

Youngstown State University

**AUDIT REPORTS REQUIRED BY
OFFICE OF MANAGEMENT AND BUDGET
CIRCULAR A-133**

June 30, 2000 and 1999

**(With Reports of
Independent Auditors Thereon)**



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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The Board of Trustees
Youngstown State University

We have reviewed the Independent Auditor's Report of the Youngstown State University, Mahoning County, prepared by Packer Thomas, for the audit period July 1, 1999 to June 30, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO
Auditor of State

February 6, 2001

YOUNGSTOWN STATE UNIVERSITY

June 30, 2000

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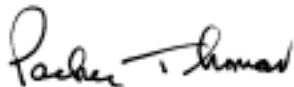
THE BOARD OF TRUSTEES
YOUNGSTOWN STATE UNIVERSITY

We have audited the accompanying balance sheets of Youngstown State University, a component unit of the State of Ohio, (the University) as of June 30, 2000 and 1999, and the related statements of changes in fund balances and current funds revenues, expenditures, and other changes for the year ended June 30, 2000. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audits. The prior year summarized comparative information in the statements of changes in fund balances and current funds revenues, expenditures, and other changes has been derived from the University's June 30, 1999 financial statements and, in our report dated October 14, 1999, we expressed an unqualified opinion on those financial statements.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Youngstown State University as of June 30, 2000 and 1999, and the changes in fund balances and the current funds revenues, expenditures, and other changes for the year ended June 30, 2000 in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated October 13, 2000 on our consideration of the University's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.



Youngstown, Ohio
October 13, 2000

**YOUNGSTOWN STATE UNIVERSITY
BALANCE SHEETS**

<u>Assets</u>	<u>2000</u>	<u>1999</u>
CURRENT FUNDS		
Unrestricted		
Educational and general		
Cash, cash equivalents and temporary investments	\$ 4,200,880	\$ 9,870,763
Investments	8,058,463	4,944,041
Investments held by investment manager	194	168
Interest receivable	329,611	201,690
Interfund interest receivable	15,685	11,901
Accounts receivable (less allowance for doubtful accounts of \$1,169,696 in 2000 and \$638,893 in 1999)	1,309,589	1,941,590
Inventories	339,200	472,102
Interfund loan receivable	100,000	100,000
Prepaid expenses and deferred charges	430,987	224,886
Due from other funds	3,675,896	813,052
	<hr/>	<hr/>
Total educational and general unrestricted	18,460,505	18,580,193
Auxiliary enterprises		
Cash, cash equivalents and temporary investments	495,805	326,299
Investments	1,154,980	534,181
Accounts receivable (less allowance for doubtful accounts of \$16,631 in 2000 and \$22,979 in 1999)	394,702	546,301
Inventories	1,026,909	1,107,862
Prepaid expenses and deferred charges	42,943	41,887
Due from other funds	0	80,301
	<hr/>	<hr/>
Total auxiliary enterprises unrestricted	3,115,339	2,636,831
Total unrestricted	<hr/>	<hr/>
	21,575,844	21,217,024
Restricted		
Educational and general		
Cash, cash equivalents and temporary investments	1,613,458	1,942,980
Investments	2,174,776	1,089,827
Investments held by investment manager	398,429	316,055
Interest receivable	1,278	1,187
Accounts receivable	2,248,485	1,419,649
Prepaid expenses and deferred charges	476,409	239,897
Due from other funds	228,866	414,415
	<hr/>	<hr/>
Total educational and general restricted	7,141,701	5,424,010

See accompanying notes to financial statements

Liabilities and Fund Balances

	<u>2000</u>	<u>1999</u>
CURRENT FUNDS		
Unrestricted		
Educational and general		
Accounts payable	\$ 756,661	\$ 254,850
Accrued salaries and wages	3,180,220	4,560,071
Other accrued liabilities	8,100,938	7,386,946
Early retirement incentive plan payable	505,898	4,225,597
Deferred revenue	3,475,285	3,478,886
Due to other funds	951,192	0
Fund balances-allocated	990,312	(2,616,963)
Fund balances-unallocated	499,999	1,290,806
	<hr/>	<hr/>
Total educational and general unrestricted	18,460,505	18,580,193
Auxiliary enterprises		
Accounts payable	221,022	396,059
Accrued salaries and wages	78,947	118,235
Other accrued liabilities	18,069	17,263
Deposits held for others	177,715	153,920
Deferred revenue	668,731	475,037
Due to other funds	343,085	114,377
Fund balances-allocated	97,738	114,438
Fund balances-unallocated	1,510,032	1,247,502
	<hr/>	<hr/>
Total auxiliary enterprises unrestricted	3,115,339	2,636,831
Total unrestricted	<hr/> 21,575,844	<hr/> 21,217,024
Restricted		
Educational and general		
Accounts payable	86,737	3,981
Accrued salaries and wages	12,659	39,525
Accrued liabilities	690	848
Deferred revenue	26,095	0
Due to other funds	2,741,428	1,372,686
Fund balances	4,274,092	4,006,970
	<hr/>	<hr/>
Total educational and general restricted	7,141,701	5,424,010

**YOUNGSTOWN STATE UNIVERSITY
BALANCE SHEETS**

Assets

	<u>2000</u>	<u>1999</u>
Restricted		
Auxiliary enterprises		
Cash, cash equivalents and temporary investments	97,503	14,645
Investments	161,573	54,775
Accounts receivable	3,650	0
Due from other funds	<u>0</u>	<u>64,140</u>
Total auxiliary enterprises restricted	<u>262,726</u>	<u>133,560</u>
Total restricted	<u>7,404,427</u>	<u>5,557,570</u>
Total current funds	\$ <u>28,980,271</u>	\$ <u>26,774,594</u>
 LOAN FUNDS		
Cash, cash equivalents and temporary investments	\$ 226,305	\$ 292,001
Investments	197,171	110,264
Loans receivable (less allowance for doubtful loans of \$468,800 in 2000 and \$487,133 in 1999)	2,727,032	2,510,941
Total loan funds	\$ <u><u>3,150,508</u></u>	\$ <u><u>2,913,206</u></u>
 ENDOWMENT AND FUNDS FUNCTIONING AS ENDOWMENT		
Cash, cash equivalents and temporary investments	\$ 731,740	\$ 1,217,050
Investments	936,930	551,605
Investments held by investment manager	5,600,432	5,323,294
Due from other funds	<u>167,756</u>	<u>0</u>
Total endowment and funds functioning as endowment	\$ <u><u>7,436,858</u></u>	\$ <u><u>7,091,949</u></u>
 PLANT FUNDS		
Unexpended		
Cash, cash equivalents and temporary investments	\$ 712,056	\$ 998,154
Investments	728,147	548,406
Interest receivable	53,486	0
Interfund loan receivable	100,000	100,000
Interfund interest receivable	15,684	11,901
Due from other funds	<u>0</u>	<u>15,466</u>
Total unexpended	<u>1,609,373</u>	<u>1,673,927</u>

See accompanying notes to financial statements

Liabilities and Fund Balances

	<u>2000</u>	<u>1999</u>
Restricted		
Auxiliary enterprises		
Accounts payable	142,203	170
Due to other funds	1,182	258
Fund balances	119,341	133,132
	<hr/>	<hr/>
Total auxiliary enterprises restricted	262,726	133,560
	<hr/>	<hr/>
Total restricted	7,404,427	5,557,570
	<hr/>	<hr/>
Total current funds	\$ 28,980,271	\$ 26,774,594
	<hr/>	<hr/>
LOAN FUNDS		
Due to other funds	\$ 265	\$ 0
Other	20	0
Fund balances		
Government grants, refundable		
Perkins loans	2,400,168	2,201,836
University funds-allocated	700,021	664,669
University funds-restricted	50,034	46,701
	<hr/>	<hr/>
Total loan funds	\$ 3,150,508	\$ 2,913,206
	<hr/>	<hr/>
ENDOWMENT AND FUNDS FUNCTIONING AS ENDOWMENT		
Fund balances		
Endowment	\$ 5,600,984	\$ 5,339,953
Funds functioning as endowment	1,835,874	1,751,996
	<hr/>	<hr/>
Total endowment and funds functioning as endowment	\$ 7,436,858	\$ 7,091,949
	<hr/>	<hr/>
PLANT FUNDS		
Unexpended		
Accounts payable	\$ 162,582	\$ 244,051
Interfund loan payable	300,000	300,000
Interfund interest payable	47,053	35,703
Due to other funds	9,094	9,094
Fund balance-allocated	1,149,706	816,235
Fund balance-restricted	(59,062)	268,844
	<hr/>	<hr/>
Total unexpended	1,609,373	1,673,927
	<hr/>	<hr/>

**YOUNGSTOWN STATE UNIVERSITY
BALANCE SHEETS**

Assets

	<u>2000</u>	<u>1999</u>
Renewal and replacement		
Cash, cash equivalents and temporary investments	1,123,346	3,407,225
Investments	1,444,706	494,695
Interest receivable	16,435	11,898
Interfund interest receivable	15,684	11,901
Accounts receivable	288,785	821,008
Interfund loan receivable	100,000	100,000
Due from other funds	0	45,084
	<hr/>	<hr/>
Total renewal and replacement	2,988,956	4,891,811
	<hr/>	<hr/>
Retirement of indebtedness		
Cash, cash equivalents and temporary investments	183,212	210,929
Investments	210,860	91,185
Deposits held by trustee	143,526	140,901
Due from other funds	0	91,958
	<hr/>	<hr/>
Total retirement of indebtedness	537,598	534,973
	<hr/>	<hr/>
Investment in plant		
Land	12,051,067	11,053,182
Buildings	215,913,232	208,477,171
Improvements other than buildings	18,643,607	17,716,234
Moveable equipment, furniture and library books	63,591,512	64,267,456
Construction in progress	45,360	0
Lease equipment	3,421,374	3,281,379
	<hr/>	<hr/>
Total investment in plant	313,666,152	304,795,422
	<hr/>	<hr/>
Total plant funds	\$ 318,802,079	\$ 311,896,133
	<hr/>	<hr/>
AGENCY FUNDS		
Cash, cash equivalents and temporary investments	\$ 49,444	\$ 91,413
Investments	7,769	4,666
	<hr/>	<hr/>
Total agency funds	\$ 57,213	\$ 96,079
	<hr/>	<hr/>

See accompanying notes to financial statements

Liabilities and Fund Balances

	<u>2000</u>	<u>1999</u>
Renewal and replacement		
Accrued salaries & wages payable	697	414
Accounts payable	818,994	979,703
Due to other funds	4,734	4,556
Fund balances-allocated	2,231,786	3,877,860
Fund balances-restricted	(67,255)	29,278
	<hr/>	<hr/>
Total renewal and replacement	<u>2,988,956</u>	<u>4,891,811</u>
Retirement of indebtedness		
Accrued interest payable	32,339	33,835
Bond issuance cost payable	11,570	5,271
Due to other funds	21,041	21,041
Fund balance	472,648	474,826
	<hr/>	<hr/>
Total retirement of indebtedness	<u>537,598</u>	<u>534,973</u>
Investment in plant		
Bonds payable	16,479,825	17,219,108
Capital lease payable	1,360,856	1,877,482
Fund balance	295,825,471	285,698,832
	<hr/>	<hr/>
Total investment in plant	<u>313,666,152</u>	<u>304,795,422</u>
Total plant funds	<u>\$ 318,802,079</u>	<u>\$ 311,896,133</u>
AGENCY FUNDS		
Accrued liabilities	\$ 56,716	\$ 3,434
Due to other funds	497	2,404
Deposits held in custody for others	0	90,241
	<hr/>	<hr/>
Total agency funds	<u>\$ 57,213</u>	<u>\$ 96,079</u>

YOUNGSTOWN STATE UNIVERSITY
Statement of Changes in Fund Balances

	Current Unrestricted				Current Restricted	
	Educational and General		Auxiliary Enterprises		Educational and General	Auxiliary Enterprises
	Unallocated	Allocated	Unallocated	Allocated		
Revenue and other additions						
Unrestricted current fund revenue	\$ 97,154,702		14,140,452			
Federal grants and contracts					8,333,177	
State grants and contracts					5,670,295	
Local grants and contracts					87,599	
Private gifts, grants and contracts					6,611,505	845,908
Endowment income					185,260	
Investment income					13,920	
Interest on loans receivable		3,783				
State of Ohio projects completed and capitalized Expended for plant facilities (including \$2,478,743 charged to current fund expenditures)						
Retirement of indebtedness					13,895	
Other revenue and additions						
Total revenue and other additions	<u>97,154,702</u>	<u>3,783</u>	<u>14,140,452</u>	<u>0</u>	<u>20,915,651</u>	<u>845,908</u>
Expenditures and other deductions						
Educational and general expenditures	87,153,876	1,342,339			20,718,875	
Auxiliary enterprises expenditures			17,453,719			872,863
Indirect costs recovered					94,812	
Loan cancellations and write-offs						
Interest on indebtedness						
Expended for plant facilities (including \$322,900 not capitalized)						
Retirement of indebtedness						
Disposal and write-off of plant facilities						
Other deductions						
Total expenditures and other deductions	<u>87,153,876</u>	<u>1,342,339</u>	<u>17,453,719</u>	<u>0</u>	<u>20,813,687</u>	<u>872,863</u>
Transfers among funds-additions (deductions)						
Mandatory						
Principal and interest	(548,422)		(898,283)			
Loan fund match	(54,664)					
Nonmandatory						
Current allocated fund balances-net	(5,065,332)	5,074,952	16,700	(16,700)		
Support to auxiliary enterprises	(5,182,464)		5,182,464			
Capital improvement	(20)					
Other interfund transfers	59,269	(129,121)	(725,084)		165,158	13,164
Total transfers	<u>(10,791,633)</u>	<u>4,945,831</u>	<u>3,575,797</u>	<u>(16,700)</u>	<u>165,158</u>	<u>13,164</u>
Net increase (decrease) in fund balances before cumulative effect of a change in accounting principle	<u>(790,807)</u>	<u>3,607,275</u>	<u>262,530</u>	<u>(16,700)</u>	<u>267,122</u>	<u>(13,791)</u>
Cumulative effect of a change in accounting principle						
Fund balances at beginning of year	<u>1,290,806</u>	<u>(2,616,963)</u>	<u>1,247,502</u>	<u>114,438</u>	<u>4,006,970</u>	<u>133,132</u>
Fund balances at end of year	<u>\$ 499,999</u>	<u>990,312</u>	<u>1,510,032</u>	<u>97,738</u>	<u>4,274,092</u>	<u>119,341</u>

See accompanying notes to financial statements

Loan Funds	Endowment and Funds Functioning as Endowment	Plant Funds				2000 Total	1999 Total
		Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment in Plant		
163,991			55,343			\$ 111,350,497	\$ 107,131,639
			3,602,023			8,497,168	8,202,173
3,333	68,719	562,936				9,272,318	7,060,758
						87,599	194,563
						8,092,401	10,038,940
		225,088	33,006	6,852		185,260	163,910
47,716		3,784	3,784			278,866	175,425
						59,067	92,137
					3,408,123	3,408,123	7,650,705
					10,309,785	10,309,785	3,093,546
					765,000	765,000	820,000
73,825	192,312	15,292	2,445	19,419	1,054,174	1,371,362	2,689,630
288,865	261,031	807,100	3,696,601	26,271	15,537,082	153,677,446	147,313,426
						109,215,090	104,688,518
						18,326,582	16,859,682
						94,812	116,901
106,512						106,512	40,052
				818,316		818,316	848,483
		865,616	5,781,018			6,646,634	5,035,841
				765,000		765,000	820,000
					2,536,043	2,536,043	4,440,649
				9,083	25,718	34,801	29,548
106,512	0	865,616	5,781,018	1,592,399	2,561,761	138,543,790	132,879,674
54,664		(117,245)		1,563,950		0	0
						0	0
		(9,620)				0	0
		20				0	0
	83,878	190,926	341,810			0	0
54,664	83,878	64,081	341,810	1,563,950	0	0	0
237,017	344,909	5,565	(1,742,607)	(2,178)	12,975,321	15,133,656	14,433,752
					(2,848,682)	(2,848,682)	0
2,913,206	7,091,949	1,085,079	3,907,138	474,826	285,698,832	305,346,915	290,913,166
3,150,223	7,436,858	1,090,644	2,164,531	472,648	295,825,471	\$ 317,631,889	\$ 305,346,918

YOUNGSTOWN STATE UNIVERSITY
Statement of Current Funds Revenues, Expenditures, and Other Changes

	Unrestricted			
	Educational and General		Auxiliary Enterprises	
	Unallocated	Allocated	Unallocated	Allocated
Revenue				
Tuition, fees, and other student charges	\$ 45,918,418			
State appropriations	48,187,366			
Federal grants and contracts				
State grants and contracts				
Local grants and contracts				
Private gifts, grants, and contracts	144,784		7,375	
Sales and services	125,067		13,978,758	
Investment income	1,240,776			
Other sources	1,538,291	3,783	154,319	
Total revenue	<u>97,154,702</u>	<u>3,783</u>	<u>14,140,452</u>	<u>0</u>
Expenditures and mandatory transfers				
Educational and general				
Instruction and departmental research	44,111,350	95,686		
Separately budgeted research	167,336	66,297		
Public services	2,658,452	47,063		
Academic support	7,892,824	21,846		
Student services	5,857,903	391,998		
Institutional support	15,798,784	698,313		
Operation and maintenance of plant	8,360,191	21,136		
Scholarships	2,307,036			
Total educational and general	<u>87,153,876</u>	<u>1,342,339</u>	<u>0</u>	<u>0</u>
Auxiliary enterprises			17,453,719	
Mandatory transfers	603,086		898,283	
Total expenditures and mandatory transfers	<u>87,756,962</u>	<u>1,342,339</u>	<u>18,352,002</u>	<u>0</u>
Nonmandatory transfers and additions (deductions)				
Current allocated fund balances-net	(5,065,332)	5,074,952	16,700	(16,700)
Support to auxiliary enterprises	(5,182,464)		5,182,464	
Capital improvements	(20)			
Other interfund transfers	59,269	(129,121)	(725,084)	
Excess of restricted receipts over transfers to revenue				
Indirect costs recovered				
Net Increase (decrease) in fund balances	<u>\$ (790,807)</u>	<u>3,607,275</u>	<u>262,530</u>	<u>(16,700)</u>

See accompanying notes to financial statements

For The Year Ended June 30, 2000

<u>Restricted</u>		<u>Total Current Funds 2000</u>	<u>Total Current Funds 1999</u>
<u>Educational and General</u>	<u>Auxiliary Enterprises</u>		
		\$ 45,918,418	\$ 44,901,625
		48,187,366	46,802,964
8,267,993		8,267,993	7,919,301
5,250,334		5,250,334	4,608,426
66,758		66,758	80,335
6,992,927	508,814	7,653,900	6,492,686
56,387		14,160,212	13,098,991
84,476		1,325,252	1,013,046
	<u>364,049</u>	<u>2,060,442</u>	<u>1,144,189</u>
<u>20,718,875</u>	<u>872,863</u>	<u>132,890,675</u>	<u>126,061,563</u>
1,142,472		45,349,508	45,062,080
326,677		560,310	495,863
2,436,778		5,142,293	4,329,849
4,291		7,918,961	9,088,764
78,260		6,328,161	5,934,768
80,506		16,577,603	13,841,016
		8,381,327	8,067,564
<u>16,649,891</u>		<u>18,956,927</u>	<u>17,868,615</u>
<u>20,718,875</u>	<u>0</u>	<u>109,215,090</u>	<u>104,688,519</u>
	872,863	18,326,582	16,859,682
		1,501,369	1,605,823
<u>20,718,875</u>	<u>872,863</u>	<u>129,043,041</u>	<u>123,154,024</u>
		9,620	46,877
		0	0
		(20)	(1,158,893)
165,158	13,164	(616,614)	86,960
196,776	(26,955)	169,821	1,090,157
<u>(94,812)</u>		<u>(94,812)</u>	<u>(90,204)</u>
<u>267,122</u>	<u>(13,791)</u>	<u>\$ 3,315,629</u>	<u>\$ 2,882,436</u>

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Note 1 - Summary of Significant Accounting Policies

Organization

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

The University, together with Kent State University and The University of Akron; created a consortium to establish and govern Northeastern Education Television of Ohio, Inc. (NETO), Channels 45 and 49, Kent, Ohio, and Northeastern Ohio Universities College of Medicine (NEOUCOM), Rootstown, Ohio. These organizations are legally separate from the University, accordingly, their financial activity is not included within the accompanying financial statements.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, the University's financial statements are included, as a discrete entity, on the State of Ohio's Consolidated Annual Financial Report.

Basis of Accounting

The financial statements of the University have been prepared on the accrual basis in accordance with generally accepted accounting principles except for depreciation of plant and equipment which is not required to be recorded by governmental institutions of higher education. Under this accounting method, resources for various purposes are classified into funds in accordance with specific activities or objectives, with separate accounts maintained for each fund. For reporting purposes, funds with similar characteristics are combined into fund groups, and financial transactions are recorded and reported by such fund groups.

Within each fund group, fund balances restricted by outside sources are so indicated and are distinguished from internally designated and unrestricted funds. Restricted funds may only be utilized in accordance with the purposes established by the source of such funds. Internally designated funds are unrestricted funds that, at the discretion of the Board of Trustees, have been designated for specific purposes.

Unrestricted and internally designated funds are accounted for initially in the unrestricted current fund group and then in the designated fund group. Restricted revenues are accounted for in the

YOUNGSTOWN STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS

appropriate restricted fund and are reported as revenue when utilized for current operating purposes. All gains and losses arising from the sale, collection or other disposition of investments and non-cash assets are accounted for in the fund which owned such assets. Income derived from investments and notes receivable are accounted for in the fund owning such assets, except for income derived from investments of endowment and funds functioning as endowment, which is accounted for in the fund to which it is restricted or, if unrestricted, as revenue in unrestricted current funds.

Unrestricted revenues, relating primarily to tuition and other student fees, which are billed in advance of the services to be provided are reported as deferred in the current period and recognized as income in the period during which the related services are provided.

To the extent current funds are used to finance plant assets, the amounts so provided are accounted for as (1) current fund expenditures in the case of normal replacement of moveable equipment, library books, and furniture or (2) non-mandatory transfers to the plant fund groups.

Endowment and Funds Functioning as Endowment

Endowment funds are subject to the restrictions of gift instruments, usually requiring in perpetuity that the principal be invested and the income only be utilized. Funds functioning as endowment have been established by the Board of Trustees for the same purpose as endowment funds, however, any portion of such funds may be expended.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost or, if acquired by gift, at an appraisal value at the date of the gift. The University follows the general governmental educational institution practice of not providing for depreciation. The estimated cost to complete construction in progress at June 30, 2000 was \$857,640.

The University changed its capitalization policy in fiscal year 2000. The threshold for capitalizing equipment was increased from \$1,000 to \$1,500 and betterments from \$500 to \$1,000. Additionally, the University retroactively wrote-off equipment acquired in previous years that did not meet the new capitalization policy. The cumulative effect of the change, which was recorded as a disposal of plant facilities in the Investment in Plant fund, amounted to \$2,848,682.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the first in, first out (FIFO) method.

Financial Statement Presentation

Data in the total columns of the accompanying financial statements have been included to provide a basis for comparison between fiscal years and present summarized information only, without regard to restrictions by individual fund. As such, this data does not present financial position or results of operations in conformity with generally accepted accounting principles.

Income Taxes

The Internal Revenue Service has ruled that the University's income is generally exempt from Federal income taxes under Section 115 of the Internal Revenue Code. The University is subject to tax on unrelated business income and has made the necessary provision in the accompanying financial statements.

Gifts and Pledges (Unaudited)

The University does not report pledges in the financial statements until the gifts are received. The University's records indicate that approximately \$1,100,000 and \$4,000,000 in pledges were outstanding at June 30, 2000 and 1999, respectively. Since pledges are often payable either at the discretion of the donors or through their estates, neither the receivable value nor the period of collection can be determined.

Compensated Absences

Accumulated unpaid vacation and sick leave benefits have been accrued in accordance with GASB Statement No.16, "Accounting for Compensated Absences". Unpaid vacation and sick leave benefits of \$4,854,804 and \$4,283,232 have been accrued at June 30, 2000 and 1999, respectively.

**YOUNGSTOWN STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS**

Due to and due from other funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates. The more significant estimates relate to allowance for uncollectible accounts receivable and compensated absences.

Reclassifications

Certain prior year amounts have been reclassified to conform with current year classifications.

Note 2 - State Support

The University is a state-assisted institution of higher education which receives a student-based subsidy from the State of Ohio. This subsidy is determined annually based upon a formula devised by the Ohio Board of Regents.

In addition to the student subsidies, the State of Ohio provides funding for the construction of major plant facilities on the University campus. Funding is obtained from the issuance of revenue bonds by the Ohio Public Facilities Commission (OPFC), which in turn is used for the construction and subsequent lease of the facilities by the Ohio Board of Regents.

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

Construction in progress for any portion of new facilities being financed by State agencies for use by the University is recorded on the University's books of account as the funds are expended for construction. Upon completion of a facility, the Board of Regents turns over control to the University which capitalizes the cost thereof. Construction in progress was \$45,360 in 2000 and \$0 in 1999.

Outstanding debt issued by OPFC is not included on the University's balance sheet. In addition, the appropriations by the General Assembly to the Board of Regents for payment of debt service are not reflected as appropriation revenue received by the University, and the related debt service payments are not recorded in the University's accounts.

Note 3 - Cash, Cash Equivalents, and Temporary Investments

Investments with maturities of three months or less when purchased are treated as cash equivalents.

For financial statement presentation purposes, cash in banks has been combined with the University's cash equivalents and temporary investments in repurchase agreements and certificate of deposits. The aggregate cost of repurchase agreements and certificate of deposits, which approximates market value, included in cash, cash equivalents, and temporary investments is \$10,027,234 and \$16,502,882 as of June 30, 2000 and 1999, respectively.

In accordance with Section 135.18 of the Ohio Revised Code, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC) or pledge a pool of securities with a value of at least 110% of the total value of public monies on deposit at the institution. All collateral, both specific and pooled, is held by the Federal Reserve Bank of Cleveland or by a designated trustee as agent for the public depositories used by the University.

GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements," requires cash, cash equivalents and temporary investments held by the University to be categorized into the following credit risk categories:

1. Insured or collateralized with securities held by the University, or by its agent in the University's name.
2. Collateralized with securities held by the pledging financial institution's trust department or agent in the University's name.
3. Uncollateralized (This includes any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the University's name).

**YOUNGSTOWN STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS**

At June 30, 2000 and 1999, the carrying amount of the University's bank deposits, cash equivalents and temporary investments were \$9,577,275 and \$18,512,360 and the bank balances were \$11,198,197 and \$18,372,155, respectively. The difference in carrying amount and bank balance is caused by items in transit and outstanding checks. Of the balance: \$100,000 in 2000 and \$100,000 in 1999 was covered by federal depository insurance (Credit Risk Category 1); \$0 was covered in 2000 or 1999 by the pledging of specific assets of the financial institution in the University's name (Credit Risk Category 2); and the remaining balance of \$11,098,197 in 2000 and \$18,272,155 in 1999 is uncollateralized (Credit Risk Category 3).

Note 4 -Investments

In accordance with GASB Statement No. 31, the University records investments at fair value and recognizes unrealized gains and (losses) in the financial statements. The change in unrealized gain (loss) on investments is reflected in the Statement of Changes in Fund Balances as "Other Revenue and Additions" as follows:

Restricted funds	\$	217
Endowment and similar funds		(179,479)
Plant funds		<u>13,587</u>
Net	\$	<u>(165,675)</u>

GASB Statement No. 3 requires investments held by the University to be categorized into the following credit risk categories:

1. Insured or registered, or securities held by the University or its agent in the University's name.
2. Uninsured and unregistered, with securities held by the broker's trust department or agent in the University's name.
3. Uninsured and unregistered with securities held by the broker or by its trust department or agent, but not in the University's name.

**YOUNGSTOWN STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS**

Year Ended June 30, 2000

The University's investments are categorized below, in accordance with GASB Statement No. 3, as category three credit risk at June 30, 2000 and 1999:

	<u>June 30, 2000</u>		<u>June 30, 1999</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Pooled Investments				
U S Government and Agency Securities	\$6,531,828	\$6,575,375	\$ 6,393,887	\$ 6,423,645
Certificate of Deposit	<u>8,500,000</u>	<u>8,500,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Total Pooled Investments	15,031,828	15,075,375	8,393,887	8,423,645
Investments Held by Investment Manager:				
Common Stock	1,668,346	3,671,636	1,673,388	3,785,042
Corporate Notes and Bonds	985,432	946,487	859,846	858,146
Preferred Stock	201,000	178,750	201,000	195,875
U S Government and Agency Securities	898,060	862,007	548,049	528,726
Other Securities	<u>340,175</u>	<u>340,175</u>	<u>271,728</u>	<u>271,728</u>
Total Investments Held by Investment Manager	<u>4,093,013</u>	<u>5,999,055</u>	<u>3,554,011</u>	<u>5,639,517</u>
Total	<u>\$19,124,841</u>	<u>\$21,074,430</u>	<u>\$11,947,898</u>	<u>\$14,063,162</u>

Note 5 - Bonds Payable

Bonds Payable consist of General Receipts Bonds, Series 1996B, Series 1997 and Series 1998. The Series 1996A and B Bonds and the Series 1997 Bonds were issued December 18, 1996 and May 15, 1997, respectively. The proceeds were used for the construction of a stadium club, stadium loges and press box improvement. The Series 1998 Bonds were issued January 28, 1998 for the purpose of advance refunding the Series 1989 Bonds, Series 1994 Bonds and the retirement of the 1996A Bonds.

**YOUNGSTOWN STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS**

Details of the Bonds Payable are as follows:

	<u>Stated Interest Rate</u>	<u>Effective Interest Rate</u>	<u>Maturity Year</u>	<u>Original Principal</u>
<u>1996B:</u>				
Term Bonds	7.15%	7.15%	2005	\$1,420,000
<u>1997:</u>				
Term Bonds	6.25%	6.25%	2017	\$ 200,000
<u>1998:</u>				
Serial Bonds	3.60%-4.70%	3.60%-4.75%	1998-2012	\$ 11,920,000
Term Bonds	4.75%	4.86%	2016	5,030,000

The indebtedness created through all issues of the general receipts bonds is bound by the provision of the 1989 Trust Agreement and subsequent supplemental trust agreements. The University has complied with all covenant requirements.

The debt is secured by a pledge of all University general receipts, except for State appropriations, and those receipts previously pledged or otherwise restricted. In lieu of a bond reserve fund, the University has elected, as permitted by the trust agreements, to purchase an insurance policy and surety bond equal to the maximum annual debt service as a guarantee of principal and interest payments.

Scheduled debt service payments for the bonds subsequent to June 30, 2000 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$795,000	\$757,029	\$1,552,029
2002	835,000	717,610	1,552,610
2003	735,000	680,899	1,415,899
2004	760,000	647,329	1,407,329
2005	805,000	611,712	1,416,712
Thereafter	12,875,000	3,947,564	16,822,564

**YOUNGSTOWN STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS**

Year Ended June 30, 2000

Maturities of bonds payable for the fiscal years subsequent to June 30, 2000, are as follows:

	Series <u>1996B</u>	<u>General Receipts</u>		<u>Total</u>
		Series <u>1997</u>	Series <u>1998</u>	
2001	210,000	5,000	580,000	795,000
2002	225,000	5,000	605,000	835,000
2003	95,000	5,000	635,000	735,000
2004	100,000	5,000	655,000	760,000
2005	110,000	10,000	685,000	805,000
Thereafter	115,000	160,000	12,600,000	12,875,000

Note 6 - Deposits Held by Trustee-Plant Fund

Plant fund deposits are held in safekeeping by a bank as trustee and include cash and investments in government securities with a cost of \$143,526 and \$140,901 as of June 30, 2000 and 1999, respectively, which approximates market. These deposits, including interest on the investments, are retained in the trust for payment of principal and interest on the related outstanding indebtedness (Note 5).

Note 7 - Retirement Plans

Basic Retirement Benefits

Employee retirement benefits are available for substantially all employees under contributory retirement plans administered by the Public Employees Retirement System (PERS) and the State Teachers Retirement System (STRS). These retirement programs are statewide, cost-sharing, multiple-employer defined benefit plans. STRS and PERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits for plan members.

The Public Employees Retirement System's Comprehensive Annual Financial Report may be obtained by writing to Public Employees Retirement System of Ohio, 277 East Town St., Columbus, Ohio 43215-4642. The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate was 8.5% of covered payroll and the University was required to contribute 13.31% of covered payroll for 2000, 1999 and 1998. The University's contributions to PERS for the years ending June 30, 2000, 1999 and 1998 were

**YOUNGSTOWN STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS**

\$3,054,735, \$3,075,610 and \$2,952,153, respectively, equal to the required contributions for each year.

Beginning January 1, 1999 employees could elect to participate in the Alternative Retirement Plan. The employee contribution rate is 8.5% of covered payroll and the University is required to contribute 13.31% of covered payroll. The University pays 13.31% to the Alternative Retirement Plan selected by the employee. The University's contribution to the Alternative Retirement Plan was \$249,179 in 2000 and \$37,242 in 1999.

Certain PERS members are covered by the law enforcement benefit provisions, Section 145.33 (B), Ohio Revised Code (PERSLE). The employee contribution rate is 9% of covered payroll and the University is required to contribute 16.7% of covered payroll for the law enforcement coverage for 2000 and 1999. The University's contributions to PERSLE was \$119,604 in 2000 and \$107,056 in 1999.

The State Teachers Retirement System's Comprehensive Annual Financial Report may be obtained by writing to State Teacher's Retirement System of Ohio, 275 East Broad St., Columbus, Ohio 43215-3771. The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate was 9.3% in 2000, 1999 and 1998 of covered payroll and the University was required to contribute 14% of covered payroll for 2000, 1999 and 1998. The University's contributions to STRS for the years ending June 30, 2000, 1999 and 1998 were \$3,991,149, \$4,186,741 and \$4,130,712, respectively, equal to the required contributions for each year.

Beginning January 1, 1999 employees could elect to participate in the Alternative Retirement Plan. The employee contribution rate is 9.3% of covered payroll and the University is required to contribute 14% of covered payroll. The University pays 6% to STRS and 8% to the Alternative Retirement Plan. The University's contribution to STRS was \$131,859 in 2000 and \$19,744 in 1999. The University's contribution to the Alternative Retirement Plan was \$177,980 in 2000 and \$26,326 in 1999.

Note 8 - Postretirement Benefits

Public Employees Retirement System

The Public Employees Retirement System of Ohio provides postretirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit. The health care coverage provided by the retirement system is considered an other postemployment benefit (OPEB). Health care coverage is available for disability recipients and primary survivor

recipients. A portion of the University's contribution to PERS is set aside for funding post retirement health care as required of public employers under the statutory authority of the Ohio Revised Code. The employer contribution rate for the years ended June 30, 2000, 1999 and 1998 was 13.31% of covered payroll; 4.2% was the portion used to fund health care. Benefits are advance-funded using an entry age normal actuarial cost method to determine the present value of benefit liabilities and normal cost.

The number of benefit recipients eligible for OPEB at December 31, 1999 (the latest date information is available) was 118,062. The portion of the University's 2000, 1999 and 1998 contributions to PERS used to fund postretirement benefits was \$ 963,928, \$970,515 and \$556,976, respectively. The retirement systems' net assets available for payment of benefits at December 31, 1999 (the latest date information is available) was \$ 9.8 billion.

State Teachers Retirement System

The State Teachers Retirement System provides comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physician fees, prescription drugs, and reimbursement of Medicare premiums. No premiums are currently paid by retirees or primary benefit recipients. Premium payments, as determined by the State Teachers Retirement Board, pursuant to the ORC, are required for covered spouses and other dependents. The University's contribution rate for 2000, 1999 and 1998 was 14% of covered payroll, of which 8% in 2000, 8% in 1999 and 3.5% in 1998 was used to fund health care benefits. Benefits are advance-funded, using an entry age normal actuarial cost method to determine the present value of benefit liabilities and normal cost.

Eligible benefit recipients at June 30, 1999 (the latest date information is available) were 95,796. The portion of the University's 2000, 1999 and 1998 contributions to STRS used to fund postretirement benefits was \$2,280,656, \$2,392,424 and \$1,032,618, respectively. The health care reserve fund within the employers' trust fund from which payments for health care benefits are paid has a balance of \$2.783 billion at June 30, 1999. Health care benefits paid by the plan were \$249.929 million for the fiscal year ended June 30, 1999.

Note 9 - Early Retirement Incentive Plans

During Fiscal Year (FY) 1995, the University's Board of Trustees adopted an Early Retirement Incentive Plan (ERIP) offered by PERS.

**YOUNGSTOWN STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS**

Under the 1995 PERS plan, the University offered to purchase up to five years of service credit for eligible PERS members. During the enrollment period which ended May 1, 1995 for the FY 1995 ERIP, one-hundred and two employees elected to accept the ERIP with a latest possible retirement date of October 31, 1996.

The University elected to fund the FY 1995 liability in installments over the number of years purchased for each employee at a total principal cost of \$5,834,981 plus annual interest of 7.5% on the outstanding principal. The University's outstanding principal payments for the ERIP-PERS are scheduled as follows:

Year Ending <u>June 30</u>	Principal <u>Payments</u>
2001	\$ 505,898

Note 10 - Related Organization

Not included in these financial statements is the Youngstown State University Foundation (YSUF), a not-for-profit organization operated to provide support for the general educational needs of the University.

The University files an application for any funds requested from YSUF, which is subject to approval by the Board of Trustees of YSUF. Financial support received from YSUF was \$3,381,700 and \$2,904,000 for the fiscal years ended June 30, 2000 and 1999 respectively.

The University entered into an agreement with Youngstown State University Foundation (YSUF) to manage the University's endowment funds. Under this agreement, the YSUF provides management services free of charge and invests the funds in a manner consistent with YSUF funds. Proceeds are forwarded to the University on an as needed basis to satisfy the individual endowment purposes. At June 30, 2000 and 1999, the cost of the University's investments managed by YSUF was \$4,093,013 and \$3,554,011 respectively and the fair value was \$5,999,055 and \$5,639,517 respectively.

Note 11 - Litigation

During the normal course of its operations, the University has been notified of threatened claims and has become a defendant in various legal actions. In the opinion of legal counsel and the University administration, the disposition of these threatened claims and pending cases will not have a material adverse effect on the financial condition of the University.

**YOUNGSTOWN STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS**

Year Ended June 30, 2000

Note 12 - Lease Obligations

The University leases certain computer equipment, telephone switch equipment and a printing press under capital lease agreements. The computer equipment capital lease bears interest between 4.82 – 7.26%. The telephone switch equipment capital lease bears interest at 5.65%. The printing press capital lease bears interest at 7.09%. At June 30, 2000, \$3,421,374 is included in Investment in Plant in the balance sheet.

Future minimum lease payments under the capital leases are as follows:

Year Ending <u>June 30</u>	Computer <u>Equipment</u>	Telephone Switch <u>Equipment</u>	Printing <u>Press</u>	<u>Total</u>
2001	\$ 584,175	\$ 150,000	\$ 32,410	\$ 766,585
2002	359,288	199,237	32,410	590,935
2003	18,271	-	32,410	50,681
2004	-	-	32,410	32,410
2005	<u>-</u>	<u>-</u>	<u>16,205</u>	<u>16,205</u>
Total future minimum Lease payments	961,734	349,237	145,845	1,456,816
Less amount representing interest	<u>45,891</u>	<u>28,762</u>	<u>21,308</u>	<u>95,961</u>
Total obligations under capital lease	\$ <u>915,843</u>	\$ <u>320,475</u>	\$ <u>124,537</u>	\$ <u>1,360,855</u>

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

THE BOARD OF TRUSTEES
YOUNGSTOWN STATE UNIVERSITY

We have audited the financial statements of Youngstown State University (the University) as of and for the year ended June 30, 2000, and have issued our report thereon dated October 13, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

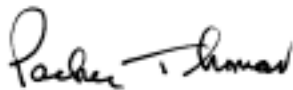
As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the University's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that we have reported to management of the University, in a separate letter dated October 13, 2000.

This report is intended for the information of the board of trustees, management, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Robert Thomas". The signature is written in a cursive style with a large initial "R" and a long horizontal stroke extending to the right.

Youngstown, Ohio
October 13, 2000

REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

THE BOARD OF TRUSTEES
YOUNGSTOWN STATE UNIVERSITY

Compliance

We have audited the compliance of Youngstown State University (the University) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2000. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the University's compliance with those requirements.

In our opinion, the University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

Internal Control Over Compliance

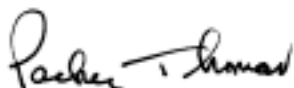
The management of the University is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the University's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the University as of and for the year ended June 30, 2000, and have issued our report thereon dated October 13, 2000. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the board of trustees, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Youngstown, Ohio
October 13, 2000

Youngstown State University
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2000

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Agency or Pass-Through Number	Fund Balance June 30, 1999	Revenue Recognized	Disbursements/ Expenditures	Fund Balance June 30, 2000
U.S. Department of Education						
Student Financial Assistance Programs						
Pell Grant	84.063	N/A	\$ 42,787	\$ 6,182,263	\$ 6,216,813	\$ 8,237
Supplemental Educational Opportunity Grant	84.007	N/A	37,631	441,292	473,725	5,198
College Work Study	84.033	N/A	(22,425)	505,112	508,518	(25,831)
Perkins Loan Program	84.038	N/A	2,590,395	338,314	104,984	2,823,725
Subtotal-Student Financial Assistance Program			2,648,388	7,466,981	7,304,040	2,811,329
Small Business Administration						
Passed through the Ohio Department of Development						
Small business development center, year 12	59.005	ECD0-99-035	-	46,994	46,994	-
Small business development center, year 13	59.005	N/A	-	121,910	121,910	-
Small business institute program	59.005	SB-95-0549-6209	7,549	-	62	7,487
Subtotal-Small Business Administration			7,549	168,904	168,966	7,487
National Science Foundation						
San Diego Grant	47.076	N/A	-	43,999	23,344	20,655
NSF-Integration of Quantitative Materials	47.076	N/A	-	1,707	1,707	-
NSF-Investigative Approaches in Science	47.076	N/A	-	32,754	31,082	1,672
Nuclear Isomer Report	47.076	N/A	-	8,912	8,912	-
Subtotal			-	87,372	65,045	22,327
NSF-Matrix Isolation	47.049	N/A	-	2,000	725	1,275
Subtotal-National Science Foundation			-	89,372	65,770	23,602

The accompanying notes are in integral part of these financial statements.

Youngstown State University
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2000

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Agency or Pass-Through Number	Fund Balance June 30, 1999	Revenue Recognized	Disbursements/ Expenditures	Fund Balance June 30, 2000
U.S. Department of Education						
Passed through the State of Ohio Department of Education for MAC Tech-Prep	84.243	VETP-22X	\$ 36,481	\$ 119,362	\$ 83,108	\$ 72,735
Passed through the Ohio Department of Education - Marion Professional Development	84.243	N/A	900	-	-	900
Passed through the Ohio Department of Education for Mac Tech - Student Enrollment	84.243	N/A	9,289	3,259	12,548	-
Education - Information Tech	84.243	N/A	-	73,259	57,874	15,385
Subtotal			46,670	195,880	153,530	89,020
Character Education	84.215V	N/A	3,984	-	3,984	-
Ohio Partnership in Character Education	84.215V	N/A	-	7,710	7,710	-
Subtotal			3,984	7,710	11,694	-
Upward Bound	84.047A	N/A	-	73,711	73,711	-
Passed through the State of Ohio Department of Education for 2-year college strategic plan	84.048	CP11-P97	3,802	53,221	46,339	10,684
Passed through the Ohio Board of Regents for Professional Teaching Standards	84.151	N/A	233	-	233	-
Eisenhower Grant - Simple Machines and Mechanics	84.281	8-64	6,820	20,759	27,545	34
Tri City Partnership for Excellance	84.336B	N/A	-	65,520	65,503	17
Subtotal-U.S. Department of Education			61,509	416,801	378,555	99,755
Department of Housing and Urban Development						
School to Work for Kids Toys	14.248	N/A	-	2,209	2,209	-
School to Work Family Support	14.248	N/A	-	1,000	1,000	-
School to Work Block Grant - Business 2000	14.248	M-300	2,000	-	2,000	-
Subtotal			2,000	3,209	5,209	-

The accompanying notes are in integral part of these financial statements.

Youngstown State University
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2000

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Agency or Pass-Through Number	Fund Balance June 30, 1999	Revenue Recognized	Disbursements/ Expenditures	Fund Balance June 30, 2000
<hr/>						
Passed through the Trumbull County Board of Alcohol Drug and Mental Health						
Community partnership evaluation	14.863	N/A	\$ 10,826	\$ -	\$ 6,168	\$ 4,658
Entrepreneurship Training Program	14.863	N/A	2,850	-	2,850	-
EDSS	14.863	N/A	376	-	374	2
Subtotal			14,052	-	9,392	4,660
<hr/>						
PHDEP	14.854	N/A	(17)	-	(20)	3
Youngstown Metropolitan Housing Authority YMHA Market/Land Use Study Evaluation of the East Liverpool	14.854	N/A	-	8,774	8,773	1
Youngstown Metropolitan Housing Authority YMHA Drug Elimination Project Evaluation	14.854	N/A	-	2,214	2,214	-
Subtotal			(17)	10,988	10,967	4
<hr/>						
City Grant Writer Services	14.21CDBG	N/A	-	39,581	39,581	-
Subtotal-Department of Housing and Urban Development			16,035	53,778	65,149	4,664
<hr/>						
Department of Justice						
Task Force GIS Mapping	16.579	N/A	-	37,386	37,386	-
Passed through State of Ohio to Office of Criminal Justice Service - Byrne Grant Evaluation	16.579	N/A	-	14,921	14,921	-
Passed through State of Ohio to Office of Criminal Justice Service - Rape Prevention Web Page	16.579	95-DG-B01-7254	285	-	285	-
Subtotal			285	52,307	52,592	-

The accompanying notes are in integral part of these financial statements.

Youngstown State University
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2000

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Agency or Pass-Through Number	Fund Balance June 30, 1999	Revenue Recognized	Disbursements/ Expenditures	Fund Balance June 30, 2000
Consultation Crime Analysis Passed through State of Ohio to Office of Criminal Justice Service - Steps to Success	16.XXX	N/A	\$ -	\$ 13,375	\$ 7,276	\$ 6,099
Youngstown Police Department Grant	16.54	98-JJ-DP2-0481	544	15,861	16,405	-
Bulletproof Vest Partnership	16.595	N/A	-	7,717	7,717	-
Subtotal-U.S. Department of Justice	16.607	N/A	-	14,405	14,405	-
			829	103,665	98,395	6,099
U.S. Department of Labor						
Passed through Mahoning County Educational Service Center School to Work for Teachers	17.248	N/A	-	4,832	4,832	-
Private Industry Council Job Training Initiative 98-99	17.25	N/A	-	174,286	174,286	-
Welfare Collaberation	17.253	N/A	-	17,022	17,022	-
Subtotal-U.S. Department of Labor			-	196,140	196,140	-
Corporation for National & Community Service						
Governor's Community Service Commission Youngstown Americorps Rejuvenation Project	94.006	94ASCOHO36-Y3-F11	(19)	-	-	(19)
Commercial Resources Evaluation of East Liverpool	94.XXX	N/A	-	2,620	2,620	-
Subtotal-Corporation for National & Community Service			(19)	2,620	2,620	(19)
Department of Defense						
Reconnaissance Phase Project	12.109	N/A	1,072	-	1,072	-
Air Force Office of Scientific Research Examination of Critical Issues in Triggering of Gamma Rays from 178HFm2	12.8	96-0136	-	81,165	81,165	-
Subtotal-U.S. Department of Defense			1,072	81,165	82,237	-
Hydrogen Bonding/Proton Transfer	46.076	CHE-9505888	\$ -	\$ 98,751	\$ 98,751	\$ -

The accompanying notes are in integral part of these financial statements.

Youngstown State University
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2000

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Agency or Pass-Through Number	Fund Balance June 30, 1999	Revenue Recognized	Disbursements/ Expenditures	Fund Balance June 30, 2000
National Youth Sport Program	93.57	N/A	31,954	88,811	120,576	189
Environment Canada Cyclodiene Pesticides Analysis	N/A	KM061-6-6059	-	9,889	9,889	-
Strengthening Institutions	83.031A	N/A	-	26,500	26,500	-
Youngstown Consolidated Plan	14.21	N/A	-	10,424	10,424	-
Mahoning Valley Environmental Justice	66.606	N/A	-	57,902	57,902	-
TOTAL FEDERAL AWARDS			\$ 2,767,317	\$ 8,871,703	\$ 8,685,914	\$ 2,953,106

The accompanying notes are in integral part of these financial statements.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2000

(1) GENERAL

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards of Youngstown State University (the University). Federal financial assistance received directly from federal agencies as well as federal awards passed through other government agencies are included on the accompanying schedule.

(2) BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting.

(3) RELATIONSHIP TO FINANCIAL STATEMENTS

Federal financial assistance is reported in the University's financial statements as follows:

Current restricted funds	
Educational and general	
Federal grants and contracts	\$ 8,533,388
Loan funds	
Interest and other revenue	283,650
Transfer in	54,664
	<u>338,314</u>
	<u>\$ 8,871,702</u>

(4) FEDERAL FAMILY EDUCATION LOANS (FFEL)

Disbursements of these loans to students, which are not reflected in the University's financial statements, were \$18,361,424 and \$17,882,686 for the years ended June 30, 2000 and 1999, respectively.

Youngstown State University

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2000

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Youngstown State University.
2. No reportable conditions relating to the audit of the financial statements are reported in the Schedule of Findings and Questioned Costs.
3. No instances on noncompliance material to the financial statements of Youngstown State University were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs is reported in the Schedule of Findings and Questioned Costs.
5. The auditor's report on compliance for the major federal award programs for Youngstown State University expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for Youngstown State University are reported in Part C of this Schedule.
7. The programs tested as major programs include: Federal Pell Grant (CFDA #84.063), Federal Perkins Loan (CFDA #84.038), Federal Supplemental Educational Opportunity Grant (CFDA #84.007), Federal Work Study (CFDA #84.033).
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Youngstown State University was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

NONE

REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES TO THE RECORDS OF YOUNGSTOWN STATE UNIVERSITY AND TO ITS SYSTEM OF INTERNAL ACCOUNTING CONTROL

Dr. David C. Sweet
President
Youngstown State University

We have audited the financial statements of Youngstown State University (University) as of and for the year ended June 30, 2000, and have issued our unqualified report thereon under date of October 13, 2000. At your request, we also have applied certain agreed-upon procedures, as discussed below, to the accounting records and system of internal accounting control of the University, as of June 30, 2000, solely to assist the University in complying with NCAA Bylaw 6.2.3.1. It is understood that this report is solely for your information and is not to be referred to or distributed for any purposes to anyone who is not a member of management of the University or an authorized representative of the National Collegiate Athletic Association. Our procedures and findings are as follows:

STATEMENT OF REVENUE, SUPPORT, AND EXPENDITURES--AGREED-UPON SUBSTANTIVE PROCEDURES

(a) We obtained the statement of revenue, support, and expenditures of the Youngstown State University Intercollegiate Athletics Department for the year ended June 30, 2000, as prepared by management and shown as an appendix to this letter. We recalculated the addition of the amounts on the statement, traced the amounts on the statement to management's worksheets and agreed the amounts on management's worksheets to the University's general ledger. We noted no differences between the amounts on the general ledger and the amounts on the worksheets. We discussed the nature of the worksheet adjustments with management and are satisfied that the adjustments are appropriate.

(b) We compared revenue, support, and expenditures to amounts recorded for the previous year and budgeted amounts for the current year. We analytically reviewed the fluctuations and obtained explanations for the significant fluctuations.

(c) We obtained a copy of the financial statements of the Penguin Club for the year ended June 30, 2000 and performed the following:

Confirmed the revenue, support, and expenditures listed on the Penguin Club's statement of revenues, support, and expenditures directly with a responsible official of the Penguin Club.

Reconciled the amounts recorded on the University's intercollegiate athletics programs statement of revenue, support, and expenditures to those amounts included in the Penguin Club's financial statements.

Because the above procedures "(a)" through "(c)" do not constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on any of the accounts or items referred to above. In connection with procedures "a" through "c" referred to above, no matters came to our attention that caused us to believe that the specified accounts or items should be adjusted. Had we performed additional procedures or had we made an audit of any financial statements of the intercollegiate athletics department of the University in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to you. This report relates only to the accounts and items specified above and does not extend to the financial statements of the University or its intercollegiate athletics department taken as a whole.

INTERNAL CONTROL STRUCTURE: POLICIES AND PROCEDURES RELATED TO INTERCOLLEGIATE ATHLETICS--AGREED-UPON PROCEDURES

The management of the University is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

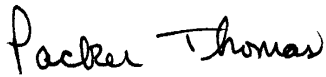
Because of inherent limitations in any system of internal accounting control, fraud may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate. Our procedures and findings are as follows:

(d) We reviewed and discussed an organization chart of the intercollegiate athletics department with management. We reviewed the extent of documentation of accounting systems and procedures. We also made certain inquiries of management regarding control consciousness, competence of personnel and protection of records and equipment. We noted a lack of segregation of duties in the cash receipt area as follows: (1) processing of mail receipts; (2) reconciliation of deposit slips to athletic department cash receipt records and (3) reconciliation of cash amounts received to supporting receivable documentation.

(e) We noted that the Athletic Business Office has internal controls in place; however, the effectiveness of these controls is somewhat limited by the lack of segregation of duties.

(f) We found that the accounting records of the outside booster organization, the Penguin Club, are maintained by the University's athletic business office and are audited by independent auditors.

Agreed-upon procedures "(d)", "(e)" and "(f)" applied to certain aspects of the University's system of internal accounting control and were more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole. Because our study and evaluation was limited to applying agreed-upon procedures "(d)", "(e)" and "(f)" to certain aspects of the system of internal accounting control, we do not express an opinion on whether the system of internal accounting control of the University in effect for the year ended June 30, 2000, taken as a whole, was sufficient to meet the objectives stated above.



Youngstown, Ohio
January 5, 2001

Youngstown State University
STATEMENT OF REVENUE, SUPPORT AND EXPENDITURES
FOR THE INTERCOLLEGIATE ATHLETICS DEPARTMENT

Year ended June 30, 2000

	UNRESTRICTED						Penguin Club	Total
	Football	Basketball	Other Sports	Nonprogram Specific	Restricted			
REVENUE AND SUPPORT								
Revenue								
Ticket sales	\$ 580,343	\$ 135,469	\$ -	\$ -	\$ 355,417	\$ -	\$ -	\$ 1,071,229
Fund raising (net of cost of services of \$97,611)	-	-	-	-	-	461,363	-	461,363
Revenue sharing	65,462	13,161	92,296	-	-	-	-	170,919
M.C.C. Share of Men's Basketball		73,769						73,769
Telephone and vending machine commissions	-	-	-	99,592	-	-	-	99,592
Guarantees	85,000	55,000	-	-	-	-	-	140,000
Program advertising	63,841	-	-	-	6,900	-	-	70,741
Stambaugh Stadium viewing boxes	419,997	-	-	-	-	-	-	419,997
Stambaugh Stadium scoreboard panels	81,500	-	-	-	-	-	-	81,500
Penguin sports network	-	-	-	61,860	250	-	-	62,110
Courtside coaches club	-	2,975	-	-	-	-	-	2,975
Gifts and grants	7,850	-	-	-	448,346	-	-	456,196
Program sales	10,320	1,474	-	-	6,753	-	-	18,547
Advertising panel	-	30,780	16,069	-	-	-	-	46,849
Miscellaneous	45,595	-	-	14,743	28,242	-	-	88,580
TOTAL REVENUE	1,359,908	312,628	108,365	176,195	845,908	461,363		3,264,367
Support								
Non-mandatory transfers and additions								
General fees allocation	187,279	294,337	1,997,532	1,691,211	-	-	-	4,170,359
TOTAL REVENUE AND SUPPORT	1,547,187	606,965	2,105,897	1,867,406	845,908	461,363		7,434,726
EXPENDITURES								
Personal services								
Salaries	395,862	177,372	434,519	1,097,734	49,072	-	-	2,154,559
Fringe benefits	106,412	51,131	135,577	317,368	9,377	-	-	619,865
TOTAL PERSONAL SERVICES	502,274	228,503	570,096	1,415,102	58,449	-		2,774,424

The accompanying notes are an integral part of these financial statements.

Youngstown State University
STATEMENT OF REVENUE, SUPPORT AND EXPENDITURES
FOR THE INTERCOLLEGIATE ATHLETICS DEPARTMENT (continued)

Year ended June 30, 2000

	UNRESTRICTED					Restricted	Penguin Club	Total
	Football	Basketball	Other Sports	Nonprogram Specific				
EXPENDITURES (continued)								
Operating expenses								
Scholarships	\$ 663,055	\$ 138,388	\$ 769,566	\$ (15,699)	\$ -	\$ -	\$ -	\$ 1,555,310
Team travel	153,193	79,545	299,340	6,482	153,789	-	-	692,349
Recruiting	40,268	33,957	28,304	-	3,300	-	-	105,829
Supplies	54,287	7,768	60,064	60,389	66,137	-	-	248,645
Guarantees	87,000	27,128	2,713	-	6,000	-	-	122,841
Telephone	18,585	13,098	13,307	21,480	749	-	-	67,219
Officials	27,260	26,548	28,851	33,434	25,322	-	-	141,415
Printing	-	-	-	8,396	52,812	148,790	-	209,998
Pre-season practice	78,029	-	29,864	-	1,305	-	-	109,198
Food service	-	-	-	-	-	-	-	-
Miscellaneous	495	-	300	14,303	259,863	301,840	-	576,801
Postage and freight	-	-	-	40,188	324	-	-	40,512
Clinics and meetings	-	-	-	19,454	3,874	-	-	23,328
Equipment	-	-	-	-	177,825	-	-	177,825
Liability insurance	-	-	-	49,749	-	-	-	49,749
Training room supplies	-	-	-	-	-	-	-	-
Rentals--facilities	-	-	36,701	19,872	1,106	-	-	57,679
Maintenance and repairs	-	654	300	8,871	12,810	-	-	22,635
Awards and recognitions	-	166	-	11,044	4,052	64,682	-	79,944
Subscriptions and publications	-	57	360	2,525	-	-	-	2,942
Publicity	-	-	-	42,705	4,351	-	-	47,056
Dues	-	-	-	48,800	-	-	-	48,800
Security Services	-	-	-	-	11,916	-	-	11,916
Business relations	4,820	6,572	7,040	615	27,088	-	-	46,135
Stadium contributions	-	-	-	-	-	20,000	-	20,000
Property, plant and equipment purchases	-	-	8,719	-	1,790	-	-	10,509
TOTAL OPERATING EXPENSES	1,126,992	333,881	1,285,429	372,608	814,413	535,312	-	4,468,635
TOTAL EXPENDITURES	1,629,266	562,384	1,855,525	1,787,710	872,862	535,312	-	7,243,059

The accompanying notes are an integral part of these financial statements.

**STATEMENT OF REVENUE, SUPPORT AND EXPENDITURES
FOR THE INTERCOLLEGIATE ATHLETICS DEPARTMENT (continued)**

Year ended June 30, 2000

	UNRESTRICTED					Restricted	Penguin Club	Total
	Football	Basketball	Other Sports	Nonprogram Specific				
Revenue and support in excess of (less than) expenditures	\$ (82,079)	\$ 44,581	\$ 250,372	\$ 79,696	\$ (26,954)	\$ (73,949)	\$ 191,667	
Transfers from (to) other funds	1,667	556	1,975	(271,308)	13,163	-	(253,947)	
Reserve for encumbrances	-	-	-	(23,652)	-	-	(23,652)	
REVENUE AND SUPPORT IN EXCESS OF (LESS THAN) EXPENDITURES, TRANSFERS AND RESERVE	\$ (80,412)	\$ 45,137	\$ 252,347	\$ (215,264)	\$ (13,791)	\$ (73,949)	\$ (85,932)	

NOTES TO AGREED-UPON PROCEDURES REPORT

June 30, 2000

NOTE 1--PROPERTY, PLANT AND EQUIPMENT

This category includes amounts expended from current funds for acquisition of property, plant and equipment purchases.

NOTE 2--RELATED PARTIES

Certain employees of the University's Intercollegiate Athletic Department are also officers of the Penguin Club, the outside booster organization. The following represents the individual's role at both the University and Penguin Club levels:

University
Executive Director of Athletics

Penguin Club
Trustee and Executive Director

NOTE 3--CONTRIBUTIONS

For the year ended June 30, 2000, the Intercollegiate Athletic Department received two individual contributions which constituted more than 10 percent of all contributions received by the Department. The Penguin Club and the Youngstown State University Foundation made cash contributions of \$535,312 and \$50,000, respectively.

**WYSU-FM,
Youngstown State
University Radio**

**AUDITED FINANCIAL STATEMENTS AND
SCHEDULE OF NONFEDERAL
FINANCIAL SUPPORT**

Years ended June 30, 2000 and 1999

REPORT OF INDEPENDENT AUDITORS

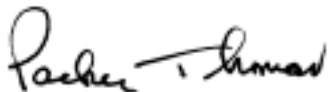
THE BOARD OF TRUSTEES
YOUNGSTOWN STATE UNIVERSITY

We have audited the accompanying balance sheets of WYSU-FM, Youngstown State University Radio, as of June 30, 2000 and 1999, and the related statements of support, revenues, expenditures, and changes in fund balances and cash flows for the years then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WYSU-FM, Youngstown State University Radio, as of June 30, 2000 and 1999, and the changes in fund balances and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in the Schedule of Nonfederal Financial Support is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Youngstown, Ohio
December 18, 2000

BALANCE SHEETS

June 30, 2000 and 1999

	2000				1999			
	Operating Funds		Property Fund	Total	Operating Funds		Property Fund	Total
	Unrestricted	Restricted	Unrestricted		Unrestricted	Restricted	Unrestricted	
ASSETS								
CURRENT ASSETS								
Cash and cash equivalents	\$ 195,268	\$ 127,318	\$ -	\$ 322,586	\$ 127,737	\$ 37,269	\$ -	\$ 165,006
Prepaid expenses	-	289	-	289	-	289	-	289
Accounts receivable	225	19,689	-	19,914	88,529	75,983	-	164,512
TOTAL CURRENT ASSETS	195,493	147,296	-	342,789	216,266	113,541	-	329,807
PROPERTY AND EQUIPMENT								
Transmitter, antenna, and tower	-	-	269,391	269,391	-	-	259,033	259,033
Studio and other broadcast equipment	-	-	267,124	267,124	-	-	324,078	324,078
Furniture and fixtures	-	-	57,885	57,885	-	-	30,972	30,972
TOTAL PROPERTY AND EQUIPMENT	-	-	594,400	594,400	-	-	614,083	614,083
TOTAL ASSETS	\$ 195,493	\$ 147,296	\$ 594,400	\$ 937,189	\$ 216,266	\$ 113,541	\$ 614,083	\$ 943,890
LIABILITIES AND FUND BALANCES								
CURRENT LIABILITIES								
Accounts payable and accrued expenses	\$ 43,222	\$ 1,236	\$ -	\$ 44,458	\$ 49,674	\$ -	\$ -	\$ 49,674
TOTAL CURRENT LIABILITIES	43,222	1,236	-	44,458	49,674	-	-	49,674
FUND BALANCES	152,271	146,060	594,400	892,731	166,592	113,541	614,083	894,216
TOTAL LIABILITIES AND FUND BALANCES	\$ 195,493	\$ 147,296	\$ 594,400	\$ 937,189	\$ 216,266	\$ 113,541	\$ 614,083	\$ 943,890

**STATEMENTS OF SUPPORT, REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES**

June 30, 2000 and 1999

	2000				1999			
	Operating Funds		Property Fund	Total	Operating Funds		Property Fund	Total
	Unrestricted	Restricted	Unrestricted		Unrestricted	Restricted	Unrestricted	
SUPPORT AND REVENUE								
General appropriation from the University	\$ 363,711	\$ -	\$ -	\$ 363,711	\$ 362,429	\$ -	\$ -	\$ 362,429
In-kind contributions	112,458	-	-	112,458	122,081	-	-	122,081
Donated facilities and administrative support from the University	148,849	-	-	148,849	108,139	-	-	108,139
Subscription and membership income	162,814	10,140	-	172,954	151,587	10,563	-	162,150
Community service grants from Corporation for Public Broadcasting	88,715	38,021	-	126,736	88,304	35,162	-	123,466
Other revenue	63,089	39,934	-	103,023	58,915	60,152	-	119,067
TOTAL SUPPORT AND REVENUE	939,636	88,095	-	1,027,731	891,455	105,877	-	997,332
EXPENDITURES								
Program services								
Programming and production	339,487	69,846	-	409,333	286,202	99,000	-	385,202
Broadcasting	131,348	-	-	131,348	146,802	-	-	146,802
Program information	22,968	1,434	-	24,402	32,778	-	-	32,778
Supporting services--management and general	286,325	16,815	-	303,140	224,533	6,877	-	231,410
Fund raising and membership development	172,349	-	-	172,349	167,253	-	-	167,253
Disposal of property and equipment	-	-	30,289	30,289	-	-	7,505	7,505
TOTAL EXPENDITURES	952,477	88,095	30,289	1,070,861	857,568	105,877	7,505	970,950
Excess (deficit) of support and revenue over expenditures	(12,841)	-	(30,289)	(43,130)	33,887	-	(7,505)	26,382
Equipment transfers (net)	(1,480)	(9,126)	10,606	-	(10,584)	-	10,584	-
Excess of restricted receipts over transfers to revenue	-	41,645	-	41,645	-	19,767	-	19,767
Fund balances--at beginning of year	166,592	113,541	614,083	894,216	143,289	93,774	611,004	848,067
FUND BALANCES--AT END OF YEAR	\$ 152,271	\$ 146,060	\$ 594,400	\$ 892,731	\$ 166,592	\$ 113,541	\$ 614,083	\$ 894,216

STATEMENTS OF CASH FLOWS

June 30, 2000 and 1999

	2000				1999			
	Operating Funds		Property Fund	Total	Operating Funds		Property Fund	Total
	Unrestricted	Restricted	Unrestricted		Unrestricted	Restricted	Unrestricted	
CASH FLOWS FROM OPERATING ACTIVITIES								
(Deficit) excess of support and revenue over expenditures	\$ (12,841)	\$ -	\$ (30,289)	\$ (43,130)	\$ 33,887	\$ -	\$ (7,505)	\$ 26,382
Excess of restricted receipts over transfers to revenue	-	41,645	-	41,645	-	19,767	-	19,767
Disposal of property and equipment	-	-	30,289	30,289	-	-	7,505	7,505
Change in assets and liabilities:								
(Increase) decrease in:								
Prepaid expenses	-	-	-	-	-	(89)	-	(89)
Accounts receivable	88,304	56,294	-	144,598	(88,304)	(46,118)	-	(134,422)
(Decrease) increase in:								
Accounts payable and accrued expenses	(6,452)	1,236	-	(5,216)	(17,366)	-	-	(17,366)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	69,011	99,175	-	168,186	(71,783)	(26,440)	-	(98,223)
CASH FLOWS FROM INVESTING ACTIVITIES								
Acquisition of equipment	(1,480)	(9,126)	-	(10,606)	(10,584)	-	-	(10,584)
NET CASH (USED) BY INVESTING ACTIVITIES	(1,480)	(9,126)	-	(10,606)	(10,584)	-	-	(10,584)
NET INCREASE (DECREASE) IN CASH	67,531	90,049	-	157,580	(82,367)	(26,440)	-	(108,807)
CASH AT BEGINNING OF YEAR	127,737	37,269	-	165,006	210,104	63,709	-	273,813
CASH AT END OF YEAR	\$ 195,268	\$ 127,318	\$ -	\$ 322,586	\$ 127,737	\$ 37,269	\$ -	\$ 165,006

The accompanying notes are an integral part of these financial statements.

WYSU-FM, Youngstown State University Radio
NOTES TO FINANCIAL STATEMENTS

June 30, 2000 and 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Organization

WYSU Radio (Station) is operated as a function of the Telecommunications Department of Youngstown State University (University) and is subject to the policies established by the University's Board of Trustees. It is a not-for-profit entity that reports annually to the Corporation for Public Broadcasting (CPB).

(b) Unrestricted Fund

This fund includes resources which are available for the general support of the Station.

(c) Restricted Fund

This fund includes contributions that are restricted by donors. Revenue is deferred until funds are expended.

(d) Property Fund

This fund includes resources invested in property and equipment.

(e) Property and Equipment

Equipment values are based on the University's movable equipment inventory listing of those items assigned to the Station. Property and equipment are recorded by the University at cost or, if acquired by gift, at an appraisal value at the date of the gift. The Station, at the direction of the University, follows the general practice for governmental educational institutions of not providing for depreciation.

(f) General Appropriation

General appropriation represents support from the University for salaries and operating expenditures not provided through other sources.

(g) Administrative Support

These funds are allocated by the University based on the Station's pro rata share of total salaries, wages, and administrative expenditures. Donated facilities consist of office and studio space together with related occupancy costs and are recorded as revenue and expenditures in the statements of support, revenues, expenditures, and changes in fund balances.

(h) Cash Equivalents

For purposes of the statements of cash flows, the Station considers all investments with a maturity date of three months or less at date of purchase to be cash equivalents.

(i) Use of Estimates

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

WYSU-FM, Youngstown State University Radio

SCHEDULE OF NONFEDERAL FINANCIAL SUPPORT

Year ended June 30, 2000

Direct income	\$	639,688
Indirect administrative support		148,849
In-kind contributions of services and other intangibles		112,458
	\$	900,995



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OFFICE OF THE AUDITOR

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YOUNGSTOWN STATE UNIVERSITY

MAHONING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 20, 2001**