as they are reported by these pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

Other Postemployment Benefit Costs: For purposes of measuring the net other postemployment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPERS and STRS pension plan and additions to/deductions from OPERS and STRS' fiduciary net position have been determined on the same basis as they are reported by these OPEB systems. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The OPEB systems report investments at fair value.

Lease Liability: At the commencement of a lease, the University initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Operating Versus Nonoperating Revenue and Expenses: The University defines operating activities as reported on the statement of revenue, expenses, and changes in net position as those that generally result from exchange transactions such as payments received for providing goods or services. Nearly all of the University's expenses are a result of exchange transactions, and therefore classified as operating expenses. Federal grants, except for Pell grants and COVID-funded grants, are considered to be operating revenue. The major recurring nonoperating expense is interest expense on capital asset related debt.

Certain significant revenue streams relied on for operations are reported as nonoperating revenue as required by GASB Statement No. 35, including state appropriations, investment income, and state capital grants.

NOTE 1 - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants and Scholarships: Student tuition and fees and auxiliary revenue are presented net of grants and scholarships applied directly to students' accounts. Grants and scholarships consist primarily of awards to students from the Federal Supplemental Educational Opportunity Grant Program and the Ohio Instructional Grant Program. Payments made directly to students from grants and scholarships are presented as student aid.

Use of Estimates: The preparation of 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 disclosure in the footnotes. Actual results could differ from the estimates.

Income Taxes: The Foundations are tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code. The Foundations would be subject to taxes on unrelated business income; however, any taxable income would be minimal.

Recently Adopted Accounting Pronouncements: During the year ended June 30, 2022, the University adopted the following statements issued by the GASB:

- GASB Statement No. 84, *Fiduciary Activities*, issued January 2017. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The University evaluated the impact of this standard and determined there was no material impact on the financial statements or notes.

- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period,* issued June 2018. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. The objective of this Statement is to simplify accounting for interest cost incurred before the end of construction, requiring them to be expensed as incurred. The adoption did not have a significant impact on the University's financial statements.

- GASB Statement No. 87, *Leases*, issued June 2017. The requirements of this Statement are effective for fiscal years 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. The adoption of this standard had a minimal impact on the financial statements with no change in net position.

- GASB Statement No. 92, *Omnibus 2020,* issued January 2020. This statement addressed unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The adoption did not have a significant impact on the University's financial statements.

- GASB Statement No. 93, *Replacement of Interbank Offered Rates,* issued March 2020. With the London Interbank Offered Rate (LIBOR) expecting to cease existence in its current form at the end of 2021, this statement addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR) in hedging and derivative instruments and leases. The adoption did not have a significant impact on the University's financial statements.

NOTE 1 - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* issued June 2020. This statement clarifies guidance provided in GASB 84. The adoption did not have a significant impact on the University's financial statements.

Newly Issued Accounting Pronouncements: As of the report date, the GASB issued the following statements not yet implemented by the College:

- GASB Statement No. 91, *Conduit Debt Obligations*, issued May 2019. It clarifies the existing definition of conduit debt, provides a single method of reporting conduit debt obligations by issuers, and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. The standard also addresses the treatment of arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by a third-party obligor. The provisions of this statement are effective for the University's basic financial statements for the year ending June 30, 2023.

- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued March 2020. This statement improves accounting and financial reporting for arrangements where a governmental entity contracts with an operator to provide public services by conveying control of the right to operate or use nonfinancial assets, such as infrastructure or other capital assets, for a period of time in an exchange or exchange-like transaction. It requires the College to report assets and liabilities related to public-private and public-partner partnerships (PPP's) consistently and disclose important information about PPP transactions. The provisions of this statement are effective for the University's basic financial statements for fiscal year ending June 30, 2023.

- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* issued May 2020. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Under this standard, end users in SBITAs are required to recognize a right-to-use subscription asset and a corresponding subscription liability. The provisions of this statement are effective for the University's basic financial statements for fiscal year ending June 30, 2023.

- GASB Statement No. 98, *The Annual Comprehensive Financial Report*, issued October 2021. This statement establishes the term *annual comprehensive financial report* and its acronym *ACFR* to replace instances of *comprehensive annual financial report* and its acronym. The standard is effective for the University's basic financial statements for the June 30, 2022 fiscal year.

- GASB Statement No. 99, *Omnibus 2022*, issued April 2022. This Statement establishes or amends accounting and financial reporting requirements for specific issues related to 1) the transition from the London Interbank Offered Rate (LIBOR), the Supplemental Nutrition Assistance Program (SNAP) (formerly, food stamps), nonmonetary transactions, pledges of future revenues, the focus of government-wide financial statements, and terminology; 2) leases, public-public and public-private partnerships (PPPs), subscription-based information technology arrangements (SBITAs); and 3) financial guarantees and the classification and reporting of derivative instruments. 1) is effective immediately, 2) is effective for the University's financial statements for the year ending June 30, 2023, and 3) is effective for the University's financial statements for the year ending June 30, 2024.

(Continued)

NOTE 1 - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

- GASB issued Statement No. 100, *Accounting Changes and Error Corrections*, issued June 2022. This Statement enhances 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. The requirements of this statement are effective for the University's financial statements for the year ending June 30, 2024.

- GASB Statement No. 101, *Compensated Absences*, issued June 2022. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences and requires that a liability for specific types of compensated absences not be recognized until the leave is used. In addition, the statement establishes guidance for measuring a liability for leave that has not been used. The requirements of this statement are effective for the University's financial statements for the year ending June 30, 2024.

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

Reclassifications: Certain prior year amounts have been reclassified for both the University and the CSU Foundation to conform to the current year presentation. These reclassifications had no effect on previously reported changes in net position or total net position or previously reported changes in net position or total net position.

Prior Year Information: The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the University's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS

The classification of cash, cash equivalents and investments in the financial statements is based on criteria set forth by GASB. Cash equivalents are defined to include investments with original maturities of three months or less. Consistent with this definition, University funds on deposit with the State Treasury Reserve of Ohio are classified as (restricted) cash equivalents in the Statement of Net Position. However, for GASB Statement No. 3 disclosure purposes, the funds in the State Treasury Reserve of Ohio are classified as investments.

Deposits: In accordance with the State of Ohio's and the University's policy, the University is authorized to invest in obligations of the U.S. Treasury, agencies and instrumentalities, municipal and state bonds, certificates of deposit collateralized at market value, repurchase agreements, reverse repurchase agreements, and forward commitments.

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Statutes also authorize the University to invest endowment funds in the above investments, as well as commercial paper rated A-1 by Standard & Poor's bonds, common and preferred stock, mutual funds, and real estate upon specific authorization by the board of trustees. 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.

Custodial Credit Risk of Bank Deposits: Custodial credit risk is the risk that in the event of a bank failure, the University's deposits may not be returned to it. The University does not have a policy restricting custodial credit risk. At June 30, 2022 and 2021, University bank balances of $4,235,197 and $2,366,991 respectively, were held in excess of FDIC limits.

At June 30, the carrying amount of deposits (book balances) is as follows:

	2022	2021
Petty Cash	$ 2,510	$ 2,510
State Treasury Asset Reserve of Ohio	11,116	6,208,995
Demand deposit	3,512,035	1,531,505
Money market funds	50,056	680,165
	$ 3,575,717	$ 8,423,175

Credit Risk: 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. As discussed above, state law limits investments to U.S., state, and municipal government obligations. The University has no investment policy that would further limit its investment choices. The University had $50,056 and $680,165 invested in money market mutual funds at June 30, 2022 and 2021, respectively; these funds are not rated by a national rating agency due to the short-term nature of their holdings.

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.

As required by the bond indenture, the CSU Foundation, through Marauder, maintains restricted cash balances in the following accounts as of August 31, 2022.

	2022
Debt interest account	$ 298,610
Debt principal account	731,089
Redemption fund	272,368
Repair and replacement fund	227,897
Debt reserve fund	1,261,105
Total restricted cash	$ 2,791,069

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments - Fair Value: The University utilizes a discretionary model in which a fiduciary manager is responsible for investing the University's portfolio utilizing a fund of funds approach. This Investment Policy provides for the prudent investment of the University's assets in a manner which will meet two main objectives, firstly to achieve a risk adjusted return with investments which are oriented to safety of principle, liquidity, and a stable level of current income and secondly to achieve Portfolio growth by investing in vehicles which provide such opportunities. The Investment Policy parallels state law which requires an amount equal to at least twenty-five percent of the University's investment portfolio be invested in securities of the United States government or one of its agencies or instrumentalities, the treasurer of the State of Ohio's pooled investment program, obligations of the State of Ohio, or any political subdivision of the State of Ohio, certificates of deposit of any national bank located in the State of Ohio, written repurchase agreements with any eligible Ohio financial institution that is a member of the federal reserve system or federal home loan bank, money market funds or bankers' acceptances maturing in two hundred seventy days or less which are eligible for purchase by the federal reserve system.

The CSU Foundation's investments are managed by a professional investment manager. The investment manager is subject to the CSU Foundation's investment policies, which contain objectives, guidelines, and restrictions designed to provide for preservation of capital with emphasis on providing current income and achieving long-term growth of the funds.

The University and CSU Foundation report investments at estimated fair value, in accordance with the fair value hierarchy prescribed by Generally Accepted Accounting Principles, which requires certain assets and liabilities to be reported at fair value in the financial statements and provides a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value. The following three-tier fair value hierarchy prioritizes the inputs used in measuring fair value:

Level 1 Observable inputs such as quoted prices in active markets

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

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

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

Investments of the University and CSU Foundation include cash equivalents, equity mutual funds, and bond mutual funds. The University and CSU Foundation records these investments at their current fair values based on quoted market prices in active markets for identical assets, which is consistent with Level 1 in the hierarchy.

(Continued)

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

The fair value of University investments at June 30 is as follows:

	Fair Value Measurement as of June 30, 2022 Using				
	Totals	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV
Investment in securities:					
State Treasury Asset Reserve of Ohio	$ 11,116	$ 11,116	$	$	$
Mutual funds					
Equities	1,021,621	1,021,621			
Real estate funds	273,609	273,609			
Fixed income	1,338,901	1,338,901			
	2,645,247	$ 2,645,247	$	$	$
Cash	23,046				
Total investments	$ 2,668,293				

	Fair Value Measurement as of June 30, 2021 Using				
	Totals	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV
Investment in securities:					
State Treasury Asset Reserve of Ohio	$ 6,208,995	$ 6,208,995	$ -	$ -	$ -
Mutual funds					
Equities	973,739	973,739	-	-	-
Real estate funds	249,793	249,793	-	-	-
Fixed income	1,084,840	1,084,840	-	-	-
	8,517,367	$ 8,517,367	$ -	$ -	$ -
Cash	65,364				
Total investments	$ 8,582,731				

The balance of deposits and investments reported above are included in the Statements of Net Position as follows:

	2022	2021
Cash and cash equivalents	$ 11,116	$ 6,208,995
Investments	2,657,177	2,373,736
Total	$ 2,668,293	$ 8,582,731

Balances held in the State of Treasury Asset Reserve of Ohio (STAROhio) are included in the total fair value of investments for disclosure purposes. However, these balances are considered cash and cash equivalents and restricted cash for reporting on the Statements of Net Position.

(Continued)

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

The University's credit risk is reduced as State Treasury Asset Reserve of Ohio funds carry a credit rating of AAA. All other investments are in funds traded on a daily exchange and do not have credit ratings or pose a significant credit risk.

Investment Income: The composition of investment income is as follows:

	2022	2021
Net interest and dividend income	$ 79,062	$ 51,582
Unrealized gains/(loss)	(445,336)	222,935
	$ (366,274)	$ 274,517

The fair value of CSU Foundation investments at June 30, 2022 are as follows:

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2022			
Assets	Quoted Prices In Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Balance
Cash/money market accounts:				
Money market accounts	$ 245,817	$ -	$ -	$ 245,817
Subtotal	245,817	-	-	245,817
Equity investments:				
Equity mutual funds	2,561,973	-	-	2,561,973
Subtotal	2,561,973	-	-	2,561,973
Fixed-income investments:				
Bond mutual funds	1,220,379	-	-	1,220,379
Subtotal	1,220,379	-	-	1,220,379
Total investments	$ 4,028,169	$ -	$ -	$ 4,028,169

The CSU Foundation's policy is to recognize transfers between levels of the fair value hierarchy as of the beginning of the reporting period. For the year ended June 30, 2022 there were no transfers between levels of the fair value hierarchy.

(Continued)

NOTE 3 – RECEIVABLES

At June 30, 2022 and 2021, receivables consist of the following:

	2022	2021
Student accounts receivable	$ 27,423,458	$ 25,638,880
Grant and contract receivables	7,687,792	5,795,570
Other	2,550,530	807,449
Total	37,661,780	32,241,899
Less allowance for doubtful accounts	(15,692,155)	(16,578,739)
Net receivables	$ 21,969,625	$ 15,663,160

Student note receivables represented outstanding loans from the Federal Perkins Loan Program. These loans have been liquidated and assigned to the Department of Education during fiscal year 2020. A settlement has been reached with the Department of Education as part of the Perkins liquidation process. The outstanding balance at June 30, 2021, of $271,951, is recorded in other current liabilities.

NOTE 4 – CONTRIBUTIONS RECEIVABLE

At June 30, 2022 and 2021, contributions receivable consists of the following:

	2022	2021
Gross amounts due in:		
Less than one year	$ 700,000	$ 1,386,839
One to five years	3,833,179	1,897,000
	4,533,179	3,283,839
Reduction for contributions due in excess of one year, at a 0.25% deduction rate	(107,141)	(14,654)
Allowance for doubtful accounts	(166,081)	(143,467)
Net contributions receivable	$ 4,259,957	$ 3,125,718

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NOTE 5 - CAPITAL ASSETS

Capital assets activity for the University for the year ended June 30, 2022 is summarized as follows:

June 30, 2022	(Restated) Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Depreciable/Amortizable assets:					
Buildings and improvements	$ 209,699,854	$ -	$ (113,957)	$ -	$ 209,585,897
Automobiles, machinery, and equipment	44,152,680	2,974,085	-	-	47,126,765
Assets under lease	810,592	182,487	-	2,244,328	3,237,407
Total depreciable/amortizable assets	254,663,126	3,156,572	(113,957)	2,244,328	259,950,069
Non depreciable/amortizable assets:					
Land improvements	533,919		-	-	533,919
Construction in progress – lease	2,244,328		-	(2,244,328)	-
Construction in progress	1,141,329	4,411,134	-	-	5,552,463
Total non-depreciable/amortizable assets	3,919,576	4,411,134	-	(2,244,328)	6,086,382
Total capital assets	258,582,702	7,567,706	(113,957)	-	266,036,451
Less accumulated depreciation/amortization:					
Buildings and improvements	(95,633,233)	(4,704,215)	-	-	(100,337,448)
Automobiles, machinery, and equipment	(29,554,987)	(2,674,091)	-	-	(32,229,078)
Assets under lease	(600,284)	(93,805)	-	-	(694,089)
Total accumulated depreciation/amortization	(125,788,504)	$ (7,472,111)	$ -	$ -	(133,260,615)
Capital assets - Net	$ 132,794,198				$ 132,775,836

(Continued)

NOTE 5 - CAPITAL ASSETS (Continued)

Capital assets activity for the University for the year ended June 30, 2021 is summarized as follows:

June 30, 2021	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Depreciable/Amortizable assets:					
Buildings and improvements	$ 207,831,869	$ 93,208	$ -	$ 1,774,777	$ 209,699,854
Automobiles, machinery, and equipment	40,400,458	3,014,905	-	737,317	44,152,680
Assets under lease	626,933	-	-	-	626,933
Total depreciable/amortizable assets	248,859,260	3,108,113	-	2,512,094	254,479,467
Nondepreciable/amortizable assets:					
Land improvements	533,920	-	-	-	533,920
Construction in progress – lease	-	2,244,328	-	-	2,244,328
Construction in progress	2,031,128	1,622,295	-	(2,512,094)	1,141,329
Total nondepreciable/amortizable assets	2,565,048	3,866,623	-	(2,512,094)	3,919,577
Total capital assets	251,424,308	6,974,736	-	-	258,399,044
Less accumulated depreciation/amortization:					
Buildings and improvements	(90,850,597)	(4,781,636)	-	-	(95,633,233)
Automobiles, machinery, and equipment	(26,963,047)	(2,591,940)	-	-	(29,554,987)
Assets under lease	(596,184)	(4,100)	-	-	(600,284)
Total accumulated depreciation/amortization	(118,410,828)	$ (7,377,676)	$ -	$ -	(125,788,504)
Capital assets - Net	$ 133,013,480				$ 132,610,540

The State of Ohio Air Quality Development Authority Tax Exempt Revenue Bonds authorized up to $16.5 million to be spent on a variety of energy conservation construction projects over fiscal years 2014 and 2015 to include replacing the existing centralized boiler system. These projects were financed from the proceeds of the bond issuance which are maintained with The Huntington National Bank as bond trustee.

(Continued)

NOTE 5 - CAPITAL ASSETS (Continued)

Capital assets activity for the CSU Foundation for the year ended June 30, 2022 is summarized as follows:

	2022
Land	$ 140,800
Building	16,034,338
Furniture and fixtures	896,603
Total capital assets	17,071,741
Less accumulated depreciation	8,427,437
Net capital assets	$ 8,644,304

NOTE 6 - LONG-TERM LIABILITIES

Long-term liability (other than long-term debt and lease) activity for the years ended June 30, 2022 and 2021 is summarized as follows:

	Beginning Balance	Net Additions	Net Reduction	Ending Balance	Current Portion
June 30, 2022					
Compensated absences	$ 1,812,204	$ -	$ (35,591)	$ 1,776,613	$ 928,269
Other liabilities	87,483	-	(1,501)	85,982	-
Net pension liability	25,759,250	-	(8,226,974)	17,532,276	-
OPEB liability (asset)	(2,352,111)	-	(2,139,333)	(4,491,444)	-
Total	$ 25,306,826	$ -	$ (10,403,399)	$ 14,903,427	$ 928,269
June 30, 2021					
Compensated absences	$ 1,685,574	$ 835,570	$ (708,940)	$ 1,812,204	$ 972,838
Other liabilities	87,546	-	(63)	87,483	-
Net pension liability	27,082,013	-	(1,322,763)	25,759,250	-
OPEB liability (asset)	8,249,645	-	(10,601,756)	(2,352,111)	-
Total	$ 37,104,778	$ 835,570	$ (12,633,522)	$ 25,306,826	$ 972,838

(Continued)

NOTE 7 - LONG-TERM DEBT

Long-term debt for the University consists of the following for the years ended June 30, 2022 and 2021:

June 30, 2022	Beginning Balance	Additions	Reduction	Ending Balance	Current Portion
Direct Placement:					
Notes payable:					
Bond payable to 1st Niagara, 1.594 percent, payable in varying installments through December 1, 2022,	$ 2,134,033	$ -	$ (1,097,619)	$ 1,036,414	$ 1,036,414
Bond payable to 1st Niagara, 3.7 percent, payable in varying installments through December 1, 2028,	7,000,000	-	-	7,000,000	78,701
Direct Borrowing:					
Note payable to the Department. of Education, 5.5 percent, payable in varying installments through November 1, 2021,	93,285	-	(93,285)	-	-
Loan payable to Union Savings Bank	250,000	-	(250,000)	-	-
Total	$ 9,477,318	$ -	$ (1,440,904)	$ 8,036,414	$ 1,115,115

June 30, 2021	Beginning Balance	Additions	Reduction	Ending Balance	Current Portion
Direct Placement:					
Notes payable:					
Bond payable to 1st Niagara, 1.594 percent, payable in varying installments through December 1, 2022,	$ 3,214,430	$ -	$ (1,080,397)	$ 2,134,033	$ 1,097,618
Bond payable to 1st Niagara, 3.7 percent, payable in varying installments through December 1, 2028,	7,000,000	-	-	7,000,000	-
Loan payable to Regions Bank, 2.426 percent, payable in varying installments through 2043	11,373,460	-	(11,373,460)	-	-
Direct Borrowing:					
Note payable to the Department. of Education, 5.5 percent, payable in varying installments through November 1, 2021,	272,431	-	(179,146)	93,285	93,285
Loan payable to Union Savings Bank	250,000	-	-	250,000	250,000
Total	$ 22,110,322	$ -	$(12,633,003)	$ 9,477,318	$ 1,440,903

(Continued)

NOTE 7 - LONG-TERM DEBT (Continued)

Principal and interest payments on long-term debt are as follows:

	Direct Placement Bond Series A		Direct Placement Bond Series B		Payment
	Principal	Interest	Principal	Interest	Total
2023	$ 1,036,414	$ 8,260	$ 78,701	$ 257,544	$ 1,380,919
2024	-	-	1,132,223	235,142	1,367,365
2025	-	-	1,140,669	193,093	1,333,762
2026	-	-	1,149,179	150,731	1,299,910
2027	-	-	1,157,751	108,053	1,265,804
2028 – 2029	-	-	2,341,477	86,796	2,428,273
	$ 1,036,414	$ 8,260	$ 7,000,000	$ 1,031,359	$ 9,076,033

The Series A bonds were dated May 3, 2013, and issued at par therefore no bond discount was recorded. The bonds mature on December 1 in various amounts ranging from $200,000 on December 1, 2013, to $1,036,414 on December 1, 2022. Interest, at 1.594%, is payable semiannually on December 1 and June 1. Interest expense related to the Series A bonds during the years ended June 30, 2022, and 2021 was $25,268 and $42,627, respectively.

The Series B bonds were dated May 3, 2013, and issued at par therefore no bond discount was recorded. The Series B bonds mature after the Series A bonds are fully redeemed. The Series B bonds mature on December 1 in various amounts ranging from $78,701 on December 1, 2022, to $1,175,089 on December 1, 2028. Interest, at 3.7%, is payable semiannually on December 1 and June 1, beginning December 1, 2013. Interest expense related to the Series B bonds during the years ended June 30, 2022, and 2021 was $259,000 in each year.

The Series A and Series B bonds were issued by the Ohio Air Quality Development Authority and directly placed with the University.

On July 1, 2019, the University took out an interest only loan of $250,000 through Union Savings Bank. Interest at 5% is payable monthly, from September 1, 2019, until August 1, 2021, the maturity date of the loan.

At June 30, 2022 and 2021, the University was in compliance with all required covenants.

NOTE 7 - LONG-TERM DEBT (Continued)

CSU Foundation

Marauder Development, LLC has the following debt related to the financing of student dormitories. Information is for the subsidiary's year ended August 31, 2022:

	Interest Rate	Maturity	Balance August 31, 2021	Additions	Payments	Balance August 31, 2022
Revenue Bonds Series 2002	5.0%-5.625%	2028	$ 2,929,557	$ 5,597	$ (705,000)	$ 2,230,154
Revenue Bonds Series 2004	3.3%-5.1%	2035	8,068,125	9,240	(375,000)	7,702,365
Total			$ 10,997,682	$ 14,837	$ (1,080,000)	9,932,519
Less current portion						(730,000)
Less unamortized financing costs						(464,668)
Long-term portion						$ 8,737,851

Principal and interest payments on Marauder's long-term debt are as follows:

	Series 2002 Bonds		Series 2004 Bonds		
Year ending August 31,	Principal	Interest	Principal	Interest	Total
2023	$ 335,000	$ 114,053	$ 395,000	$ 385,150	$ 1,229,203
2024	360,000	95,150	415,000	364,900	1,235,050
2025	380,000	74,800	435,000	343,650	1,233,450
2026	400,000	53,350	455,000	321,173	1,229,523
2027	420,000	30,800	480,000	297,330	1,228,130
2028 - 2032	350,000	9,625	2,795,000	1,083,112	4,237,737
2033 – 2036	-	-	2,795,000	293,633	3,088,633
Total	$ 2,245,000	$ 377,778	$ 7,770,000	$ 3,088,948	$ 13,481,726

During 2002, Marauder issued $8,870,000 of Student Housing Revenue Bonds, Series 2002, dated December 1, 2002, to retire commercial loans used to finance the construction of the 2002 University Housing Project. The unamortized bond discount is $14,846 at August 31, 2022, and is being amortized to interest expense on the interest method over the life of the bonds. The bonds mature on September 1 in various amounts ranging from $335,000 on September 1, 2022, to $350,000 on September 1, 2038, subject to prior mandatory sinking fund redemptions. During the year ending August 31, 2022, $385,000 of bonds due on September 1, 2027 and September 1, 2028 were called and retired on September 1, 2021 in addition to the $320,000 scheduled to be retired on September 1, 2021.

During 2004, Marauder issued $12,150,000 in University Housing Revenue Bonds, Series 2004, to finance construction of the 2004 University Housing Project. The unamortized bond discount is $67,635 at August 31, 2022, and is being amortized to interest expense on the interest method over the life of the bonds. The bonds mature on September 1 in various amounts ranging from $395,000 on September 1, 2022, to $750,000 on September 1, 2035, subject to prior mandatory sinking fund redemptions. Interest, at rates varying from 3.3 to 5.1 percent per annum, is payable semiannually on March 1 and September 1. The bonds are collateralized by the building.

(Continued)

NOTE 7 - LONG-TERM DEBT (Continued)

Bond Legislation provides that Marauder Development, LLC, will charge rates sufficient for the excess of revenues over expenditures to equal not less than 120 percent of the aggregate amount of principal and interest requirements on the bonds payable during the year (coverage ratio). As of August 31, 2022, Marauder Development, LLC was in compliance with these requirements.

NOTE 8 - LEASE OBLIGATIONS

During the year ended June 30, 2021, the University entered into a non-cancellable lease agreement for the purchase of a field turf package with an upfront payment of $400,000 and financing of $1,844,328. A final payment of $922,164 is due in August 2022. The University leases various vehicles under lease agreements which have been recorded.

Lease obligations for the University consists of the following for the years ended June 30, 2022:

	(Restated) Beginning Balance	Additions	Reduction	Ending Balance	Current Portion
June 30, 2022					
Field Turf	$ 1,844,328	$ -	$ (922,164)	$ 922,164	$ 922,164
Vehicles	169,287	182,487	(73,002)	- 278,772	76,098
Total	$ 2,013,615	$ 182,487	$ (995,166)	$ 1,200,936	$ 998,262

Principal and interest payments on leases are as follows:

	Field Turf		Vehicles		Payment
	Principal	Interest	Principal	Interest	Total
2023	$ 922,164	$ -	$ 76,098	$ 9,937	$ 1,008,199
2024	-	-	75,157	7,190	82,347
2025	-	-	76,168	4,467	80,635
2026	-	-	47,022	1,803	48,825
2027	-	-	4,327	48	4,375
	$ 922,164	$ -	$ 278,772	$ 23,445	$ 1,224,381

NOTE 9 - COMPENSATED ABSENCES FOR VACATION AND SICK LEAVE

The University has three classifications of employees: classified, contract, and faculty.

Classified employees are nonacademic, permanent, full-time employees. Classified employees are entitled to vacation leave based upon length of service. The employees may accumulate up to a maximum of 30 to 75 days of vacation leave, depending on the number of years of service. Vacation leave becomes payable upon termination or retirement. Employees may accumulate an unlimited amount of sick leave. One-third of accumulated sick leave is payable to classified employees with 10 years or more of service upon termination or retirement.

(Continued)

NOTE 9 - COMPENSATED ABSENCES FOR VACATION AND SICK LEAVE (Continued)

Contract employees are nonacademic, contracted, full-time employees. Contract employees are entitled to vacation leave based upon length of service and/or classification. The employee may accumulate up to a maximum of 30 days of vacation leave. Vacation leave not to exceed 240 hours becomes payable upon termination or retirement. Contract employees accrue sick leave at a rate of 15 days per year. One-third of accumulated sick leave, not to exceed one-third of 120 days, is payable to contract employees with 10 years or more of service upon retirement.

Faculty employees are full-time, academic employees. Faculty employees accrue sick leave at a rate of 15 days per year. One-third of accumulated sick leave, not to exceed one-third of 120 days, is payable to faculty employees with 10 years or more of service upon retirement.

NOTE 10 - RETIREMENT PLANS

Plan Descriptions: University faculty are provided with pensions through the State Teachers Retirement System of Ohio (STRS). Substantially all other University employees are provided with pensions through the Ohio Public Employees Retirement System (OPERS). Both OPERS and STRS are statewide cost-sharing multiple employer defined benefit pension plans. Authority to establish and amend benefits for OPERS and STRS are authorized [by Chapters 145 and 3307, respectively, of] the Ohio Revised Code. Both OPERS and STRS issue publicly available financial reports. The OPERS report can be obtained at https://www.opers.org/investments/cafr.shtml. The STRS report can be obtained at https://www.strsoh.org/publications/annualreports/cafrs.html.

OPERS and STRS Ohio each offer three separate retirement plans: a defined benefit plan, a defined contribution plan, and a combined plan.

OPERS and STRS Defined Benefit Plans pay service retirement benefits using a fixed formula based on age, years of service and salary. In addition to service retirement, participants are eligible for disability and survivor benefits.

OPERS Member-Directed Plan and STRS Defined Contribution Plan are optional alternative retirement plans available to new members. Participants allocate both member and employer contributions in investment choices provided by STRS Ohio. Benefits are based on the member’s account value.

OPERS and STRS Combined Plans offer features of both a defined benefit plan and a member-directed or defined contribution plan. In the combined plans, employee contributions are invested in self-directed investments, and the employer contribution is used to fund a reduced defined benefit along with disability and survivor benefits.

Benefits Provided: OPERS and STRS provide retirement, disability, annual cost-of-living adjustments, and survivor benefits for plan members and beneficiaries. The benefit provisions stated in the following paragraphs are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

OPERS Benefits

Under OPERS, retirement benefits are specific to each plan and members must meet the eligibility requirements based on their age and years of service within the plan. Retirement eligibility also varies by division and transition group.

NOTE 10 - RETIREMENT PLANS (Continued)

Members who were eligible to retire under law in effect prior to SB 343 before January 7, 2023 are included in transition Groups A and B. Group C includes those members who are not in either of the other groups and members who were hired on or after January 7, 2013.

State and Local members in transition groups A and B are eligible for retirement benefits at age 60 with 5 years of service credit or at age 55 with 25 or more years of service credit. Group C for State and Local is eligible for retirement at age 57 with 25 years of service or at age 62 with 5 years of service.

Under the Traditional Plan, for Groups A and B, the annual benefit is based on 2.2% of final average salary multiplied by the actual years of service for the first 30 years of service credit and 2.5% for years of service in excess of 30 years. For Group C the annual benefit applies a factor of 2.2% for the first 35 years and a factor of 2.5% for the years of service in excess of 35. The final average salary represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career. Under the Combined Plan, the benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.0% to the member’s final average salary for the first 30 years of service. A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member’s final average salary and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

Member-Directed participants must have attained the age of 55, have money on deposit in the Defined Contribution Plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. At retirement, members may select one of several distribution options for payment of the vested balance of their individual OPERS accounts.

The OPERS law enforcement program consists of two separate divisions: Law Enforcement and Public Safety. Both groups of members are eligible for special retirement options under the Traditional Pension Plan and are not eligible to participate in the Member-Directed or Combined plans. Public Safety Group members may file an application for full retirement benefits at age 48 or older with 25 or more years of credited service or 52 or older with 15 or more years of credited service for Groups A and B. Public Safety Group C is eligible for benefits at age 52 or older with 25 years or at age 56 or older with 15 years. Those members classified as Law Enforcement officers are eligible for full retirement at age 52 or older with 15 or more years of credited service for Group A. Law Enforcement Group B is eligible at age 48 or older with 25 years or at age 52 or older with 15 years of service. Law Enforcement Group C is eligible at age 48 or older with 25 years of service or at age 56 with 15 years of service. Annual benefits under both divisions are calculated by multiplying 2.5% of final average salary by the actual years of service for the first 25 years of service credit, and 2.1% of final average salary for each year of service over 25 years. In the Combined Plan, the benefit formula for the defined benefit component of the plan for state and local members in transition Groups A and B applies a factor of 1.0% to the member’s FAS and the first 30 years of service. A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member’s FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. These options also permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

(Continued)

NOTE 10 - RETIREMENT PLANS (Continued)

OPERS administers two disability plans for participants in the Traditional Pension and Combined plans. Members in the plan as of July 29, 1992, could elect coverage under either the original plan or the revised plan. All members who entered the System after July 29, 1992, are automatically covered under the revised plan. Under the original plan, a member who becomes disabled before age 60 and has completed 60 contributing months is eligible for a disability benefit. Benefits are funded by the employee and employer contributions and terminate if the member can return to work. The revised plan differs in that a member who becomes disabled at any age with 60 contributing months will be eligible for disability benefits until a determined age. The benefit is funded by reserves accumulated from employer contributions. Law Enforcement officers are immediately eligible for disability benefits if disabled by an on-duty illness or injury. Members participating in the Member-Directed Plan are not eligible for disability benefits.

Dependents of deceased members who participated in either the Traditional Pension Plan or the Combined Plan may qualify for survivor benefits if the deceased employee had at least one and a half years of service credit with the plan, and at least one quarter year of credit within the two and one-half years prior to the date of death. Law Enforcement and Public Safety personnel are eligible for survivor benefits immediately upon employment.

Once a benefit recipient retiring under the Traditional Pension Plan has received benefits for 12 months, an annual 3% cost-of-living adjustment is provided on the member’s base benefit. Members retiring under the Combined Plan receive a 3% cost-of-living adjustment on the defined benefit portion of their benefit.

<u>STRS Benefits</u>

Under the Defined Benefit Plan, on or before July 1, 2015, benefits are based on 2.2% of final average salary for the three highest years of earnings, multiplied by years of total Ohio service credit. The percentages increase if the member has 35 or more years of contributing service credit. Effective August 1, 2015, benefits are based on an annual amount equal to 2.2% of final average salary for the five highest years of earnings, multiplied by all years of service. Members are eligible to retire at age 60 with five years of qualifying service credit, or at age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 and five years of service on August 1, 2026.

Under the Combined Plan, member contributions are allocated among investment choices by the member and employer contributions are used to fund the defined benefit payment at a reduced level from the regular Defined Benefit Plan. Benefits are based on the balance in the member’s defined contribution account plus an annual amount equal to 1% of final average salary for the three highest paid years multiplied by years of total Ohio service credit. Effective Aug. 1, 2015, final average salary will be average of the member’s five highest salary years. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the Combined Plan may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

The Defined Contribution Plan allows members to place all their member and 9.5% of employer contributions into an investment account. Investment allocation decisions are determined by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

(Continued)

NOTE 10 - RETIREMENT PLANS (Continued)

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 qualify for a disability benefit. 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. Disability benefits are determined in the same manner as retirement benefits. Members in the Defined Contribution Plan who become disabled are entitled only to their account balance. If a member of the Defined Contribution Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Under the Defined Benefit Plan, members will receive a 2% annual cost of living adjustment beginning on the fifth anniversary of retirement. Under the Combined Plan, a cost-of-living adjustment is not available on the service retirement benefit. For disability and survivor benefits, the basic benefit is increased each year by 2% of the original base benefit.

Contributions

OPERS Contributions

Employer and member contribution rates are established by the OPERS Board subject to limits per Chapter 145 of the Ohio Revised Code. Under the OPERS plans, the employee contribution rate for the years ended June 30, 2022 and 2021 is 10% for all employees with the exception of law enforcement. The law enforcement employee contribution for the years ended June 30, 2022 and 2021 rate was 13.0%. The employer contribution rate is 14% for all employees except for law enforcement whose rate is 18.1%. For Member-Directed Plans, for the years ended June 30, 2022 and 2021, 13.23% was paid into the member's member-directed account and the remaining .77% was paid to OPERS, as required by state legislation, to cover unfunded liabilities.

The University's contributions to OPERS were $2,237,811 and $1,719,775 for the fiscal years ended June 30, 2022 and 2021, respectively. The University's contributions were equal to the required contributions for each year as set by state statute.

STRS Contributions

Employer and member contribution rates are established by the STRS Board and limited by Chapter 3307 of the Ohio Revised Code. Under the STRS plans, the employee contribution rate is 14%, for years ended June 30, 2022 and 2021. Under the Combined Plan, 1% of the employee contribution is to fund the defined benefit. The employer contribution rate is 14%. Under the Defined Contribution Plan, 4.5 percent of the employer contribution is used to amortize the unfunded actuarial accrued liability of the defined benefit plan.

The University's contributions to STRS for the years ended June 30, 2022 and 2021, respectively, were $1,576,838 and $1,208,221. The University's contributions were equal to the required contributions as set by state statute.

NOTE 10 - RETIREMENT PLANS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

OPERS Pension Costs

At June 30, 2022 and 2021, the University reported a liability of $7,986,657 and $10,834,701, respectively for its proportionate share of the OPERS net pension liability. The net pension liability was measured as of December 31, 2021 and 2020, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The University's proportion of the net pension liability was based on the University's long-term share of contributions to OPERS relative to the total projected long-term employer contributions received from all of OPERS' participating employers. At December 31, 2022 and 2021, the University's proportion was 0.0947% and 0.0738%, respectively, representing a 0.0209% increase in proportionate share. At December 31, 2021 and 2020, the University's proportion was 0.0738% and 0.0697%, respectively, representing a 0.0041% increase in proportionate share.

The net pension liability and asset for the Traditional Pension Plan and Combined Plan, respectively, were measured as of December 31, 2022 and 2021, and the total pension liabilities were determined by an actuarial valuation as of that date.

For the years ended June 30, 2022 and 2021, the University recognized pension expenses of $727,971 and $1,147,497, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
June 30, 2022		
Differences between expected and actual experience	$ 435,936	$ (207,843)
Changes of assumptions	1,043,409	-
Net difference between projected and actual earnings on pension plan investments	-	(9,859,810)
Changes in proportion and differences between the difference between actual and proportionate share of contributions	2,802,204	(75,576)
University contributions subsequent to the measurement date	1,119,286	-
Total	$ 5,400,835	$ (10,143,229)
June 30, 2021		
Differences between expected and actual experience	$ 5,221	$ 472,482
Changes of assumptions	5,349	-
Net difference between projected and actual earnings on pension plan investments	-	4,271,091
Changes in proportion and differences between the difference between actual and proportionate share of contributions	586,180	106,941
University contributions subsequent to the measurement date	938,448	-
Total	$ 1,535,198	$ 4,850,514

(Continued)

NOTE 10 - RETIREMENT PLANS (Continued)

At June 30, 2022, the University reported $1,119,286 as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPERS pensions will be recognized in pension expense as follows for the year ended June 30, 2022:

2023	$ 722,397
2024	(2,656,421)
2025	(2,325,747)
2026	(1,576,458)
2027	(7,350)
Thereafter	(18,101)

STRS Pension Costs

At June 30, 2022 and 2021, the University reported a liability of $9,545,619 and $14,924,549, respectively, for its proportionate share of the STRS net pension liability. The net pension liability was measured as of June 30, 2021 and June 30, 2020 respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The University's proportion of the net pension liability was based on the University's long-term share of contributions to the pension plan relative to the total employer contributions from all participating STRS employers. At June 30, 2022 and 2021, the University's proportion was 0.0747% and 0.0617%, respectively, representing a 0.013% change in proportionate share. At June 30, 2021 and 2020, the University's proportion was 0.0617% and 0.0605%, respectively, representing a 0.0012% change in proportionate share.

For the years ended June 30, 2022 and 2021, the University recognized pension expense of $608,277and $1,825,646, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
June 30, 2022		
Differences between expected and actual experience	$ 294,914	$ (59,832)
Change in assumptions	2,648,126	-
Net difference between projected and actual earnings on pension plan investments	-	(8,226,498)
Changes in proportion and differences between the difference between actual and proportionate share of contributions	2,686,612	-
University contributions subsequent to the measurement date	1,576,838	-
Total	$ 7,206,490	$ (8,286,330)

(Continued)

NOTE 10 - RETIREMENT PLANS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
June 30, 2021		
Differences between expected and actual experience	$ 33,487	$ 95,432
Change in assumptions	801,160	-
Net difference between projected and actual earnings on pension plan investments	725,491	-
Changes in proportion and differences between the difference between actual and proportionate share of contributions	654,631	133,713
University contributions subsequent to the measurement date	1,208,221	-
Total	$ 3,422,990	$ 229,145

At June 30, 2022, the University reported $1,576,838 as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to STRS pensions will be recognized in pension expense as follows:

2023	$ (547,477)
2024	(426,477)
2025	(618,347)
2026	(1,064,377)

Actuarial Assumptions

OPERS Actuarial Assumptions

The total pension liability in the December 31, 2022 and 2021 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2022	2021
Inflation	2.75%	3.25%
Salary increases (average, including inflation)	2.75% - 10.75%	3.25%-10.75%
Investment rate of return	6.9%	7.20%
Cost of living adjustment (simple)	3.0%	3.00%

Mortality rates are based on the RP-2014 Healthy Annuitant Mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above-described tables.

NOTE 10 - RETIREMENT PLANS (Continued)

The actuarial assumptions used in the December 31, 2020 and 2019 valuation were based on the results of an actuarial experience study for the five-year period ended December 31, 2013 and 2012, respectively.

The allocation of investment assets within the Defined Benefit portfolio is approved by the OPERS Board as outlined in the annual investment plan. The long term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return 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, adjusted for inflation. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2021 and 2020 and the long-term expected real rates of return:

Asset Class Return	2021 Target Allocation	2021 Long-Term Expected Real Rate of Return
Fixed income	24%	1.03%
Domestic equities	21	3.78
Real estate	11	3.66
Private equities	12	7.43
International equities	23	4.88
Other investments	9	5.77
Total	100%	

Asset Class Return	2020 Target Allocation	2020 Long-Term Expected Real Rate of Return
Fixed income	25%	1.32%
Domestic equities	21	5.64
Real estate	10	5.39
Private equities	12	10.42
International equities	23	7.36
Other investments	9	4.75
Total	100%	

STRS Actuarial Assumptions

The total pension liability in the June 30, 2021 and 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2021	2020
Inflation	2.50%	2.50%
Salary increases (Average, including inflation)	12.50% at age 20 to 2.50% at age 65	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%	7.45%
Cost of living adjustment (simple)	none	none

(Continued)

NOTE 10 - RETIREMENT PLANS (Continued)

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2021 and 2020 valuation are based on the results of an actuarial experience study, effective July 1, 2011.

The 10-year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The table below is representative of estimates for both the 2021 and 2020 valuation years. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

Asset Class Return	2021 Target Allocation	2021 Long-Term Expected Real Rate of Return
Fixed income	21%	3.00%
Domestic equities	28	7.35
Real estate	10	6.00
Private equity	7	7.09
Opportunistic Equities	10	6.35
International equities	23	7.55
Other investments	1	2.25
Total	100%	

Discount Rate: The discount rate used to measure OPERS total pension liability was 7.20% as of December 31, 2021 and December 31, 2020. The projection of cash flows used to determine the discount rates assumed that employee and University contributions will be made at the statutory contribution rates. Based on those assumptions, the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for both the Traditional Pension Plan and the Combined Plan was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate used to measure STRS total pension liability was 7.00% as of June 30, 2021 and June 30, 2020. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021 and 2020. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021 and 2020.

(Continued)

NOTE 10 - RETIREMENT PLANS (Continued)

Sensitivity of the University's proportionate share of the net pension liability to changes in the discount rate: The following presents the University's proportionate share of the OPERS pension plans net pension liability calculated using the discount rate of 6.9% at December 31, 2021 and December 31, 2020 respectively, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
December 31, 2022			
University's proportionate share of the net pension liability	$ 21,539,692	$ 7,986,657	$ (3,288,104)

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
December 31, 2021			
University's proportionate share of the net pension liability	$ 20,774,601	$ 10,834,701	$ 2,571,877

The following presents the University's proportionate share of the STRS pension plans net pension liability calculated using the discount rate of 7.45% at June 30, 2021 and June 30, 2020, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
June 30, 2022			
University's proportionate share of the net pension liability	$ 17,875,373	$ 9,545,619	$ 2,506,996

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
June 30, 2021			
University's proportionate share of the net pension liability	$ 21,249,960	$ 14,924,549	$ 9,564,291

Pension Plan Fiduciary Net Position: Detailed information about OPERS and STRS fiduciary net position is available in the separately issued financial reports. Financial reports for OPERS may be obtained at www.opers.org or by writing to Ohio Public Employees Retirement System, Director-Finance, 277 East Town Street, Columbus, Ohio 43215-4642. Financial reports for STRS may be obtained at strsoh.org or by writing to State Teachers Retirement System of Ohio, Attn: Chief Financial Officer, 275 E. Broad St., Columbus, OH 43215-3771.

NOTE 11 – DEFINED BENEFIT OPEB PLANS

Ohio Public Employees Retirement System (OPERS): OPERS provides access to post-retirement health care coverage to age and service retirees with 20 or more years of qualifying Ohio service credit. Access to health care coverage for disability recipients and primary survivor recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB to its eligible members and beneficiaries. Authority to establish and amend benefits is provided per the Ohio Revised Code.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional and Combined Plans was 0% in 2021 and 0% in 2020. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The portion of the University's fiscal year 2021, 2020 and 2019 contributions required and made to OPERS used to fund post-retirement benefits was $0 in all three years.

State Teachers Retirement System (STRS Ohio): STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Pursuant to the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

Under Ohio Law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contribution rate, 1% of the covered payroll was allocated to post-employment health care for the year ended June 30, 2014. Effective July 1, 2014, 0% of covered payroll was allocated to post-employment health care. The portion of the University's fiscal years 2021, 2020 and 2019 contributions required and made to STRS Ohio used to fund post-employment benefits was $0 in all three years.

OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

OPERS OPEB Costs

At June 30, 2022 and June 30, 2021, the University reported an asset of $2,917,444 and a liability of $(1,268,111) respectively for its proportionate share of the OPERS net OPEB liability. The net OPEB liability (asset) was measured as of December 31, 2020 and December 31, 2019 respectively, and the total OPEB liability (asset) used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The University's proportion of the net OPEB liability (asset) was based on the University's long-term share of contributions to OPERS relative to the total projected long-term employer contributions received from all of OPERS' participating employers. At December 31, 2021 and December 31, 2020, the University's proportion was 0.0931% and 0.0712% respectively, representing an increase of 0.0219%. At December 31, 2020 and December 31, 2019, the University's proportion was 0.0712% and 0.0670% respectively, representing a increase of 0.0042%.

The net OPEB liability and asset for the Traditional Pension Plan and Combined Plan, respectively, were measured as of December 31, 2020 and December 31, 2019, and the total OPEB liabilities (assets) were determined by an actuarial valuation as of that date.

(Continued)

NOTE 11 – DEFINED BENEFIT OPEB PLANS (Continued)

For the years ended June 30, 2022, and June 30, 2021, the University recognized OPEB expense of $(2,102,405) and $(7,468,335) respectively. At June 30, 2022 and June 30, 2021, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
June 30, 2022		
Differences between expected and actual experience	$ -	$ 442,532
Changes of assumptions	-	1,180,948
Net difference between projected and actual earnings on OPEB plan investments	-	1,390,832
Changes in proportion and differences between the difference between actual and proportionate share of contributions	506,804	-
Total	$ 506,804	$ 3,014,312
June 30, 2021		
Differences between expected and actual experience	$ -	$ 1,144,463
Changes of assumptions	623,418	2,054,719
Net difference between projected and actual earnings on OPEB plan investments	-	675,413
Changes in proportion and differences between the difference between actual and proportionate share of contributions	356,661	66,064
Total	$ 980,079	$ 3,940,659

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

2023	$ (1,484,550)
2024	(519,323)
2025	(303,890)
2026	(199,745)

STRS OPEB Costs

At June 30, 2022 and June 30, 2021, the University reported an asset of $1,574,000 and $1,084,000 respectively for its proportionate share of the STRS net OPEB liability (asset). The net OPEB liability (asset) was measured as of June 30, 2021 and 2020 respectively, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The University's proportion of the net OPEB liability (asset) was based on the University's share of contributions to the respective retirement systems relative to the contributions of all participating entities. At June 30, 2022 and June 30, 2021 the University's proportion was 0.0747% and 0.0617% respectively, representing a 0.0130% increase in proportionate share. At June 30, 2021 and June 30, 2020 the University's proportion was 0.0617% and 0.0606% respectively, representing a 0.0011% increase in proportionate share.

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

For the year ended June 30, 2022 and June 30, 2021, the University recognized OPEB expense of ($92,207) and $628,958 respectively. At June 30, 2022 and June 30, 2021, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
June 30, 2022		
Differences between expected and actual experience	$ 56,000	$ 288,000
Changes of assumptions	101,000	939,000
Net difference between projected and actual earnings on OPEB plan investments		436,000
Changes in proportion and differences between the difference between actual and proportionate share of contributions	61,328	
Total	$ 218,328	$ 1,663,000
June 30, 2021		
Differences between expected and actual experience	$ 69,000	$ 216,000
Changes of assumptions	18,000	1,030,000
Net difference between projected and actual earnings on OPEB plan investments	38,000	-
Changes in proportion and differences between the difference between actual and proportionate share of contributions	72,116	-
Total	$ 197,116	$ 1,246,000

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

2023	$ (412,312)
2024	(401,394)
2025	(394,645)
2026	(179,310)
2027	(60,613)
Thereafter	3,602

(Continued)

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions

OPERS Actuarial Assumptions

The total OPEB liability (asset) in the December 31, 2021 and 2020 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2021
Single Discount Rate	6%
Investment rate of return	6%
Wages inflation	2.75%
Municipal Bond Rate	1.84%
Projected Salary increases	2.75% to 10.75% (includes wage inflation at 2.75%)
Health Care Cost Trends	5.5% initial, 3.5% ultimate in 2034

	2020
Single Discount Rate	6%
Investment rate of return	6%
Wages inflation	3.25%
Municipal Bond Rate	2%
Projected Salary increases	3.25% to 10.75% (includes wage inflation at 0.00%)
Health Care Cost Trends	8.50% initial, 3.50% ultimate in 2030

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The actuarial assumptions used in the December 31, 2021 and 2020 valuations were based on the results of an actuarial experience study for the 2-year periods ending December 31, 2018. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

The long-term expected rate of return is arithmetic and determined using a building block method in which best estimate ranges of expected future real rates of returns are developed for each major asset class. These ranges are combined to produce the long-term expected best estimates of arithmetical rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Asset Class Return	2021 Target Allocation	2021 Long-Term Expected Real Rate of Return
Fixed income	34%	0.91%
Domestic equities	25	3.78
Real estate	7	3.71
International equities	25	4.88
Other investments	9	4.85
Total	100%	

Asset Class Return	2020 Target Allocation	2020 Long-Term Expected Real Rate of Return
Fixed income	34%	1.07%
Domestic equities	25	5.64
Real estate	7	6.48
International equities	25	7.36
Other investments	9	4.02
Total	100%	

STRS Actuarial Assumptions

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2021 and June 30, 2020, actuarial valuation are presented below:

	2021
Inflation	3%
Salary increases (average, including inflation)	varies by age from 2.50% to 12.50%
Investment rate of return	7.00%, net of investment expenses, including inflation
Cost of living adjustment (simple)	0%
Blended discount rate of return	7%
Health Care Cost Trends	(6.7) to 11.9% initial, 4% ultimate

	2020
Inflation	3%
Salary increases (average, including inflation)	varies by age from 2.50% to 12.50%
Investment rate of return	7.45%, net of investment expenses, including inflation
Cost of living adjustment (simple)	0%
Blended discount rate of return	7.45%
Health Care Cost Trends	(6.7) to 11.9% initial, 4% ultimate

(Continued)

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2021 and 2020, valuation are based on the results of an actuarial experience study for the period July 1, 2012 through June 30, 2017. The long-term expected rate of return is geometric and determined using a building block method in which best estimate ranges of expected future real rates of returns are developed for each major asset class. These ranges are combined to produce the long-term expected best estimates of geometric rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

In the prior year, the discount range was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. Valuation year per capita health care costs were also updated.

The subsidy multiplier for non-Medicare benefit recipients was increased from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class for both the 2021 and 2020 valuation years are summarized as follows:

Asset Class Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	28%	7.35%
International equity	23	7.55
Fixed income	17	7.09
Alternatives	21	3
Real estate	10	6
Liquidity Reserves	1	2.25
Total	100%	

(Continued)

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Discount Rate

OPERS discount rate

A single discount rate of 6.00% and 3.16% was used to measure the OPEB liability (asset) on the measurement date of December 31, 2020 and 2019, respectively. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate at December 31, 2020 was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.00. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

STRS discount rate

The discount rate used to measure the total OPEB liability (asset) was 7.00% as of the measurement date of June 30, 2021. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability.

Sensitivity of the University's proportionate share of the OPERS net OPEB liability (asset) to changes in the discount rate and health care trend rates: The following table presents the OPEB liability (asset) calculated using the single discount rate of 7.00% at December 31, 2020 and 3.16% at December 31, 2019, and the expected net OPEB liability (asset) if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate. Also shown is the net OPEB liability (asset) as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
June 30,2022			
Sensitivity of University's proportionate share of the net OPEB liability (asset) to changes in discount rate	$ (1,715,731)	$ (2,917,444)	$ (3,914,884)

	1% Decrease	Current Rate	1% Increase
Sensitivity of University's proportionate share of the net OPEB liability (asset) to changes in the health care cost trend rate	$ (2,948,971)	$ (2,917,444)	$ (2,880,043)

(Continued)

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
June 30,2021			
Sensitivity of University's proportionate share of the net OPEB liability (asset) to changes in discount rate	$ (315,323)	$ (1,268,111)	$ (2,051,379)

	1% Decrease	Current Rate	1% Increase
Sensitivity of University's proportionate share of the net OPEB liability (asset) to changes in the health care cost trend rate	$ (1,299,017)	$ (1,268,111)	$ (1,233,532)

The following table represents the University’s share of the STRS net OPEB liability (asset) as of June 30, 2021 and June 30, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB liability (asset) as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
June 30,2022			
Sensitivity of University's proportionate share of the net OPEB liability (asset) to changes in discount rate	$ (1,328,213)	$ (1,574,000)	$ (1,779,318)

	1% Decrease	Current Rate	1% Increase
Sensitivity of University's proportionate share of the net OPEB liability (asset) to changes in the health care cost trend rate	$ (1,770,999)	$ (1,574,000)	$ (1,330,393)

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
June 30,2021			
Sensitivity of University's proportionate share of the net OPEB liability (asset) to changes in discount rate	$ (943,184)	$ (1,084,000)	$ (1,203,548)

	1% Decrease	Current Rate	1% Increase
Sensitivity of University's proportionate share of the net OPEB liability (asset) to changes in the health care cost trend rate	$ (1,196,130)	$ (1,084,000)	$ (947,494)

(Continued)

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Pension Plan Fiduciary Net Position: Detailed information about OPERS and STRS fiduciary net position is available in the separately issued financial reports. Financial reports for OPERS may be obtained at www.opers.org or by writing to Ohio Public Employees Retirement System, Director-Finance, 277 East Town Street, Columbus, Ohio 43215-4642. Financial reports for STRS may be obtained at strsoh.org or by writing to State Teachers Retirement System of Ohio, Attn: Chief Financial Officer, 275 E. Broad St., Columbus, OH 43215-3771.

NOTE 12 - GRANTS AND CONTRACTS

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

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Commitments: The University has encumbered $10,997,301 and $1,580,279 of funds as of June 30, 2022 and 2021, respectively. These encumbrances represent purchase orders and other commitments for materials or services not received as of fiscal year end. These are not included as liabilities in the statement of net position.

Litigation: The University is involved in various litigation and regulatory matters. Based upon management's review, the ultimate disposition of these matters may have an unfavorable outcome; therefore, appropriate financial reserves have been made to the financial statements relative to these matters. The University's administration believes that the ultimate disposition of these matters have been properly reflected in the financial statements of the University.

An audit finding for the period July 1, 2015 through June 30, 2016 for programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. 1070 et seq. (Title IV, HEA programs) was settled for $736,304. During the years ended June 30, 2022 and 2021 the University has paid $117,797 and $116,631 respectively and accrued the remaining balance of $356,937.

NOTE 14 - RELATED ORGANIZATIONS

The University is the sole beneficiary of the Central State University Foundation (the "CSU Foundation"), a separate, not-for-profit entity governed by a separate board of trustees, organized for the purpose of promoting educational and research activities. Amounts received by the University from the CSU Foundation in the form of private gifts, grants, and contracts amounted to $0 for the year ended June 30, 2022.

The CSU Foundation established and owns Marauder Development, LLC, which owns two residence halls (Foundation I and Foundation II) located on the University's campus. The University receives an annual management fee and the reimbursement of operating expenses from Marauder Development, LLC. These fees and reimbursement amounted to $209,554 for the year ended June 30, 2022. The University paid Marauder Development, LLC $3,492,069 for the year ended June 30, 2022. These payments were primarily student residence hall fees.

(Continued)

NOTE 14 - RELATED ORGANIZATION (Continued)

The net amount of these transactions resulted in the CSU Foundation owing the University $209,554 at June 30, 2022.

Details of the CSU Foundation's restricted net assets at June 30, 2022 are as follows:

	With Donor Restrictions
Academic	$ 1,763,161
Scholarship	2,138,607
Other general funds	3,188,891
Total net assets	$ 7,090,659

Net assets released from restriction totaled $0 at June 30, 2022.

The University is the sole beneficiary of the Central State University Innovation and Development Foundation (the "CSU Innovation and Development Foundation"), a separate, not-for-profit entity governed by a separate board of trustees, organized for the purpose of promoting educational and research activities.

Details of the CSU Innovation and Development Foundation's restricted net assets at June 30, 2022 are as follows:

	With Donor Restrictions
Academic	$ 88,451
Scholarship	467,684
Other general funds	344,030
Total net assets	$ 900,165

The University provides certain administrative, accounting, accounts payable, and payroll services on behalf of the CSU Innovation and Development Foundation. The CSU Innovation and Development Foundation operates exclusively for the benefit of the University and reimburses the University for costs incurred. The Foundation owed the University $1,035,518 related to these expenses at June 30, 2022.

The University collected donations on behalf of the CSU Innovation and Development Foundation that were not transferred over to the CSU Innovation and Development Foundation cash accounts during the year. As of June 30, 2022 the University owed the Foundation $586,984 for these revenues.

(Continued)

NOTE 15 – RISK MANAGEMENT

The University participates in a state plan that pays workers' compensation benefits to beneficiaries who have been injured on the job with any of certain state agencies and state universities. The Ohio Bureau of Workers' Compensation (the "Bureau") calculates the estimated amount of cash needed in the subsequent fiscal year to pay the claims for these workers and sets rates to collect this estimated amount from these participating state agencies and universities in that subsequent one-year period. As these already-injured workers' claims will be paid out over a period of time, the Bureau also actuarially calculates estimated amounts that will be paid in future periods for the entire pool of state agencies and state universities. Settled claims have not exceeded this coverage for any of the preceding three years.

The University is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors or omissions; employee injuries and illnesses; national disasters; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage for any of the preceding three years.

REQUIRED SUPPLEMENTARY INFORMATION

CENTRAL STATE UNIVERSITY
SCHEDULES OF UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Year ended June 30, 2022

OPERS		2022	2021	2020	2019	2018	2017	2016	2015
College's proportion of the collective net pension liability (asset) - Traditional		0.09474%	0.0738%	0.06966%	0.07181%	0.0693%	0.06209%	0.06153%	0.0657%
College's proportion of the collective net pension liability (asset) - Combined		0.06139%	0.0287%	0.03509%	0.04385%	0.03965%	0.04439%	0.05127%	0.04948%
College's proportionate share of the collective net pension liability (asset)	$	7,986,657	10,834,701	13,695,552	19,618,242	10,822,136	14,074,575	10,633,211	7,905,345
College's covered payroll		15,856,588	12,183,267	10,298,616	12,350,529	9,743,188	8,946,079	7,925,689	8,232,618
College's proportionate share of the collective net pension liability as a percentage of the employer's covered payroll		50.37%	88.93%	132.98%	158.85%	111.07%	157.33%	134.16%	96.02%
Plan fiduciary net position as a percentage of the total pension liability		198.54%	112.45%	75.20%	62.95%	90.03%	63.56%	74.54%	104.14%

Note: The University implemented GASB No. 68 in fiscal year 2015. The informatio
for each fiscal year were determined as of December 31 that occurred prior.

STRS Ohio		2022	2021	2020	2019	2018	2017	2016	2015
College's proportion of the collective net pension liability (asset)		0.07465%	0.06168%	0.06053%	0.05807%	0.05560%	0.05790%	0.05861%	0.06772%
College's proportionate share of the collective net pension liability (asset)	$	9,545,619	14,924,549	13,386,461	12,767,555	13,207,184	19,372,697	16,198,930	16,471,015
College's covered payroll		10,789,805	8,651,751	6,978,995	9,124,956	6,046,086	5,757,345	5,668,086	5,700,090
College's proportionate share of the collective net pension liability as a percentage of the employer's covered payroll		88.47%	172.50%	191.81%	139.92%	218.44%	336.49%	285.79%	288.96%
Plan fiduciary net position as a percentage of the total pension liability		113.03%	57.97%	52.13%	71.47%	45.78%	29.72%	34.99%	34.61%

Note: The University implemented GASB No. 68 in fiscal year 2015. The informatio
for each fiscal year were determined as of June 30 that occurred prior.

Note: The University implemented GASB No. 68 in fiscal year 2015. The information above is presented for as many years as available. The schedule is intended to show information for 10 years. The amounts presented for each fiscal year were determined as of June 30 that occurred prior.

OPERS		2022	2021	2020	2019	2018
College's proportion of the collective OPEB liability (asset) - Traditional		0.08913%	0.0688%	0.06260%	0.06520%	0.06623%
College's proportion of the collective OPEB liability (asset) - Combined		0.0040%	0.00430%	0.0439%	0.0392%	0.00402%
College's proportionate share of the collective OPEB liability (asset)	$	(2,917,444)	(1,268,111)	9,252,645	9,012,659	7,194,282
College's covered payroll		15,856,588	12,183,267	10,298,616	12,350,529	9,743,188
College's proportionate share of the collective OPEB as a percentage of the employer's covered payroll		-18.40%	-10.41%	89.84%	72.97%	73.84%
Plan fiduciary net position as a percentage of the total OPEB liability		5.44%	96.07%	47.80%	74.91%	84.85%

STRS Ohio		2022	2021	2020	2019	2018
College's proportion of the collective OPEB liability (asset)		0.07465%	0.06168%	0.06056%	0.05808%	0.05560%
College's proportionate share of the collective OPEB liability (asset)	$	(1,574,000)	(1,084,000)	(1,003,000)	(933,000)	2,169,189
College's covered payroll		10,789,805	8,651,751	6,978,995	9,124,956	6,046,086
College's proportionate share of the collective OPEB as a percentage of the employer's covered payroll		-14.59%	-12.53%	-14.37%	-10.22%	35.88%
Plan fiduciary net position as a percentage of the total OPEB liability		6.86%	7.98%	174.70%	176.00%	47.11%

Note: The University implemented GASB No. 75 in fiscal year 2019. The information above is presented for as many years as available. The schedule is intended to show information for 10 years. The amounts presented for STRS Ohio each fiscal year were determined as of June 30 that occurred prior. The amounts presented for OPERS each fiscal year were determined as of December 31 that occurred prior.

CENTRAL STATE UNIVERSITY
SCHEDULES OF UNIVERSITY PENSION CONTRIBUTIONS
Year ended June 30, 2022

OPERS

	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 2,237,811	$ 1,719,775	$ 1,416,839	$ 1,403,744	$ 1,313,611	$ 1,273,018	$ 1,132,212	$ 1,174,454
Contributions in relation to the statutorily required contribution	2,237,811	1,719,775	1,416,839	1,403,744	1,313,611	1,273,018	1,132,212	1,174,454
Annual contribution deficiency	-	-	-	-	-	-	-	-
College;s covered payroll	15,856,588	12,183,267	10,298,616	12,350,529	9,743,188	8,946,079	7,925,689	8,232,618
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	14.12%	14.12%	13.76%	11.37%	13.48%	14.23%	14.29%	14.27%

Notes to required supplemental information:

The University implemented GASB No. 68 in fiscal year 2015. The information above is presented for as many years as available. The schedule is intended to show information for 10 years.

During the plan year ended June 30, 2017 there were changes to several assumptions for STRS. The cost-of-living adjustment dropped from 2% to 0%, the wage inflation dropped from 2.75% to 2.50%, the investment rate of return decreased from 7.75% to 7.45% and the mortality tables used changed from RP-2000 to RP-2014. There were no changes in benefit terms.

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% and the mortality tables used changed from RP-2000 to RP-2014. There were no changes in benefit terms.

STRS Ohio

	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 1,576,838	$ 1,208,221	$ 972,776	$ 928,228	$ 855,709	$ 852,547	$ 794,080	$ 799,062
Contributions in relation to the statutorily required contribution	1,576,838	1,208,221	972,776	928,228	855,709	852,547	794,080	799,062
Annual contribution deficiency	-	-	-	-	-	-	-	-
College;s covered payroll	10,789,805	8,651,751	6,978,995	9,124,956	6,046,086	5,757,345	5,668,086	5,700,090
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	13.90%	13.97%	14.90%	10.17%	14.15%	14.81%	14.01%	14.02%

Note: The University implemented GASB No. 68 in fiscal year 2015. The information above is presented for as many years as available. The schedule is intended to show information for 10 years.

CENTRAL STATE UNIVERSITY
SCHEDULES OF UNIVERSITY OPEB CONTRIBUTIONS
Year ended June 30, 2022

OPERS	2022	2021	2020	2019	2018
Statutorily required contribution	-	-	-	-	-
Contributions in relation to the statutorily required contribution	-	-	-	-	-
Annual contribution deficiency	-	-	-	-	-
College's covered payroll	15,856,588	12,183,267	10,298,616	12,350,529	9,743,188
Contributions recognized by the OPEB plan in relation to the statutorily or contrarily required employer contribution as a percent of the employers covered payroll	N/A	N/A	N/A	N/A	N/A

STRS	2022	2021	2020	2019	2018
Statutorily required contribution	-	-	-	-	-
Contributions in relation to the statutorily required contribution	-	-	-	-	-
Annual contribution deficiency	-	-	-	-	-
	10,789,805	8,651,751	6,678,995	9,124,956	6,046,086
College's covered payroll the statutorily or contrarily required employer contribution as a percent of the employers covered payroll	N/A	N/A	N/A	N/A	N/A

Notes to the required supplemental information:

The University implemented GASB No.75 in the fiscal year 2018. The information above is presented for as many years as is available. The schedule is intended to show information for 10 years.

There were no changes in the benefit terms or changes of assumptions affecting the STRS and OPERS plans for the years ended June 30, 2017 and December 31, 2017 respectively

During the plan year ended June 30, 2020 there was a significant change in the discount rate impacting the OPERS plan. The discount rate increased from 3.16% to 6.00%, resulting in an asset being recorded b y the University as opposed to a liability.

SUPPLEMENTARY INFORMATION

CENTRAL STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2022

Federal Grant/Pass-through Grant Program Title	AL Number	Award Number	Federal Expenditures	Subrecipient Amounts
STUDENT FINANCIAL ASSISTANCE CLUSTER:				
U.S. Department of Education:				
SEOG 17-18	84.007		$ 245,867	$ -
SEOG 2021-2022	84.007		931,675	-
Total ALN 84.007			1,177,542	-
Pell 2020-2021	84.063		274,288	-
Pell 2021-2022	84.063		11,410,602	-
Total ALN 84.063			11,684,890	-
Direct Loan Subsidized 2020-2021	84.268		41,073	-
Direct Loan Unsubsidized 2020-2021	84.268		34,646	-
Direct Loan Plus 2020-2021	84.268		20,745	-
Direct Loan Subsidized 2021-2022	84.268		4,059,343	-
Direct Loan Unsubsidized 2021-2022	84.268		3,635,328	-
Direct Loan Plus 2021-2022	84.268		1,193,817	-
Total ALN 84.268			8,984,952	-
FWS 2021-2022	84.033		294,645	-
TEACH 2021-2022	84.379		3,772	-
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER			**22,145,801**	**-**
RESEARCH AND DEVELOPMENT CLUSTER:				
National Aeronautics and Space Administration:				
Ohio Space Grant	43.001		9,497	-
Using AVIRIS Imagery	43.001		14,048	3,000
Total National Aeronautics and Space Administration			**23,545**	**3,000**
National Science Foundation:				
Improving Pathways for STEM	47.076		11,878	-
USE4WRM	47.076		200,352	-
Search for the Epigenomic Mechanism	47.076		90,122	17,644
Spectra of Composition Operators	47.076		41,687	-
Strengthening Undergraduate STEM Programs	47.076		13,409	-
Pass through from Case Western University				
Northern Ohio AGEP-T	47.076	HRD-1432950	22,142	-
Pass through the Ohio State University				
LSAMP 2018-2023	47.076	HRD-1817314	22,526	-
Total ALN 47.076			402,116	17,644
Global STEM Appropriaate Technology in Development	47.041		6,675	-
ERI: Yakubovsky Calculations for Six Nucleon Bound States	47.049		72,047	-
Total National Science Foundation			**480,838**	**17,644**

See accompanying notes to the Schedule of Expenditures of Federal Awards.

CENTRAL STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2022

Federal Grant/Pass-through Grant Program Title	AL Number	Award Number	Federal Expenditures	Subrecipient Amounts
U.S. Department of Agriculture				
Strengthening Agricultural Geospatial Education and Research at Central State Univeristy	10.216		$ 84,562	$ -
Role of Water Quality	10.216		57,452	36,984
All In One Organic Weed and Crop Disease Management Using Directed Energy and Convolutional Neural Networks	10.216		12,601	-
Marauder Agricultural Scholarship Program Workforce	10.216		96,800	11,886
Investigate the Biotic and Abiotic Stresses in Honey Bees and Pollinators	10.216		40,316	-
Sweet Potato Production in Northern Climates	10.216		54,480	8,914
Pass through from Kentucky State University				
Developing an Electronic Platform	10.216	2019-38821-29032	22,750	-
Total ALN 10.216			368,961	57,784
Genetics and Breeding of Mite Biting	10.310		70,449	-
Sustainable Aquaculture Production of High Omega3 Containing Fish Using a Novel Feed Additive	10.310		312,128	104,969
Pass through the Ohio State University				
Just Because Farmers Can	10.310	2018-68008-28356	4,078	-
Total ALN 10.310			386,655	104,969
Pass through from Kentucky State University				
Center for Innovation and Sustainability	10.523	2020-38427-31515	4,169	-
Pass through from the Regents of the University of Minnesota				
Improving the Honeybee Queen Qualitiies and Genetic Diversity by Transferring Selected Queen Cells	10.215	2018-38640-28416	2,032	-
A Sustainable Approach to Control Varroa Mites - Improving the Quality of Queens using Local Resources	10.215	2021-38640-34714	2,800	-
Total ALN 10.215			4,832	-
Evans Allen Administration 2018-2020	10.205		139	-
Evans Allen Research 2018-2020	10.205		750	-
Enhanced Crop Production 2018-2020	10.205		(3,304)	-
Enchance Farm Productivity 2018-2020	10.205		115,227	-
Food, Nutrition & Health 2018-2020	10.205		(588)	-
Evans Allen Administration 2019-2021	10.205		268,666	-
CESTA Communications 2019-2021	10.205		41,130	-
Evans Allen Research 2019-2021	10.205		92,483	76,000
Natural Resources and Environmental 2019-2021	10.205		147,158	-
Plant Systems and Ecology 2019-2021	10.205		1,236,067	-
Advanced Agriculutural Technology 2019-2021	10.205		97,513	-
Food, Nutrition & Health 2019-2021	10.205		97,011	-
Research Administration 2020-2022	10.205		239,800	-
CESTA Communications 2020-2022	10.205		76,927	-
Evans Allen Research	10.205		145,139	-
Natural Resources and Environmental 2020-2022	10.205		139,801	-
Plant Systems and Ecology 2020-2022	10.205		230,321	-
Advanced Agriculutural Technology 2020-2022	10.205		90,964	-

See accompanying notes to the Schedule of Expenditures of Federal Awards.

Federal Grant/Pass-through Grant Program Title	AL Number	Award Number	Federal Expenditures	Subrecipient Amounts
Food, Nutrition, and Health Resources 2020-2022	10.205		$ 110,402	$ -
Pollinator Research	10.205		109,295	-
Research Administration 2023-2025	10.205		19	-
Total ALN 10.205			3,234,920	76,000
McIntire Sennis Forestry Research 2018-2020	10.202		14,552	-
McIntire Sennis Forestry Research 2019-2021	10.202		55,284	-
McIntire Sennis Forestry Research 2020-2022	10.202		12,598	-
Total ALN 10.202			82,434	-
Pass through the Ohio Department of Agriculture				
Developing a Low-Cost Raspberry Drip Robot	10.170	21SCBPOH1033	15,693	-
Assessing Soil Health Water Quality and Yield Benefits of Applying Dairy Manure to Hemp	10.912		4,556	-
Total U.S. Department of Agriculture			**4,102,220**	**238,753**
U.S. Department of Defense:				
Pass through the Ohio State University				
Effect of Heat Treatment on Mechanical Properties of Additive Manufactured Parts	12.800	FA8650-20-2-5853	58,063	-
Synthetic Hyperspectral Imagery	12.800	FA8650-20-2-5853	25,396	-
Total ALN 12.800			83,459	-
Integrated Instrumental System for Research and Education in Anlytical Chemistry	12.360		579,962	-
Pass through from the University of Dayton				
Retrogressive Approach to Determine Fungal Biodegradation Responses and Mechanisms to Polyurethane-based Coatings	UNK.001	W912HQ-20-C-0010	5,438	-
Total U.S. Department of Defense			**668,859**	**-**
U.S. Department of Transportation:				
Pass through Ohio Department of Transportation				
USDOT Center for Connected Automated Transportation (CCAT) - Region 5 UTC	20.701	69A3551747105	39,639	-
Total U.S. Department of Transportation			**39,639**	**-**
U.S. Department of Health and Human Services				
Characterization of Chemical Constituents from Smokable Hemp Flower and E-cigarette	UNK.002		261,329	-
Total U.S. Department of Health and Human Services			**261,329**	**-**
TOTAL RESEARCH AND DEVLEOPMENT CLUSTER			**5,576,430**	**259,397**
TRIO CLUSTER:				
U.S. Department of Education:				
TRIO: Student Support Services 2020-2025	84.042		399,675	-
TRIO: Upward Bound Program 2017-2022	84.047		280,524	-
TRIO: Upward Bound Program 2022-2027	84.047		27,495	-

See accompanying notes to the Schedule of Expenditures of Federal Awards.

Federal Grant/Pass-through Grant Program Title	AL Number	Award Number	Federal Expenditures	Subrecipient Amounts
Total ALN 84.047			$ 308,019	$ -
TOTAL TRIO CLUSTER			**707,694**	**-**
OTHER FEDERAL PROGRAMS:				
U.S. Department of Education:				
HIGHER EDUCATION - INSTITUTIONAL AID:				
Title III: Academic Planning and Assessment 2019-2020	84.031B		(856)	-
SAFRA: Enhancement of Online Learning 2019-2020	84.031B		23,032	-
SAFRA: Theatre Arts 2019-2020	84.031B		7,488	-
Title III: Honors Program	84.031B		71,681	-
Title III: Program Administration 2020-2021	84.031B		56,392	-
Title III: University Student Success 2020-2021	84.031B		96,005	-
Title III: Counseling Center 2020-2021	84.031B		57,311	-
Title III: Academic Planning and Assessment 2020-2021	84.031B		48,359	-
Title III: Professional Development for Health 2020-2021	84.031B		40,810	-
Title III: TEAP-C 2020-2021	84.031B		45,809	-
Title III: Maintenance Plan 2020-2021	84.031B		66,603	-
SAFRA: Center for Global Education 2020-2021	84.031B		44,948	-
SAFRA: Enhancement of Online Learning 2020-2021	84.031B		84,310	-
SAFRA: Theatre Arts 2020-2021	84.031B		20,207	-
Title III: Program Administration 2021-2022	84.031B		169,540	-
Title III: University Student Success Center 2021-2022	84.031B		292,769	-
Title III: Counseling Services 2021-2022	84.031B		139,582	-
Title III: Academic Planning and Assessment	84.031B		227,888	-
Title III: Professional Development for Health and Legal Profession	84.031B		154,509	-
Title III: TEAP-C 2021-2022	84.031B		184,941	-
Title III: Maintenance Plan 2021-2022	84.031B		243,608	-
Title III: Honors Program	84.031B		206,681	-
SAFRA: Center for Global Education 2021-2022	84.031B		129,116	-
SAFRA: Enhancement of Online Learning 2021-2022	84.031B		228,964	-
SAFRA: Theatre Arts 2021-2022	84.031B		119,816	-
SAFRA: Library Enhancements 2021-2022	84.031B		89,507	-
TOTAL HIGHER EDUCATION - INSTITUTIONAL AID			**2,849,020**	**-**
MINORITY SCIENCE IMPROVEMENT GRANT:				
STEM Success Center	84.120		163,311	-
Improving Mathematics Instruction for STEAM Students	84.120		178,526	-
TOTAL MINORITY SCIENCE IMPROVEMENT GRANT			**341,837**	**-**

See accompanying notes to the Schedule of Expenditures of Federal Awards.

Federal Grant/Pass-through Grant Program Title	AL Number	Award Number	Federal Expenditures	Subrecipient Amounts
CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT (CARES Act)				
COVID-19: Student Funding	84.425E		$ 5,660,609	$ -
COVID-19: HBCU Funding	84.425J		14,052,783	-
COVID-19: Institutional Funding	84.425F		8,714,666	-
Pass through from the Ohio Department of Education				
COVID-19: GEER Fund for Ohio Higher Ed Mental Health Support	84.425C	S425C200040	55,172	-
COVID-19: GEER Mental Health Support	84.425C	S425C200040	34,904	-
TOTAL CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT (CARES Act)			**28,518,134**	-
OTHER				
Pass through from Ascendium				
Emergency Aid Programs	84.027		10,929	-
Paid Internships	84.027		91,111	-
Pass through Wright State University				
I Educate Montgomery County	84.027	H027A21011	21,232	-
TOTAL OTHER			**123,272**	**-**
TOTAL U.S. DEPARTMENT OF EDUCATION			**31,832,263**	**-**
U.S. Department of Agriculture				
Scholarships to Increase Graduates in Agriculture	10.524		334,904	-
Scholarships to Increase Graduates in Agriculture 45	10.524		120,374	-
Scholarships to Increase Graduates in Agriculture 44	10.524		120,374	-
Total ALN 10.524			575,652	-
USDA/1890 National Scholars Program	10.001		10,021	-
USDA/NRCS National Scholars Program	10.001		16,221	-
Total ALN 10.001			26,242	-
Pass through 1890s Universities Foundation				
EXCITE	10.229	2021-77041-34831	1,026	-
Increase Student Enrollment in College of Science and Engineering	10.216		10,555	-
Growing Communities	10.216		57,206	-
Total ALN 10.216			67,761	-
2014-2017 Facilities Grant	10.500		205,761	-
CESTA Faciltities Grant	10.500		245,932	-
Smith Lever Act, Expanded Food and Nutrition Education Program (EFNEP) 2016-2021	10.500		2,263	-
Smith Lever Act, Expanded Food and Nutrition Education Program (EFNEP) 2017-2022	10.500		6,525	-
Central State University Seed to Bloom 4-H STEAM Afterschool Sustaintable Community Project	10.500		80,873	-
Total ALN 10.500			541,354	-
Agriculture Innovations Plus (AI+)	10.902		10,310	-
CREW	10.902		77,620	-

Federal Grant/Pass-through Grant Program Title	AL Number	Award Number	Federal Expenditures	Subrecipient Amounts
Total ALN 10.902			$ 87,930	$ -
Section 1444 Extension Programs for 1890 Land Grant Colleges 2018-2020 - Cooperative Extension	10.512		206	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2018-2020 - Cooperative Extension Program Admin	10.512		342,220	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2018-2020 - Agriculture & Natural Resources	10.512		684	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2018-2020 - Community and Economic Development	10.512		16,606	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2018-2020 - Family and Consumer Science	10.512		3,723	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2019-2021 - Cooperative Extension	10.512		141,171	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2019-2021 - LG Communications	10.512		60,763	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2019-2021 - Cooperative Extension Administration	10.512		689,626	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2019-2021 - 4H Youth Development	10.512		129,414	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2019-2021 - Agriculture & Natural Resources	10.512		290,231	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2019-2021 - Community and Economic Development	10.512		134,527	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2019-2021 - Family and Consumer Science	10.512		468,805	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2019-2021 - Seed to Bloom	10.512		7,318	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2020-2025 - Cooperative Extension Administration	10.512		187,158	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2020-2025 - LG Communications	10.512		77,397	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2020-2025 - Cooperative Extension Program Administration	10.512		190,962	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2020-2025 - 4H Youth Development	10.512		188,629	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2020-2025 - Agriculture Natural Resources	10.512		179,889	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2020-2025 - Community Economic Development	10.512		54,786	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2020-2025 - Family Consumer Science	10.512		201,203	-
Total ALN 10.512			3,365,318	-
Smith Lever Act, Expanded Food and Nutrition Education Program (EFNEP) 2018-2023	10.514		6,288	-
Smith Lever Act, Expanded Food and Nutrition Education Program (EFNEP) 2019-2024	10.514		76,076	-
Total ALN 10.514			82,364	-
Renewable Resources Extension 2018-2023	10.515		8,917	-
Renewable Resources Extension 2019-2021	10.515		13,500	-
Renewable Resources Extension 2020-2025	10.515		2,007	-

Federal Grant/Pass-through Grant Program Title	AL Number	Award Number	Federal Expenditures	Subrecipient Amounts
Total ALN 10.515			$ 24,424	$ -
A Training Program for Socially Disadvantaged and Military Veteran Beginning Famers	10.311		5,342	4,856
STEM Research Workforce Academy	10.523		12,000	-
Pass through 1890s Universities Foundation				
Advancing Education and Training in Hemp Production, Processing and Value-Added Product Development for Minority and Underrepresented Student Populations	10.523	2021-38427-34837	21,492	-
Total ALN 10.523			33,492	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			**4,810,905**	**4,856**
U.S. Department of Defense				
Pass through Research Triangle Institute				
CSU STEM Academy	12.560	W911NF1920007	18,868	-
TOTAL U.S. DEPARTMENT OF DEFENSE			**18,868**	**-**
U.S. Department of Health and Human Services				
Pass through Ohio Department of Mental Health and Addiction Services				
Mental Health Equity in Minority Populations	93.788	H79TI083294	4,049	-
Pass through the Ohio State University through ODH through CDC				
SARS COV-2 Wastewater	93.323		92,460	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			**96,509**	**-**
U.S. Department of Interior				
Youth Stewardship and Engagement Program	15.954		17,508	-
TOTAL U.S. DEPARTMENT OF INTERIOR			**17,508**	**-**
U.S. Department of Justice				
#KNOWMEANSNO	16.525		24,518	-
TOTAL U.S. DEPARTMENT OF JUSTICE			**24,518**	**-**
CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT (CARES Act)				
Pass through from the Ohio State University				
COVID 19: Dormitory Wastewater Monitoring of SARS-COV2	21.019		6,226	-
TOTAL OTHER			**6,226**	**-**
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 65,236,722**	**$ 264,253**

NOTE 1 - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the University under programs of the federal government for the year ended June 30, 2022. The information in this 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 (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 Central State University.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The University has elected not to use the 10% deminimus indirect cost rate allowed under the Uniform Guidance and instead uses indirect cost rates as follows per the respective grant agreements:

Federal Grant/Pass-through Grant Program Title	AL Number	Indirect Cost Rate
Using AVIRIS Imagery	43.001	45% Modified Total Direct Costs
Improving Pathways for STEM	47.076	45% Modified Total Direct Costs
Northern Ohio AGEP-T	47.076	45% Modified Total Direct Costs
USE4WRM	47.076	45% Modified Total Direct Costs
Search for the Epigenomic Mechanism	47.076	45% Modified Total Direct Costs
Global STEM Appropriaate Technology in Development	47.041	45% Modified Total Direct Costs
Spectra of Composition Operators	47.076	45% Modified Total Direct Costs
ERI: Yakubovsky Calculations for Six Nucleon Bound States	47.049	45% Modified Total Direct Costs
Strengthening Undergraduate STEM Programs	47.076	45% Modified Total Direct Costs
Developing an Electronic Platform	10.216	30% Total Direct Costs
Genetics and Breeding of Mite Biting	10.310	45% Modified Total Direct Costs
Center for Innovation and Sustainability	10.523	42.857% Modified Total Direct Costs
Strengthening Agricultural Geospatial Education and Research at Central State Univeristy	10.216	42.857% Modified Total Direct Costs
Role of Water Quality	10.216	42.857% Modified Total Direct Costs
Improving the Honeybee Queen Qualitiies and Genetic Diversity by Transferring Selected Queen Cells	10.215	11.11% Total Direct Costs
All In One Organic Weed and Crop Disease Management Using Directed Energy and Convolutional Neural Networks	10.216	42.857% Total Direct Costs
Marauder Agricultural Scholarship Program Workforce	10.216	45% Modified Total Direct Costs
Investigate the Biotic and Abiotic Stresses in Honey Bees and Pollinators	10.216	42.857% Total Direct Costs
Sweet Potato Production in Northern Climates	10.216	45% Modified Total Direct Costs
Sustainable Aquaculture Production of High Omega3 Containing Fish Using a Novel Feed Additive	10.310	45% Modified Total Direct Costs
A Sustainable Approach to Control Varroa Mites - Improving the Quality of Queens using Local Resources	10.215	10% Total Direct Costs
Assessing Soil Health Water Quality and Yield Benefits of Applying Dairy Manure to Hemp	10.912	45% Modified Total Direct Costs
Just Because Farmers Can	10.310	42.857% Modified Total Direct Costs
Effect of Heat Treatment on Mechanical Properties of Additive Manufactured Parts	12.800	45% Modified Total Direct Costs
Synthetic Hyperspectral Imagery	12.800	45% Modified Total Direct Costs
Integrated Instrumental System for Research and Education in Anlytical Chemistry	12.360	45% Modified Total Direct Costs
Retrogressive Approach to Determine Fungal Biodegradation Responses and Mechanisms to Polyurethane-based Coatings	12.UNK	45% of Modified Total Direct Costs
USDOT Center for Connected Automated Transportation (CCAT) - Region 5	20.701	45% Modified Total Direct Costs
Characterization of Chemical Constituents from Smokable Hemp Flower and E-cigarette	93.UNK	45% Modified Total Direct Costs
TRIO: Student Support Services 2020-2025	84.042	8% Total Direct Costs minus Scholarships
TRIO: Upward Bound Program 2017-2022	84.047	8% Total Direct Costs minus Stipends and Room and Board
TRIO: Upward Bound Program 2022-2027	84.047	8% Total Direct Costs minus Stipends and Room and Board
STEM Success Center	84.120	8% Modified Total Direct Costs
Improving Mathematics Instruction for STEAM Students	84.120	8% Total Direct Costs

(Continued)

NOTE 1 - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Federal Grant/Pass-through Grant Program Title	AL Number	Indirect Cost Rate
CSU Institutional CARES ACT	84.425F	45% Modified Total Direct Costs
I Educate Montgomery County	84.027	8% Total Direct Costs
EXCITE	10.229	10% Total Direct Costs
Increase Student Enrollment in College of Science and Engineering	10.216	30% of Total Direct Costs
2014-2017 Facilities Grant	10.500	NA
Agriculture Innovations Plus (AI+)	10.902	45% of Modified Total Direct Costs
CREW	10.902	45% of Modified Total Direct Costs
Growing Communities	10.216	45% Modified Total Direct Costs
A Training Program for Socially Disadvantaged and Military Veteran Beginning Famers	10.311	10% Total Direct Costs
STEM Research Workforce Academy	10.523	15% Modified Total Direct Costs
Advancing Education and Training in Hemp Production, Processing and Value-Added Product Development for Minority and Underrepresented Student Populations	10.523	15% Total Direct Costs
CSU STEM Academy	12.560	45% of Modified Total Direct Costs
SARS COV-2 Wastewater	93.323	25% of Salaries and Wages and Benefits
Youth Stewardship and Engagement Program	15.954	45% of Modified Total Direct Costs
#KNOWMEANSNO	16.525	10% of Modified Total Direct Costs
Dormitory Wastewater Monitoring of SARS-COV2	21.019	25% of Salaries and Wages and Benefits

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

Management and Board of Trustees
Central State University
Wilberforce, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and we were engaged to audit the aggregate discretely presented component units of Central 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 November 6, 2023. We did not express an opinion on the consolidated financial statements of the Central State University Foundation. Management could not provide certain board minutes and updated controls, policies and procedures, or audit support for various journal entries, contribution revenue, artwork, endowments, restricted net assets, donated stock, payroll and benefit expenses and operating expenses as of and for the year ended June 30, 2022, and we were unable to satisfy ourselves by performing other audit procedures.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Central State 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 opinion on the effectiveness of Central State University's internal control. Accordingly, we do not express opinion on the effectiveness of Central State University's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses as items 2022-001, 2022-002, 2022-003, 2022-004 and 2022-005.

(Continued)

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. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency as item 2022-06.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Central State University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as items 2022-001, 2022-003 and 2022-006.

University's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The University's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Crowe LLP

Crowe LLP

Columbus, Ohio
November 6, 2023

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

Management and Board of Trustees
Central State University
Wilberforce, Ohio

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Central State University's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Central State University's major federal programs for the year ended June 30, 2022. Central State University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Student Financial Aid Cluster and Title III

In our opinion, except for the possible effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, Central State University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Student Financial Aid Cluster and Title III for the year ended June 30, 2022.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Central State University's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2022.

Basis for Qualified and Unmodified Opinions

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

(Continued)

We are required to be independent of Central State 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 Central State University's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on Student Financial Aid Cluster and Title III

As described in the accompanying schedule of findings and questioned costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of Central State University with Student Financial Aid Cluster as described in finding number 2022-009 for Special Tests and Provisions; and Assistance Listing Number 84.031B Title III as described in finding 2022-007 for Matching, Level of Effort and Earmarking, consequently we were unable to determine whether Central State University complied with those requirements applicable to that program.

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 Central State 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 Central State 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 Central State University's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Central State 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 Central State 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 Central State 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-008 and 2022-010. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Central State University's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Central State University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-007 and 2022-009 to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-008 and 2022-010 to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on Central State University's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Central State University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

(Continued)

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and we were engaged to audit the aggregate discretely presented component units of Central State University as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Central State University's basic financial statements. We issued our report thereon dated November 6, 2023, which contained an unmodified opinion on the business-type activities and a disclaimer opinion on the aggregate discretely presented component units. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Crowe LLP

Crowe LLP

Columbus, Ohio
December 18, 2023

PART I: SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with GAAP:	*Unmodified – Business-Type Activities* *Disclaimer – Aggregate Discretely Presented Component Units*	
Internal control over financial reporting:		
Material weakness(es) identified?	X Yes	___ No
Significant deficiency(ies) identified ?	X Yes	___ None Reported
Noncompliance material to financial statements noted?	X Yes	___ No

Federal Awards

Internal Control over major programs:		
Material weakness(es) identified?	X Yes	___ No
Significant deficiency(ies) identified?	X Yes	___ None Reported
Type of auditor's report issued on compliance for major federal programs:	*Qualified – Student Financial Aid Cluster* *Qualified – Title III* *Unmodified – Research and Development Cluster* *Unmodified – Coronavirus Aid, Relief and Economic Security Act*	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	X Yes	___ No

Identification of major federal program:

Name of Major Program Identified	AL Number
Student Financial Aid Cluster:	
Federal Pell Grant Program	84.063
Federal Work-Study Program	84.033
Federal Supplemental Educational Opportunity Grants	84.007
Federal Direct Loan Program	84.268
TEACH Grant	84.379
Title III	84.031B
Research and Development Cluster	Various
COVID 19 – Education Stabilization Fund	84.425E, 84.425J, 84.425F, 84.425C

Dollar threshold used to distinguish between Type A and Type B programs: $1,957,102

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

FINDING 2022-001 – FINANCIAL STATEMENT REPORTING CONTROLS

Criteria:	The University should have internal controls over the financial reporting process designed to ensure that the financial statements are presented in accordance with accounting principles generally accepted in the United States of America. In addition, the University's reporting and closing process should include timely reconciliations, and schedules that support the amounts recorded in the financial statements and the schedule of expenditures of federal awards.
Condition:	Material journal entries were made during the audit and the financial statements were not independently reviewed during the financial reporting process. Also, a documented review of the financial statements and the schedule of expenditures of federal awards did not occur.
Context:	Adjusting journal entries were made during the course of the audit that considered in the aggregate represented an amount determined to be material.
Effect:	The condition noted above has the potential to lead to misstatements, errors, or misclassifications in the financial statements or the schedule of expenditures of federal awards.
Cause:	The main factor was the University's lack of a formalized closing process.
Repeat Finding:	Yes
Recommendation:	We recommend the University review its internal control procedures over its reporting and closing process to include timely and accurate completion and review of reconciliations that support amounts recorded in the financial statements and the schedule of expenditures of federal awards.
Response:	The University concurs with the finding. Management is committed to having internal controls over the financial reporting process designed to ensure that the financial statements are presented in accordance with accounting principles generally accepted in the United States of America. In addition, we agree that the University's reporting and closing process should include timely reconciliations, and schedules that support the amounts recorded in the financial statements and the schedule of expenditures of federal awards. We have made great progress in 2023 and are focused on total compliance.

FINDING 2022-002 – CONTROLS OVER CASH RECONCILIATIONS

Criteria:	The University should have internal controls over financial reporting designed to ensure that the proper segregation of duties is in place through out the year for recording transactions.
Condition:	Reconciliations for bank and investment accounts, including the operating account, accounts receivable, related party transactions and federal revenues were not independently completed and reviewed during the financial reporting process during the fiscal year.
Context:	Bank reconciliations were prepared by one individual but a subsequent review of the completed reconciliation was not completed by an individual independent of the process. Reconciliations were not completed timely for investment accounts, accounts receivable, related party transactions and federal revenues.
Effect:	The condition noted above has the potential to lead to misstatements or errors that were not identified or corrected timely.
Cause:	Personnel changes within the University.
Repeat Finding:	Repeated from prior year with additional items added.
Recommendation:	We recommend the University review its bank and investment reconciliations monthly by an individual independent of the process. We also recommend that reconciliations be performed monthly on accounts receivable, related party transactions and federal revenues.
Response:	The University concurs with the finding. The key to ensuring we have irreversible corrective action is that Central State has to be able to attract and retain skilled and trained employees. During our transformation efforts, we again have lost our Assistant Controller and his assistant. The Controller is searching the labor market to close the gap. In the interim, Management has contracted with Seneca Consulting to assist in processes to ensure the proper segregation of duties is in place throughout the year for recording of bank accounts and transactions.

FINDING 2022-003 – INTERNAL CONTROLS OVER FOUNDATION FINANCIAL REPORTING

Criteria: Based on the Trust Indenture and Loan Agreement all gross receipts related to the ownership, operation or leasing of the Facility are to be deposited upon receipt into the accounts maintained by Marauder.

Condition: Based on the schedule of the rent revenues, the total amount was not transferred into the Marauder account by Central State University (University). Additionally, other errors were identified within the schedule relating to students that were identified to be part of the Facility.

Context: The University pursuant to a management agreement in place during the fiscal year with Central State University Foundation (Foundation) was required to promptly deposit the total gross receipts into an account at US Bank. The schedule provided of gross receipts had a calculation error of $102,000. The listing of rent roll for the Fall 2021 Semester for Foundation II housing had a formular error that omitted $102,000 from the total.

Testing of the students on the rent rolls related to the Fall 2021 and Spring 2022 semester for the Foundation I and II halls identified the following errors. As a result of the errors, the University transferred and excess of $80,931 to the Marauder accounts.

- 27 students were included on rent rolls that did not live in the applicable halls.
- 2 students were charged $24 less than the amount on the rent rolls.
- 1 student was charged $72 less than the amount on the rent rolls.
- 1 student was charged $96 more than the amount on the rent rolls.
- 1 student was charged $45 less than the amount on the rent rolls.

Effect: Revenue was understated and non-compliance with the Trust Indenture and Loan Agreement.

Cause: Internal controls were not in place to verify the rent roll information was accurate and calculated correctly.

Repeat Finding: No

Recommendation: We recommend that rent information be reviewed and recalculated with the resulting amount of revenues related to the housing be transferred upon receipt as directed by the Trust Indenture and Loan Agreement.

Response: The Foundation's management agrees with the finding. The University has worked diligently to refinance the Bonds associated with the Dorms. This was planned to be completed in Spring of 2023, Due diligence efforts and approval process has taken a little longer than expected and we hope this refinance will be completed in the month of November 2023. This will have set payments for principal and interest amounts. The agreement will aid in cash flow and improvement to the University assets.

FINDING 2022-004 – FOUNDATION INTERNAL CONTROLS OVER FINANCIAL STATEMENTS

Criteria:	Auditing standards require that entities have internal controls in place to prepare financial statements for the Central State University Foundation (Foundation).
Condition:	Foundation documentation related to the following areas was not available during the audit: board minutes, updated controls, policies and procedures, journal entries, contribution revenue, artwork, endowments, restricted net assets, donated stock, payroll and benefit expenses and operating expenses.
Context:	We were unable to perform audit procedures related to the Foundation audit over the areas identified.
Effect:	Without supporting documentation we were unable to perform audit procedures related to the Foundation audit and a disclaimer of opinion for the financial statements was issued.
Cause:	The Foundation was unable to find the original documentation supporting the areas identified.
Repeat Finding:	Partial
Recommendation:	We recommend that supporting documentation be maintained for all areas.
Response:	The Foundation's management agrees with the finding. Central State is absolutely committed to compliance. Tiffiney Gray (Central State VP of Institutional Advancement) has been named Executive Director of a newly created management structure for the Foundation. This new team (Foundation Accountant, Executive Director and University Controller) will be working collaboratively to develop and demonstrate strong internal controls and document the maintenance accordingly.

FINDING 2022-005 – LACK OF FOUNDATION DOCUMENTED REVIEWS AND RECONCILIATIONS

Criteria:	Auditing standards require that the Central State University Foundation's (Foundation) internal controls over financial reporting be considered when planning and performing the audit.
Condition:	We noted the following deficiencies in controls for the Foundation during the year: • Interfund transactions between the Foundation and the University were not reconciled timely or on a consistent basis • Approval for expenses were not clearly identified on invoices. • Investment statements were not reconciled to the trial balance monthly, including the proper segregation of duties.
Context:	Adjustments to the Foundation financial statements were recorded to report balances related to various accounts.
Effect:	Errors in financial reports may occur and remain undetected resulting in management decisions be based on inaccurate reports.
Cause:	The Foundation did not have formal procedures in place.
Repeat Finding:	Repeated from prior year with additional items added.
Recommendation:	We recommend the Foundation develop and implement formal procedures for interfund transactions, expenses and investments.
Response:	The Foundation acknowledges this finding and is making adjustments to provide infrastructure and resources to implement formal procedures. Additionally, with the newly created management and staffing structure for the University and Foundation, formal financial procedures and internal controls will be implemented to redress the finding.

FINDING 2022-006 – LATE SUBMISSION OF RETIREMENT CONTRIBUTIONS

Criteria: Retirement contributions are required to be submitted timely to public pension funds.

Condition: During our testing of the retirement contributions, it was noted:

- For the State Teachers Retirement System of Ohio (STRS), all of the monthly contributions were remitted late.
- For the Ohio Public Employees Retirement System (OPERS), 9 of the 12 monthly contributions were remitted late.

Context: STRS requires contributions to be remitted within 5 days of the payroll date. OPERS requires contributions to be remitted within one month of the last day of the payroll period.

Effect: The University incurred penalty and interest charges that were required to be paid on the contributions that were not paid timely.

Cause: Personnel changes within the University.

Repeat Finding: Repeated from prior year with additional items added.

Recommendation: We recommend the University develop and implement formal procedures for remitting payments to STRS and OPERS in a timely manner.

Response: The University concurs with the finding.

Management has realigned the accounting and Human Resource areas with additional personnel and trained staff to ensure the proper segregation of duties is in place throughout the year for recording and payment of Retirement Contributions. The University hired an expert in this area, and she has trained the appropriate staff. Review of audits of past years have been completed and this issue has been addressed.

In addition, the STRS & OPERS payments are being reviewed by the Controller on a monthly basis to ensure compliance with State of Ohio requirements.

FINDING 2022-007 – MATCHING FOR ENDOWMENTS FROM GRANTS

Federal Program Information:	Title III, ALN #84.031B
Criteria:	The Title III grant requires a match for endowment funding.
Condition:	The required match did not occur during the fiscal year.
Context:	During the fiscal year 2021 a contribution was recorded to the endowment for $200,000. This was an allowable expenditure under the grant agreement. However, a match of $200,000 was required, and the match was not made during fiscal year 2021 or fiscal year 2022. During the current year, there was no match made to the endowment.
Questioned Cost:	None
Effect:	The University was not in compliance with the grant agreement.
Cause:	The University did not follow up and make the transfer from local funds.
Repeat Finding:	Yes
Recommendation:	We recommend that when the original grant expenditure is recorded, that the grant match occurs at the same time.
Response:	We agree with the intent of this finding but not the dollar amounts. The contribution of $100,000 was received via Title III and Central State matched the $100,000. The total of both amounts is $200,000. Central State matches with $100,000. We did have a time lag for execution of the check and transfer to the endowment. The controller's office will establish the protocol of being timely in matching the payment and in depositing the funds in the appropriate investment account. Responsible Person: Controller (Trasenna Gray) Completion Date: January 2024 and ongoing
Auditor Response:	The documentation provided shows that the endowment was funded $200,000 from federal funds during fiscal year 2021 and there has been no supporting documentation provided to show any funds related to a match. The $200,000 was included in the schedule of federal expenditures in fiscal year 2021 and was requested for reimbursement from federal funds.

FINDING 2022-008 – ALLOWABLE COSTS FOR TITLE III

Federal Program Information:	Title III, ALN #84.031B
Criteria:	Title III costs claimed as expenses need to have the underlying activity within the fiscal year.
Condition:	Expenses that were for a time period longer than the fiscal year were fully expensed and claimed in the current year.
Context:	7 of 60 expenses tested were for a time period that was longer than the current fiscal year. The entire amount of the invoice, including the portion outside of the fiscal year was expensed and claimed in the current year.
Questioned Cost:	$42,375
Effect:	Expenses for the current year were overstated.
Cause:	The University did not adjust grant expenses for an adjustment to prepaid amounts.
Repeat Finding:	No
Recommendation:	We recommend that expenses be reviewed for recording in the proper period when the invoice is received.
Response:	Views of responsible officials: Curtis Pettis Completion Date: Finding Challenged The University concurs with the finding. The University will put procedures in place within the Accounts Payable department to identify invoice payments which impact expenses beyond the current Fiscal Year. The University Controller will use this information to ensure the prepaid entries are completed as part of the monthly closing process. Responsible Person: Controller (Trasenna Gray) Completion Date: January 2024

FINDING 2022-009 – RETURN OF TITLE IV FUNDS

Federal Program Information:	Federal Direct Loan Program, ALN #84.268, Federal Pell Grant Program, ALN #84.063, Federal Supplemental Educational Opportunity Grants, ALN #84.007
Criteria:	34 CFR 668.22 outlines when a recipient of the loan program withdraws during the year, the University must determine the amount of the loan that the student earned as of the student's withdrawal date for a Return of Title IV Funds.
Condition:	The University did not comply with all requirements associated with the calculation and return of Title IV funds for students who withdrew during an academic term.
Context:	a) The registrar did not maintain support for the withdraw slips for the individuals that had official withdrawals during the fiscal year. b) The University was unable to provide a complete population of those that had Return of Title IV funds returned during the fiscal year. c) Thirty-four students in our sample had calculations performed but the amount calculated for the school to return in the amount of $65,826 was not returned to the Department of Education within the 45 day requirement. d) Two students were entitled to post-withdrawal disbursement of Pell funds and the funds were not provided to them.
Questioned Cost:	Unknown
Effect:	Errors were made during the calculations, support was not maintained and calculations were not performed.
Cause:	The Student Financial Aid office experienced turnover and the process to review the calculations was not completed during fiscal year 2022.
Repeat Finding:	Yes
Recommendation:	We recommend that the University review and update its policies and procedures in place over processing and review of Return of Title IV Aid Calculations.
Response:	Due to high turnover within multiple departments tasked with administering Financial Aid and the time required for the training of new staff on the aid disbursement process, errors were made due to lack of knowledge of the rules. Training and verification of information at every level is a top priority. The staff now has a much better understanding of the process and rules concerning awards. In addition, the director's are actively working on improvements to the ERP system, "Banner", so that errors that were due to human activities are reduced or eliminated. Already several processes, such as confirming attendance for aid posting is automatic. Now, more than one staff member is trained and responsible for processes and the team has consistent scheduled follow-up meetings on key actions in this area. Responsible Person: Director of Financial Aid (Mitch Dedor) & Registrar (Amanda Koci) Completion Date: December 2023

FINDING 2022-010 – STUDENT FINANCIAL AID DISBURSEMENTS

Federal Program Information:	Federal Direct Loan Program, ALN #84.268
Criteria:	34 CFR 685.203, Loan Limits
Condition:	Federal Direct Loans were incorrectly awarded and disbursed to students.
Context:	Three students incorrectly received unsubsidized loans based on independent limits instead of dependent limits.
Questioned Cost:	$9,250
Effect:	Students were incorrectly awarded and disbursed student financial aid.
Cause:	Errors in management's packaging of the student financial aid resulted in inaccurate awards and disbursements to students.
Repeat Finding:	No
Recommendation:	We recommend implementing procedures that appropriately determines student financial aid to students and ensures the proper disbursements.
Response:	There is a myriad of activities and timing issues that can impact awards and ultimate disbursements. In some cases, the dependency status can change as FAFSA and corresponding loan forms are revised. The Financial Aid department is committed to review internal processes and system rules to ensure that the Banner packaging process is set up to catch changes in dependency status and awards accordingly. Responsible Person: Director of Financial Aid (Mitch Dedor) Completion Date: December 2023

SUMMARY OF PRIOR YEAR FINDINGS

Finding 2021-001

Condition: Material journal entries were made during the audit.

Status: Not corrected, see finding 2022-001.

Finding 2021-002

Condition: Bank reconciliations, including the operating account, were not independently reviewed during the financial reporting process during the fiscal year.

Status: Not corrected, see finding 2022-002.

Finding 2021-003

Condition: Documentation related to the Foundation endowments was not available to support the restrictions within net assets.

Status: Not corrected, see finding 2022-004.

Finding 2021-004

Condition: The University did not comply with all requirements associated with the calculation and return of Title IV funds for students who withdrew during an academic term.

Status: Not corrected, see finding 2022-009.

Finding 2021-005

Condition: The required match did not occur during the fiscal year for endowment funding under Title III, ALN 84.031B.

Status: Not corrected, see finding 2022-007.

Finding 2021-006

Condition: Federal Direct Loans and Federal Pell Grants were incorrectly awarded and disbursed to students.

Status: Not corrected, see finding 2022-010.

Finding 2021-007

Condition: First time direct loan borrowers received the first installment of their direct loans before the 30 day waiting period.

Status: Corrected.

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OHIO AUDITOR OF STATE
KEITH FABER

CENTRAL STATE UNIVERSITY

GREENE 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 12/28/2023

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