

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

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**WOOD COUNTY**  
**FINANCIAL REPORT**  
**WITH SUPPLEMENTAL INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2025**



# OHIO AUDITOR OF STATE KEITH FABER


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

We have reviewed the *Independent Auditor's Report* of Bowling Green State University, Wood County, prepared by Forvis Mazars, LLP, for the audit period July 1, 2024 through June 30, 2025. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER  
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

February 09, 2026

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# Bowling Green State University

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## Independent Auditor's Report

Board of Trustees  
Bowling Green State University  
Bowling Green, Ohio

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the financial statements of the business-type activities and the discretely presented component unit of Bowling Green State University (University), collectively a component unit of the State of Ohio, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Bowling Green State University, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

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

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

### ***Supplementary Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2025, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

**Forvis Mazars, LLP**

Cincinnati, Ohio  
October 14, 2025

# Bowling Green State University

A Component Unit of the State of Ohio

Management's Discussion and Analysis

June 30, 2025

## Overview of the Financial Statements and Financial Analysis

This section of Bowling Green State University's (the "University") annual financial report presents management's discussion and analysis of the financial performance of the University during the fiscal years ended June 30, 2025 and 2024. This discussion provides an overview of the University's financial activities and should be read in conjunction with the accompanying financial statements and footnotes.

## Using the Annual Financial Statements

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

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

## Financial Highlights

During the most recent academic year, the University's financial position remained strong at June 30, 2025, with total assets of \$928.2 million and a total net position of \$424.4 million. Net position increased by \$31.1 million from \$393.3 million at June 30, 2024.

Bowling Green State University  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2025

On July 1, 2024, the University adopted GASB Statement No. 101, *Compensated Absences* (GASB 101). The new accounting guidance updates the recognition and measurement guidance for compensated absences under a unified model. Specifically, the new standard clarifies that a liability should be recorded for compensated absences that are more likely than not to be paid or otherwise settled. GASB 101 requires retroactive application to all prior periods presented. As a result of adoption of GASB 101, the University recognized an adjustment to beginning net position of \$2.3 million.

Effective July 1, 2024, as prescribed by National Association of College and University Business Officers (NACUBO) Advisory AR 2023-01, the University changed the accounting estimate for tuition discounting, a change from the Alternate Method used in prior years. As a result, more financial aid is now classified as a direct reduction to tuition revenue (a tuition discount allowance) and less is reported as scholarship expense. Data included herein, from fiscal year 2024, has not been restated for this change because 2024 financial statements are not presented in the basic financial statements and the change in estimate is implemented prospectively, as required.

In May 2024, the Board of Trustees approved Campus Master Plan 2024 (CMP 2024), a capital investment plan of approximately \$300 million carefully phased over the next fifteen years. At its May 2, 2025 meeting, the Board of Trustees approved a resolution to issue up to \$12.0 million in general receipts bonds to fund several of the first planned capital projects. This issue will provide funding for planning and renovations to Founders Residence Hall, planning for Kreischer Hall renovations, and planning and renovations to the fourth floor of McLeod Hall, which will house the new Math Emporium—a hands-on, computer-aided math learning center—along with updated faculty offices and related support spaces. As of the date of these financial statements, no new debt has been issued.

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

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

Bowling Green State University  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2025

**Statement of Net Position**

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

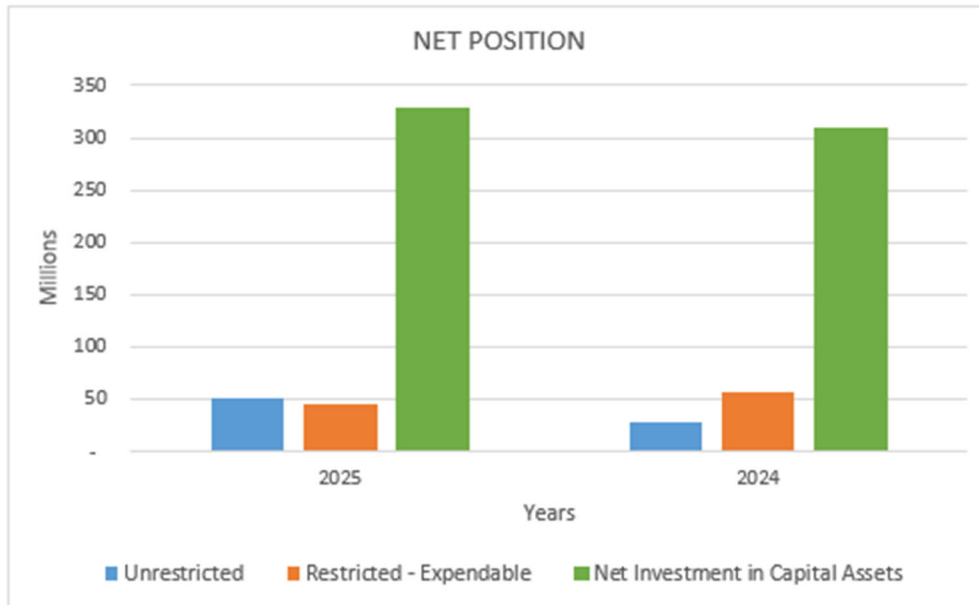
**Bowling Green State University  
Condensed Statements of Net Position  
as of June 30, 2025 and 2024 (in thousands)**

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
Current assets	\$ 314,961	\$ 315,928
Non-current assets:		
Capital assets	588,796	569,830
Other	<u>24,486</u>	<u>21,991</u>
Total non-current assets	<u>613,282</u>	<u>591,821</u>
Total assets	928,243	907,749
<b>Deferred outflows of resources</b>	38,510	54,644
<b>Liabilities</b>		
Current liabilities	68,983	68,134
Non-current liabilities	<u>449,483</u>	<u>476,196</u>
Total liabilities	518,466	544,330
<b>Deferred inflows of resources</b>	23,843	24,727
<b>Net position</b>		
Net investment in capital assets	328,755	309,012
Restricted, expendable	45,514	56,941
Unrestricted	<u>50,175</u>	<u>27,383</u>
Total net position	<u>\$ 424,444</u>	<u>\$ 393,336</u>

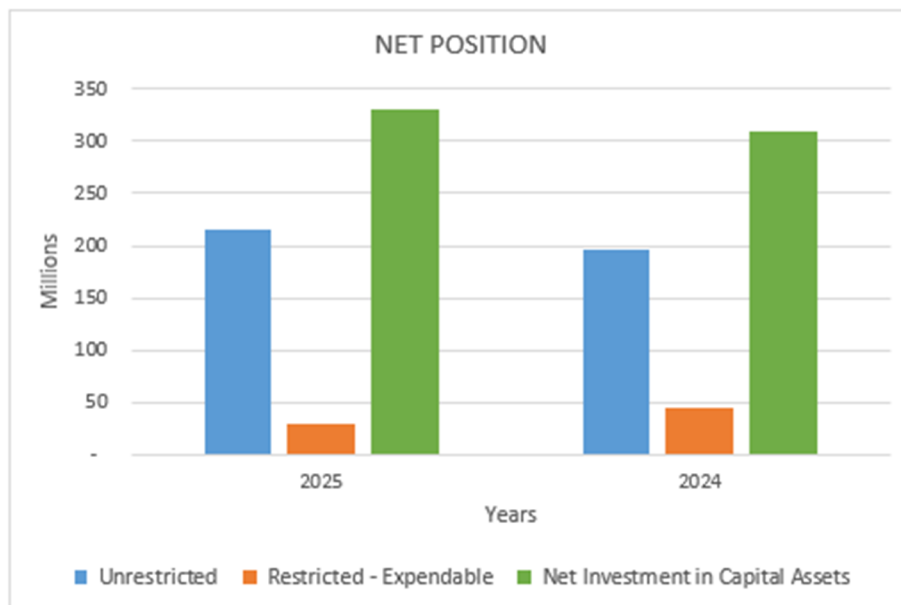


Bowling Green State University  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2025

The following chart provides a graphical breakdown of net position by category for the fiscal years ended June 30, 2025 and 2024 – **with** the impact of GASB Statement No. 68 and GASB Statement No. 75 adoption:



The following chart provides a graphical breakdown of net position by category for the fiscal years ended June 30, 2025 and 2024 – **without** the impact of GASB Statement No. 68 and GASB Statement No. 75 adoption:



Bowling Green State University  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2025

**2025 versus 2024**

University assets totaled \$928.2 million at June 30, 2025, compared to \$907.7 million at June 30, 2024, reflecting an increase of \$20.5 million.

- In fiscal year 2025, the University's current assets of \$315.0 million were sufficient to cover current liabilities of \$69.0 million (current ratio of 4.6).
- Accounts receivable, net of allowance for doubtful accounts were \$11.0 million at June 30, 2025, reflecting an overall decrease of \$1.3 million from the prior year. This decrease is related to the timing of payments on grants and other third party receivables.
- Current investments were \$289.6 million, or 31.2 percent of total assets at June 30, 2025, and increased by \$1.0 million over 2024. Net investment income of \$29.2 million was recorded during the year.
- Cash and cash equivalents were \$9.7 million at June 30, 2025 and decreased \$0.9 million over 2025 primarily due to the timing of transfers between the investment pool and the operating cash account at the fiscal year end.
- Restricted investments are funds held by trustees related to long-term debt issues. At June 30, 2025, restricted investments were \$0.6 million and decreased by \$1.3 million over 2024, related to drawdowns of bond funds as they are spent on capital projects.
- Capital assets (net of depreciation) were \$588.8 million (63.4 percent of total assets) at June 30, 2025 compared to \$569.8 million (62.7 percent of total assets) at June 30, 2024, reflecting a increase of \$19.0 million from the prior year.
- The University reported deferred outflows of resources of \$38.5 million at June 30, 2025 and deferred inflows of resources of \$23.8 million related to GASB Statement No. 68, GASB Statement No. 75, and GASB Statement No. 87. Certain amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, post-retirement benefits and leases are subject to amortization and will be expensed through recognition of annual amortization amounts in subsequent years' pension and OPEB expense, and lease revenues. Employer contributions to pension and OPEB plans subsequent to the measurement date are recognized as a reduction in the liability balances in the following year. The University's deferred outflows of resources decreased by \$16.1 million from the prior year and deferred inflows of resources decreased by \$0.9 million from the prior year.

Bowling Green State University  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2025

University liabilities totaled \$518.5 million at June 30, 2025 compared to \$544.3 million at June 30, 2024.

- Total current liabilities at June 30, 2025 of \$69.0 million reflect an increase of \$0.9 million over June 30, 2024 current liabilities of \$68.1 million.
- The noncurrent portion of long-term debt and other obligations decreased in 2025 by \$9.2 million, primarily due to debt payments made throughout the year.
- Pension obligations at June 30, 2025 were \$180.7 million compared to \$198.2 million at June 30, 2024. The decrease of \$17.5 million is the result of the change in the net pension and OPEB liabilities directly related to GASB Statement No. 68 and GASB Statement No. 75.

The University's total net position at June 30, 2025 is \$424.4 million, compared to the prior year of \$393.3 million, an increase of \$31.1 million. This increase is attributable to a number of factors including:

- As a result of adoption of GASB 101, the University recognized an increase to beginning net position of \$2.3 million.
- Operating revenues for 2025 increased by \$1.4 million in 2025 compared to 2024. Within operating revenues, gross tuition and fees, before discount, increased \$18.0 million and net auxiliary revenues increased by \$8.5 million. These increases are consistent with the enrollment increases the University experienced in academic year 2025.
- Operating expenses increased by \$3.1 million in 2025 compared to 2024. Educational and general expenditures increased by \$2.4 million in 2025, and auxiliary expenses increased by \$7.1 million over the prior year, both related to the enrollment increases the University experienced in academic year 2025. Other operating expenses decreased by \$2.0 million, primarily due to a decrease in health claims in 2025. The impact of adjustments related to GASB Statement No. 68 and GASB Statement No. 75 in 2025 was \$4.8 million less expense than in 2024. More details on these increases and decreases can be found below.
- An increase in state appropriations of approximately \$3.5 million.
- A \$11.9 million increase in nonexchange grants due to an increase in financial aid awarded.
- Of the total net assets, \$374.2 million is invested in capital assets or is restricted. The remaining \$50.2 million in unrestricted net assets has been designated or allocated for specific academic, research and support purposes, reserves, and quasi-endowments.

Bowling Green State University  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2025

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

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

**Bowling Green State University  
Condensed Statements of Revenues, Expenses and Changes in Net Position  
For years ended June 30, 2025 and 2024 (in thousands)**

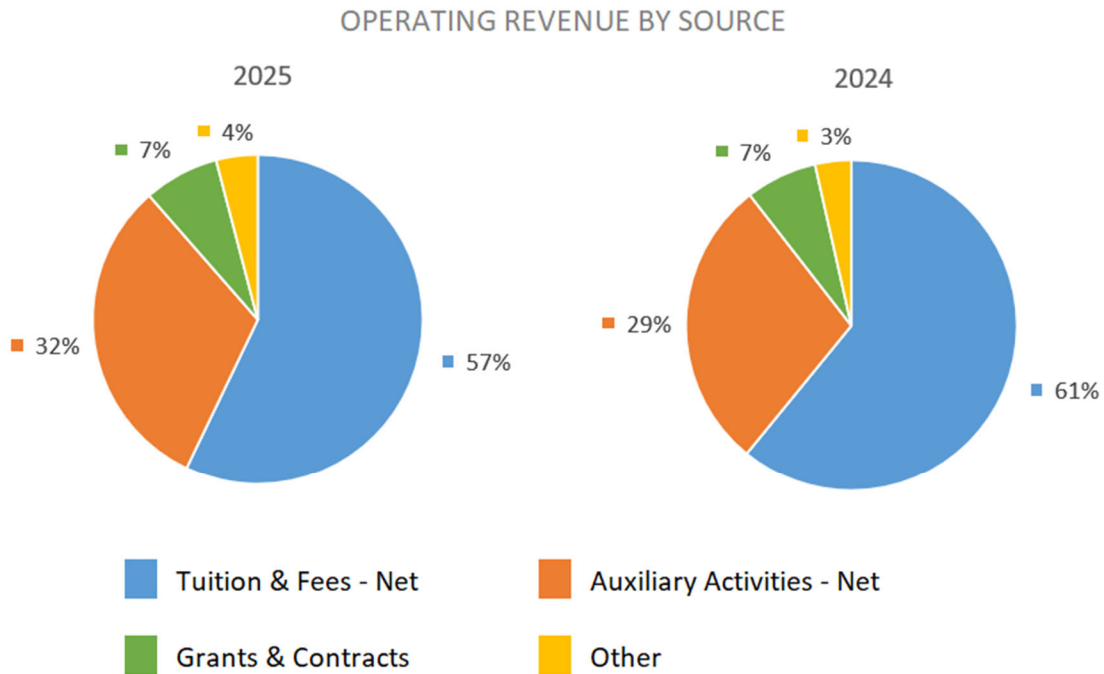
	<u>2025</u>	<u>2024</u>
<b>Operating revenues:</b>		
Student tuition and fees	\$ 160,109	\$ 169,856
Auxiliary enterprises	88,153	79,691
Grants and contracts	20,664	19,484
Sales and service	3,036	2,881
Other operating revenues	8,363	6,975
Total operating revenues	<u>280,325</u>	<u>278,887</u>
<b>Operating expenses:</b>		
Educational and general	321,074	318,651
Auxiliary enterprises	83,364	76,278
Depreciation and amortization	44,529	44,100
Pension and OPEB	(6,462)	(1,654)
Other expenses	230	2,235
Total operating expenses	<u>442,735</u>	<u>439,610</u>
Operating loss	<u>(162,410)</u>	<u>(160,723)</u>
<b>Nonoperating revenues (expenses):</b>		
State appropriations	93,046	89,552
Other nonoperating revenues and expenses	70,367	57,659
Total nonoperating revenues	<u>163,413</u>	<u>147,211</u>
Income (loss) before other changes	1,003	(13,512)
Capital appropriations, grants and gifts	27,764	10,466
Change in net position	28,767	(3,046)
<b>Net position</b>		
Net position at the beginning of the year	393,336	396,382
Adjustment for adoption of GASB 101	2,341	-
Net position at the end of year	<u>\$ 424,444</u>	<u>\$ 393,336</u>

Bowling Green State University  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2025

**Operating Revenues**

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

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



Bowling Green State University  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2025

**2025 versus 2024**

The most significant sources of operating revenues for the University are tuition and fees of \$160.1 million, which decreased \$9.7 million, or 5.7 percent over 2024. As shown in the table below, gross tuition increased \$18.0 million or 7.3 percent over 2024 due to an increase in enrollment. The tuition discount increased \$27.7 million over fiscal year 2024. The increase in scholarship allowance was partially due to implementing a change in estimate as prescribed by NACUBO Advisory AR 2023-01. The change resulted in showing more scholarship allowance as a reduction of student tuition and less as student aid expense. The net impact of the change to the net position is zero. Additionally, the allowance increased in 2025 due to an increase in nonoperating non-exchange grants and contracts, which increased \$11.9 million over 2024, due to additional federal and state financial aid grants awarded to students, as further described herein.

	<u>2025</u>	<u>2024</u>
<b>Operating revenues:</b>		
Student tuition and fees	\$ 263,880	\$ 245,926
Less: scholarship allowance	<u>103,771</u>	<u>76,070</u>
Net student tuition and fees	160,109	169,856
 <b>Operating expenses:</b>		
Education and general:		
Instruction	\$ 170,873	\$ 160,742
Research	11,416	12,296
Public services	6,035	5,644
Academic support	27,869	25,570
Student services	22,063	21,425
Institutional support	45,474	43,208
Operations and maintenance of plant	27,359	27,603
Student aid	<u>9,985</u>	<u>22,163</u>
Total education and general	321,074	318,651

Auxiliary enterprises, another significant source of University revenues, increased from \$79.7 million in 2024 to \$88.2 million in 2025. The increase in auxiliary revenue was primarily due to increased housing, dining and parking services in academic year 2024-2025, as compared to academic year 2023-2024, consistent with the University's increase in enrollment.

Grants and contracts revenue of \$20.7 million for the year ended June 30, 2025 increased \$1.2 million from 2024, as the University had a consistent number of active grants in both years.

Bowling Green State University  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2025

## **Operating Expenses**

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

### **2025 versus 2024**

Total operating expenses of \$442.7 million for 2025 increased overall by \$3.1 million, or 0.7 percent over 2024.

- Educational and general expenditures consist of instruction, research, public services, academic support, student services, institutional support, operations and maintenance of plant and student aid and totaled \$321.1 million for 2025 compared to \$318.7 million for 2024, reflecting an overall increase of \$2.4 million.
- Auxiliary enterprise expenses increased \$7.1 million in 2025 due to increased housing, dining, parking services, and athletics provided in academic year 2024-2025.
- Other operating expenses decreased \$2.0 million in 2025 due to a decrease in health claims from the prior year.
- GASB Statement No. 68 and GASB Statement No. 75 adjustments resulted in \$4.8 million less expense in fiscal year 2025 as compared to 2024.

## **Nonoperating Revenues**

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

Nonoperating revenue was impacted by the following factors:

- State appropriations remain the most significant source of nonoperating revenue, and totaled \$93.0 million in the current year, reflecting an increase of \$3.5 million, or 3.9 percent over 2024.

**Bowling Green State University**  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2025

- Non-exchange grants and contracts had an overall increase of \$11.9 million in 2025, primarily due to an increase in financial aid awarded. Federal non-exchange grants and contracts increased \$7.2 million over 2024, primarily due to increases in Pell grants awarded. State non-exchange grants and contracts increased \$4.7 million over 2024 due to the new Governor's Merit scholarship that provides up to \$5,000 per year for up to four years at a qualifying Ohio college or University, that first award scholarships to high school seniors in the Class of 2024 and those students matriculated in academic year 2024-2025. There were also increase in awards of the Ohio College Opportunity Grant (OCOG).
- Noncapital gifts from the Foundation increased \$1.1 million from 2024 to 2025, due to additional operating support provided by the Foundation.
- Net investment income of \$29.2 million reflects a decrease of \$0.3 million over prior year due to market performance during fiscal year 2025.

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

At June 30, 2025, the University had \$588.8 million of capital assets (net of accumulated depreciation), compared to \$569.8 million of net capital assets for the prior fiscal year. The increase of \$19.0 million is due to significant construction projects in 2025. The University is completing a two-year renovation project to upgrade two residence halls to add air conditioning in all bedrooms, study spaces, and social lounges. McDonald Hall re-opened in the fall 2024 and Kohl Hall re-opened in fall 2025. Additionally, set for completion in spring 2026, the University has begun construction on the Technology Engineering Innovation Center, which will add 24,000 square feet to the existing technology building. The expansion will feature seven specialized labs with flexible spaces to support high-tech equipment, advanced tools, and experiential learning. The new Technology Engineering Innovation Center will house the University's reimagined engineering programs in robotics engineering, electronics and computer engineering, and mechanical and manufacturing engineering.

The charges for depreciation and amortization included in the statement of revenues, expenses, and changes in net position were \$44.5 million for 2025 and \$44.1 million for 2024. Detailed information about the University's capital assets is presented in Note 5 to the financial statements.

The University's construction projects were supported by state capital appropriations of \$19.7 million in 2025, an increase of \$15.2 million over 2024 and capital grants and gifts of \$8.0 million, an increase of \$2.1 million over 2024.

The University did not issue any new debt in fiscal year 2025. As of June 30, 2025, the University's debt ratings are AA- as rated by Standard & Poor's Corporation and A1 as rated by Moody's Investor Service.

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



Bowling Green State University  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2025

**Statement of Cash Flows**

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

**Bowling Green State University  
Condensed Statements of Cash Flows  
For years ended June 30, 2025 and 2024 (in thousands)**

	<u>2025</u>	<u>2024</u>
Cash provided (used) by:		
Operating activities	\$ (124,707)	\$ (113,250)
Noncapital financing activities	143,144	126,721
Capital financing activities	(48,028)	(48,876)
Investing activities	<u>28,738</u>	<u>35,190</u>
Net decrease in cash and cash equivalents	(853)	(215)
Cash and cash equivalents, beginning of year	<u>10,558</u>	<u>10,773</u>
Cash and cash equivalents, end of year	<u><u>\$ 9,705</u></u>	<u><u>\$ 10,558</u></u>

For the year ended June 30, 2025:

- Major sources of cash provided by operating activities primarily included student tuition and fees of \$160.7 million, auxiliary enterprises of \$87.9 million, and federal, state and nongovernmental grants and contracts of \$20.2 million. Major uses of cash in operations primarily included payments to employees and benefits of \$263.4 million, and payments to vendors for supplies and services of \$129.5 million.
- Non-capital financing activities included cash provided from state appropriations of \$93.0 million, grants received for other than capital purposes of \$44.0 million, and noncapital gifts from the Foundation of \$6.1 million.
- Primary sources of cash from capital financing activities included capital grants received of \$8.0 million. Cash used to purchase capital assets was \$34.1 million. Principal paid on long-term debt, including leases and subscription-based IT assets, was \$11.9 million, and interest paid on long-term debt, including leases and subscription-based IT assets, was \$10.0 million.
- Investing activities included proceeds from sales and maturities of investments of \$227.3 million and investment income of \$12.0 million. Purchases of investments were \$210.6 million.

Bowling Green State University  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2025

## Economic Factors That Will Affect the Future

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

The economic position of the University is closely tied to the economic condition of the state, as all state universities in Ohio receive state financial support for both operations and capital improvements through appropriations by the legislature. Gross tuition revenue grew approximately \$18.0 million (7.3 percent) over prior year largely due to continued undergraduate enrollment increases reflecting the University's continued progress in attracting Ohio and out-of-state students to in-demand undergraduate programs (e.g., aviation, nursing, engineering) and the continued growth in the accelerated Doctorate of Physical Therapy graduate program.

<b>Fall 15<sup>th</sup> Day Headcount</b>	<b>Fall 2019</b>	<b>Fall 2020</b>	<b>Fall 2021</b>	<b>Fall 2022</b>	<b>Fall 2023</b>	<b>Fall 2024</b>	<b>Fall 2025</b>
BG Campus UG	15,104	14,992	14,468	13,873	14,014	14,785	15,282
Firelands Campus UG	2,171	2,085	1,946	1,849	1,938	2,106	2,259
<b>UNDERGRAD TOTAL</b>	<b>17,275</b>	<b>17,077</b>	<b>16,414</b>	<b>15,722</b>	<b>15,952</b>	<b>16,891</b>	<b>17,541</b>
BG Campus Grad	2,630	3,155	3,183	3,070	3,014	2,812	2,842
<b>GRAND TOTAL</b>	<b>19,905</b>	<b>20,232</b>	<b>19,597</b>	<b>18,792</b>	<b>18,966</b>	<b>19,703</b>	<b>20,383</b>

The University's continued improvement in successful course completions and graduations resulted in an increase in fiscal year 2025 state appropriations (State Share of Instruction or SSI) of \$3.5 million (3.9 percent) and contribute substantially to the successful maintenance and operation of the University.

As a part of the state of Ohio biennial budget for fiscal years 2026-2027, the state of Ohio incorporated a change to the SSI funding formula effective for fiscal year 2026 whereby approximately 4.6 percent of the funding is distributed based upon post-graduation employment wages at 1, 5 and 10 years after graduation. The budget bill also imposed a 3 percent tuition increase cap for both fiscal year 2026 and fiscal year 2027 for each fall incoming Falcon Tuition Guarantee cohort.

Following the fall 2022 arrival of the first cohort of an accelerated, hybrid Doctorate in Physical Therapy, the University welcomed the first cohort to a new accelerated, hybrid Doctorate in Occupational Therapy program in the fall of 2025. Both programs target working practitioners looking to advance within their chosen professions and allow either degree to be completed within two years with a flexible, hybrid curriculum.

Following the May 2024 Board of Trustee approval of Campus Master Plan 2024 (CMP 2024), the first phase of upgrades to Founders residence hall was completed over the summer of 2025. Four additional phases are planned over each of the next four summers to avoid taking the residence hall offline during the academic year.

**Bowling Green State University**  
A Component Unit of the State of Ohio  
Management's Discussion and Analysis (Continued)  
June 30, 2025

The University expects to seek Board approval in December 2025 for initial planning and design services for the upcoming renovation to Kreischer residence hall and the connected dining hall. Timing of the renovation is tentatively scheduled to begin in the spring 2027 with half of the building remaining offline during fiscal year 2028. Renovation of the second half of the building is tentatively scheduled to begin in the spring of 2028 and remain offline thru fiscal year 2029.

CMP 2024-related building envelope repairs and roof replacements are expected to continue. Tuck-pointing and related repairs on the Jerome Library building envelope and mural are expected to be completed by the end of calendar year 2025. Board-approval for building envelope and roof replacement on Hayes Hall (one of the University's historic buildings) will be sought in late fiscal year 2026.

As with the first campus master plan, there is an emphasis on shrinking the campus footprint overall, continuing to improve space utilization, continuing to grow physical operational efficiencies, and maximizing the flexible uses of renovated space.

The University welcomed a new provost in May 2025 and a new chief financial officer in September 2025. Both individuals bring a wealth of prior experience from other public universities and are committed to continuing the University's mission to remain a public university focused on serving the public good.

# Bowling Green State University

A Component Unit of the State of Ohio

## Statement of Net Position

June 30, 2025

### Assets

#### Current assets:

Cash and cash equivalents	\$ 9,704,991
Investments	289,589,418
Accounts receivable, net	10,750,654
Inventories	553,045
Notes receivable	445,276
Prepaid and other assets	3,917,235
Total current assets	<u>314,960,619</u>

#### Noncurrent assets:

Investments	4,315,091
Investments - restricted	580,000
Accounts receivable, net	221,966
Cash surrender value of life insurance and annuities	679,406
Notes receivable	1,146,462
Capital assets, net	588,795,778
Net pension asset	52,777
Net OPEB asset	17,491,375
Total noncurrent assets	<u>613,282,855</u>
Total assets	<u>928,243,474</u>

### Deferred Outflows of Resources

Pension	36,749,198
OPEB	1,761,118
Total deferred outflows of resources	<u>38,510,316</u>

### Liabilities

#### Current liabilities:

Accounts payable and accrued expenses	29,586,935
Unearned revenue	16,384,189
Deposits	712,334
Current portion of long-term debt and other obligations	22,300,289
Total current liabilities	<u>68,983,747</u>

#### Noncurrent liabilities:

Long-term debt and other obligations	268,827,409
Net pension liability	180,655,180
Total noncurrent liabilities	<u>449,482,589</u>
Total liabilities	<u>518,466,336</u>

### Deferred Inflows of Resources

Pension	16,612,187
OPEB	6,908,160
Leases	322,746
Total deferred inflows of resources	<u>23,843,093</u>

### Net Position

Net investment in capital assets	328,755,417
Restricted for expendable:	
Loans	336,965
Capital projects	27,633,116
Pension and OPEB	17,544,152
Unrestricted	50,174,711
Total net position	<u>\$ 424,444,361</u>

*See Notes to Financial Statements.*

**Bowling Green State University**  
A Component Unit of the State of Ohio  
Statement of Revenues, Expenses, and Changes in Net Position  
Year Ended June 30, 2025

**Operating Revenues**

Student tuition and fees (net of scholarship allowances of \$103,770,503)	\$ 160,108,960
Federal grants and contracts	6,802,565
State grants and contracts	7,348,176
Nongovernmental grants and contracts	6,512,966
Sales and services of educational departments	3,036,086
Auxiliary enterprises (net of scholarship allowances of \$6,014,891)	88,153,447
Other operating revenues	8,363,286
Total operating revenues	<u>280,325,486</u>

**Operating Expenses**

Educational and general:	
Instruction	170,873,122
Research	11,415,577
Public services	6,034,793
Academic support	27,868,484
Student services	22,063,144
Institutional support	45,474,210
Operations and maintenance of plant	27,359,295
Student aid	9,985,271
Auxiliary enterprises	83,364,115
Depreciation and amortization	44,529,292
Pension and other postemployment benefits	(6,461,693)
Other expenses	229,725
Total operating expenses	<u>442,735,335</u>
Operating loss	<u>(162,409,849)</u>

**Nonoperating Revenues (Expenses)**

State appropriations	93,045,864
Non-exchange grants and contracts	43,995,647
Gifts	6,102,654
Investment income, net	29,178,873
Interest on capital asset-related debt	(8,910,496)
Net nonoperating revenues	<u>163,412,542</u>

Income before other changes 1,002,693

**Other Changes**

State capital appropriations	19,737,456
Capital grants and gifts	8,026,689
Total other changes	<u>27,764,145</u>

Change in net position 28,766,838

**Net Position**

Net position at the beginning of year, as previously reported	393,336,352
Adjustment for adoption of GASB 101 – <i>Compensated Absences</i>	2,341,171
Net position at the beginning of year, as restated	<u>395,677,523</u>
Net position at the end of year	<u><u>\$ 424,444,361</u></u>

*See Notes to Financial Statements.*

# Bowling Green State University

A Component Unit of the State of Ohio

## Statement of Cash Flows

Year Ended June 30, 2025

### Operating activities

Tuition and fees	\$ 160,722,271
Federal, state, and nongovernmental grants and contracts	20,189,887
Payments to vendors for supplies and services	(129,521,002)
Payments to employees and benefits	(263,391,689)
Payments for scholarships and fellowships	(9,985,271)
Student loans granted, net of repayments	264,650
Auxiliary enterprises	87,897,643
Sales and services of educational departments	3,009,752
Other receipts	6,106,536
Net cash used in operating activities	(124,707,223)

### Noncapital financing activities

State appropriations	93,045,864
Grants received for other than capital purposes	43,995,647
Gifts	6,102,654
Net cash provided by noncapital financing activities	143,144,165

### Capital financing activities

Capital grants received	7,982,689
Purchases of capital assets	(34,119,823)
Principal paid on long-term debt, including leases/SBITAs	(11,872,936)
Interest paid on long-term debt, including leases/SBITAs	(10,017,753)
Net cash used in capital financing activities	(48,027,823)

### Investing activities

Proceeds from sales and maturities of investments	227,308,359
Investment income	11,997,631
Purchase of investments	(210,567,759)
Net cash provided by investing activities	28,738,231

Net decrease in cash and cash equivalents (852,650)

Cash and cash equivalents at beginning of year 10,557,641

Cash and cash equivalents at end of year \$ 9,704,991

*See Notes to Financial Statements.*

# Bowling Green State University

A Component Unit of the State of Ohio

## Statement of Cash Flows (Continued)

Year Ended June 30, 2025

### Reconciliation of operating loss to net cash used

#### in operating activities:

Operating loss	\$ (162,409,849)
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#### Adjustments to reconcile operating loss to net cash used in operating activities:

Depreciation and amortization	44,529,292
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#### Changes in assets and liabilities:

Accounts receivable, net	1,294,681
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Inventories	(83,404)
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Notes receivable	(40,981)
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Prepaid and other assets	(258,875)
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Net pension asset	1,067,822
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Net OPEB assets	(5,227,102)
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Deferred outflows of pension resources	13,410,364
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Deferred outflows of OPEB resources	2,723,710
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Accounts payable and accrued expenses	(302,918)
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Unearned revenue	(1,221,004)
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Deposits held for others	35,869
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Compensated absences	183,979
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Net pension liability	(17,525,240)
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Deferred inflows of pension resources	1,417,284
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Deferred inflows of OPEB resources	(2,328,531)
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Deferred inflows leases	27,680
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Net cash used in operating activities	<u>\$ (124,707,223)</u>
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### Supplemental disclosures of noncash information:

Unrealized appreciation in market value of investments	\$ 17,165,556
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Capital assets acquired by gifts in-kind	44,000
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Capital assets included in accounts payable and accrued expenses	4,346,634
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Amortization of bond premium	1,671,763
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Lease and SBITA assets and liabilities acquired	8,201,180
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State capital appropriations	19,737,456
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*See Notes to Financial Statements*

# Bowling Green State University Foundation, Inc and Subsidiary

## Consolidated Statement of Financial Position

June 30, 2025

### ASSETS

#### Current assets

Cash and cash equivalents	\$ 1,986,261
Contributions receivable, net	5,322,121
Total current assets	<u>7,308,382</u>

#### Investments

Fixed income mutual funds	72,707,107
Equity mutual funds	200,800,681
Alternative investments	46,273,008
Money market funds	12,860,163
Total investments	<u>332,640,959</u>

Prepaid and other assets	513,522
Long-term contributions receivable, net	8,697,124
Beneficial interest in trust held by others	1,509,944
Cash value of life insurance	<u>1,729,891</u>

Total assets	<u><u>\$ 352,399,822</u></u>
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### LIABILITIES AND NET ASSETS

#### Current liabilities

Accounts payable	\$ 666,893
Total current liabilities	<u>666,893</u>

Annuities payable	<u>2,350,562</u>
Total liabilities	<u>3,017,455</u>

#### Net assets

Without donor restrictions	41,704,705
With donor restrictions	<u>307,677,662</u>
Total net assets	<u>349,382,367</u>

Total liabilities and net assets	<u><u>\$ 352,399,822</u></u>
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# Bowling Green State University Foundation, Inc and Subsidiary

## Consolidated Statement of Activities

Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support, revenue, gains and losses</b>			
Contributions and gifts	\$ 334,195	\$ 27,848,930	\$ 28,183,125
Contributions and gifts – nonfinancial	-	1,009,920	1,009,920
Provision for uncollectible contributions and net present value discount	-	(428,300)	(428,300)
University support	5,225,000	-	5,225,000
Interest and dividends	1,819,043	4,833,119	6,652,162
Net realized and unrealized gains	8,741,475	20,799,447	29,540,922
Change in split interest agreements	-	(130,661)	(130,661)
Other revenue	9,781	212,638	222,419
Net assets released from restriction	30,030,150	(30,030,150)	-
Total support, revenue, gains and losses	46,159,644	24,114,943	70,274,587
<b>Expenses</b>			
Program services	30,609,786	-	30,609,786
Fundraising	3,239,016	-	3,239,016
Management and general	3,765,880	-	3,765,880
Total expenses	37,614,682	-	37,614,682
Change in net assets	8,544,962	24,114,943	32,659,905
Net assets at beginning of year	33,159,743	283,562,719	316,722,462
Net assets at end of year	\$ 41,704,705	\$ 307,677,662	\$ 349,382,367

# Bowling Green State University

A Component Unit of the State of Ohio

Notes to Financial Statements

June 30, 2025

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

### Nature of Operations

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

### Reporting Entity

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

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

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

### Financial Statement Presentation

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

Bowling Green State University  
A Component Unit of the State of Ohio  
Notes to Financial Statements (Continued)  
June 30, 2025

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

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

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

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

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

Bowling Green State University  
A Component Unit of the State of Ohio  
Notes to Financial Statements (Continued)  
June 30, 2025

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

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

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

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

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

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

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

Bowling Green State University  
A Component Unit of the State of Ohio  
Notes to Financial Statements (Continued)  
June 30, 2025

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

Financial statements for the entity blended in the University's financial reporting in 2025 follow:

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

**Condensed Statement of Net Position**

<b>Assets</b>	
Current assets	\$ 643,897
Non-current assets:	
Capital assets	12,839,943
Total non-current assets	<u>12,839,943</u>
Total assets	<u>13,483,840</u>
<b>Liabilities</b>	
Current liabilities	596,800
Non-current liabilities	<u>7,570,218</u>
Total liabilities	<u>8,167,018</u>
<b>Net position</b>	
Unrestricted	<u>5,316,822</u>
Total net position	<u><u>\$ 5,316,822</u></u>

Bowling Green State University  
A Component Unit of the State of Ohio  
Notes to Financial Statements (Continued)  
June 30, 2025

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

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

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

<b>Operating Revenues</b>	
Other	\$ 6,812
Total operating revenues	<u>6,812</u>
<b>Operating Expenses</b>	
Other expenses	38,480
Depreciation and amortization	683,188
Total operating expenses	<u>721,668</u>
Operating loss	<u>(714,856)</u>
<b>Nonoperating Revenues (Expenses)</b>	
Other nonoperating revenues and expenses	1,602,330
Net nonoperating revenues	<u>1,602,330</u>
Change in net position	<u>887,474</u>
<b>Net position</b>	
Net position at the beginning of the year	4,429,348
Net position at the end of year	<u><u>\$ 5,316,822</u></u>

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

**Condensed Statement of Cash Flows**

Cash provided by (used in):	
Operating activities	\$ (26,138)
Capital financing activities	114,864
Net increase in cash and cash equivalents	<u>88,726</u>
Cash and cash equivalents, beginning of year	555,171
Cash and cash equivalents, end of year	<u><u>\$ 643,897</u></u>

Bowling Green State University  
A Component Unit of the State of Ohio  
Notes to Financial Statements (Continued)  
June 30, 2025

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

**Basis of Accounting**

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

**Cash and Cash Equivalents**

The University considers funds immediately available to be cash and cash equivalents. All investments with maturities less than 90 days are considered cash equivalents. Cash and cash equivalents totaled \$9,704,991 at June 30, 2025.

**Accounts Receivable**

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

**Inventories**

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

**Investments**

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

Bowling Green State University  
A Component Unit of the State of Ohio  
Notes to Financial Statements (Continued)  
June 30, 2025

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

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

**Restricted Investments**

Restricted investments represent deposits held in escrow by the bond trustee to satisfy future debt service. These restricted investments consist of government money market funds.

**Capital Assets**

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

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

**Lease Assets**

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



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

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

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

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

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

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

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

**Subscription Assets**

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

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

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

Key estimates and judgments related to subscriptions include how the University determines the discount rate it uses to discount the expected subscription payments to present value and the subscription term.

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

The subscription term includes the noncancelable period of the subscription.

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

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

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

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

No asset impairment was recognized during the year ended June 30, 2025.

**Unearned Revenue**

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

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

**Noncurrent Liabilities**

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

**Pensions**

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

**Other Postemployment Benefit Costs**

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

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

**Deferred Outflows/Inflows of Resources**

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

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

**Compensated Absences**

University employees earn vacation, personal, and sick leave benefits based, in part, on length of service. Vacation pay is fully vested when earned. Upon separation from service, employees are paid accumulated vacation and sick pay based upon the nature of separation (death, retirement, or termination). Certain limitations have been placed on the hours of vacation and sick leave that employees may accumulate and carry over for payment at termination, retirement, or death.

Unused hours exceeding their limitations are forfeited. A liability is accrued as benefits are earned if the employee's right to receive compensation is attributable to service already rendered, it accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled. Salary related payments like the employer share of Medicare taxes are also considered. The liability and expense incurred are recorded at year end as liabilities in the statement of net position and as a component of operating expense in the statement of revenues, expenses, and changes in net position.

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

**Scholarship Discounts and Allowances**

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

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

Effective July 1, 2024, as prescribed by National Association of College and University Business Officers (NACUBO) Advisory AR 2023-01, the University changed the accounting estimate for tuition discounting, a change from the Alternate Method used in prior years. As a result, more financial aid is now classified as a direct reduction to tuition revenue (a tuition discount allowance) and less is reported as scholarship expense. The impact of this change for fiscal year 2025 is summarized as follows:

	NACUBO Direct Method	Alternate Method	Change
Student tuition and fees revenue	\$ 263,879,463	\$ 263,879,463	\$ -
Less: scholarship allowances	<u>(103,770,503)</u>	<u>(92,925,859)</u>	<u>(10,844,644)</u>
Net tuition and fees revenue	160,108,960	170,953,604	(10,844,644)
Auxiliary enterprises revenues	94,168,338	94,168,338	-
Less: scholarship allowances	<u>(6,014,891)</u>	<u>(3,362,739)</u>	<u>(2,652,152)</u>
Net auxiliary enterprises revenue	88,153,447	90,805,599	(2,652,152)
Student aid expense	9,985,271	23,482,067	(13,496,796)

**Income Tax**

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

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

**Use of Estimates**

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

**Auxiliary Enterprises**

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

**Net Position**

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

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

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

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

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

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

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

**Revenues**

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

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

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

**Recent Accounting Pronouncements**

In April 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvement* (GASB 103), effective for the University's fiscal year ending June 30, 2026. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential to decision making and assessing a government's accountability. This statement enhances the existing financial reporting model by refining the Management's Discussion and Analysis (MD&A), combines extraordinary items and special items into one category of "unusual or infrequent items," defines operating and nonoperating revenue, and updates presentation of the Statement of Revenues, Expenses, and Changes in Net Position to include a subtotal for operating income (loss) and noncapital subsidies. The University is evaluating the impact GASB 103 will have on its financial statements.

**Change in Accounting Principle**

On July 1, 2024, the University adopted GASB Statement No. 101, *Compensated Absences* (GASB 101). The new accounting guidance updates the recognition and measurement guidance for compensated absences under a unified model. Specifically, the new standard clarifies that a liability should be recorded for compensated absences that are more likely than not to be paid or otherwise settled. Additionally, it amends certain existing disclosure requirements. GASB 101 requires retroactive application to all prior periods presented. The University recognized an adjustment to beginning net position of \$2,341,171 as a result of adoption of GASB 101.

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

**GASB Statement No. 102, *Certain Risk Disclosures***

Effective for the fiscal year ended June 30, 2025, the University implemented GASB Statement No. 102, *Certain Risk Disclosures* (GASB 102). This standard requires disclosure of certain risks and uncertainties, specifically related to concentrations and constraints, that could significantly affect the institution's ability to continue delivering services or meet its financial obligations. At this time, the University has no risks or uncertainties related to concentrations and constraints requiring disclosure under GASB 102.



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

### **Deposits**

At June 30, 2025, the carrying amounts of cash and cash equivalents was \$9,704,991 as compared to bank balances of \$9,375,370. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit.

Of the bank balances at June 30, 2025, \$283,023 was covered by federal depository insurance and \$9,092,347 was covered by collateral held by third-party trustees pursuant to paragraph 135.181 of the Ohio Revised Code in collateral pools securing all public funds on deposit with specific depository institutions; the remainder was not collateralized or insured, leaving it exposed to custodial credit risk. Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the University may not be able to recover its deposits or collateral securities. The University maintains active relationships with multiple cash equivalent accounts to reduce its exposure to custodial credit risk at any single institution.

### **Investments**

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

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

The University invests in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted GASB Statement No. 79, *Accounting and Financial Reporting for Certain External Investment Pools and Pool Participants*, which establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investment at amortized cost. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price at which the investment could be sold on June 30, 2025.

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

The values of investments held by the University at June 30, 2025 are as follows:

Equity mutual funds	\$ 114,249,131
Fixed income mutual funds	93,928,514
Money market funds	21,154,328
Municipal bonds	4,315,091
International corporate stock	737,317
STAR Ohio	9,065,346
Alternative investments:	
Hedge funds	28,521,171
Multi-asset credit	13,333,315
Limited partnerships	9,180,296
Total	<u><u>\$ 294,484,509</u></u>

The components of net investment income at June 30, 2025 are as follows:

Interest and dividends, net	\$ 8,955,487
Realized gain from sale of investments	3,057,830
Unrealized appreciation	
in market value of investments	17,165,556
Total	<u><u>\$ 29,178,873</u></u>

**Interest Rate Risk**

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

As of June 30, 2025, the University had the following interest-bearing investments and maturities:

Investment Type	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	Greater Than 10 Years
Municipal bonds	\$ 4,315,091	\$ -	\$ -	\$ -	\$ 4,315,091
STAR Ohio	9,065,346	9,065,346	-	-	-
Fixed income mutual funds	93,928,514	93,928,514	-	-	-
Total	<u><u>\$ 107,308,951</u></u>	<u><u>\$ 102,993,860</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,315,091</u></u>

Bowling Green State University  
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Notes to Financial Statements (Continued)  
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## 2. Cash, Cash Equivalents, and Investments (continued)

### Credit Risk

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

The credit ratings of the University's interest-bearing investments at June 30, 2025 are as follows:

Credit Rating (Standard & Poor's)	Other Investments
AAA	\$ 9,065,346
AA	4,315,091
Not rated	93,928,514
Total	<u>\$ 107,308,951</u>

### Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The University facilitates several study abroad programs in Austria and Spain with a total cash balance of \$139,506 at June 30, 2025.

### Fair Value Measurements

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

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

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

The University has the following recurring fair value measurements as of June 30, 2025:

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

	Balance at June 30, 2025	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value level</b>				
International corporate stock	\$ 737,317	\$ 737,317	\$ -	\$ -
Debt securities:				
Municipal bonds	4,315,091	-	4,315,091	-
Equity securities:				
Mutual funds:				
Domestic	165,412,496	165,412,496	-	-
International	42,765,149	42,765,149	-	-
Total equity securities	208,177,645	208,177,645	-	-
Total investments by fair value level	<u>\$ 213,230,053</u>	<u>\$ 208,914,962</u>	<u>\$ 4,315,091</u>	<u>\$ -</u>
<b>Investments measured at the net asset value (NAV)</b>				
Multi-strategy hedge funds	\$ 28,521,171			
Multi-asset credit	13,333,315			
Limited partnerships	9,180,296			
Total investments measured at the NAV	<u>51,034,782</u>			
Total investments measured at fair value	<u>\$ 264,264,835</u>			

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

The debt securities at June 30, 2025 were determined based on Level 2 inputs. The University estimates the fair value of these investments using other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Short-term investments on the statement of net position at June 30, 2025 include investments in STAR Ohio of \$9,065,346. The investments in STAR Ohio are measured at amortized cost; therefore, they are not included in the tables above. There are no limitations or restrictions on any STAR Ohio participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given to STAR Ohio 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transactions to \$250 million. All accounts of the STAR Ohio investors will be combined for these purposes.

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Notes to Financial Statements (Continued)  
June 30, 2025

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

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

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

At June 30, 2025 year end, the fair value and redemption rules of those investments are as follows:

	Fair Value	Redemption Frequency, if any	Redemption Notice Period
Multi-strategy hedge funds	\$ 28,521,171	Quarterly	100 days
Multi-asset credit	13,333,315	Quarterly	60 days
Limited partnership	9,180,296	N/A	N/A
Total	<u>\$ 51,034,782</u>		

As of June 30, 2025, the University has outstanding commitments to limited partnerships of approximately \$5,211,000.

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

**Concentration Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The University held investments in Mercer Hedge Investors of \$28,521,171 at June 30, 2025 that had fair values of 5 percent or more of total investments.

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

### Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The University's investment in the state treasurer's investment program that is not evidenced by securities that exist in physical or book entry form was \$9,065,346 at June 30, 2025. The remaining investments are uninsured and unregistered with securities held by the counterparty's trust department or agent in the University's name.

### Foundation

The values of investments held by the Foundation at June 30, 2025:

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

		Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Balance at June 30, 2025			
<b>Investments by fair value level</b>				
Cash equivalents and money market funds	\$ 12,698,588	\$ 12,698,588	\$ -	\$ -
Equity securities:				
Mutual funds:				
Domestic equity funds	156,684,564	156,684,564	-	-
International equity funds	42,217,837	42,217,837	-	-
Fixed income funds	71,156,157	71,156,157	-	-
Total equity securities	270,058,558	270,058,558	-	-
Split interest agreements:				
Cash equivalents and money market funds	161,575	161,575	-	-
Equity mutual funds	1,898,280	1,898,280	-	-
Fixed income mutual funds	1,550,950	1,550,950	-	-
Total split interest agreements	3,610,805	3,610,805	-	-
Beneficial interest in trust held by others	1,509,944	-	-	1,509,944
Total investments by fair value level	<u>\$287,877,895</u>	<u>\$286,367,951</u>	<u>\$ -</u>	<u>\$ 1,509,944</u>
<b>Investments measured at the net asset value (NAV)</b>				
Private investment funds	\$ 45,662,123			
Real estate funds and other	610,885			
Total investments at the NAV	<u>46,273,008</u>			
Total investments at fair value	<u>\$334,150,903</u>			

Bowling Green State University  
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**2. Cash, Cash Equivalents, and Investments (continued)**

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

Beginning balance	\$ 1,502,298
Total losses (realized/unrealized) included in earnings	(6,342)
Change in split interest agreements	13,988
Ending balance at June 30, 2025	<u>\$ 1,509,944</u>

The Foundation realized a net gain from the sale of investment securities of approximately \$11,994,000 for the year ended June 30, 2025. The net appreciation on the fair value of investments was approximately \$17,546,000 for the year ended June 30, 2025.

The Foundation has outstanding commitments to invest in various alternative investments at June 30, 2025, amounting to approximately \$26,298,000.

Certain Foundation investment securities are held by independent custodial and management agents. Custodial and management fees paid were approximately \$112,000 for the year ended June 30, 2025.

**3. Accounts Receivable**

The composition of accounts receivable for the University at June 30, 2025 is as follows:

Student receivable for fees, room and board	\$ 6,866,412
Research and sponsored programs	3,233,464
Due from the Foundation	300,935
Auxiliary enterprises	1,225,754
Other	846,055
Subtotal	<u>12,472,620</u>
Less allowance for doubtful accounts	<u>(1,500,000)</u>
Total accounts receivable, net	<u>\$ 10,972,620</u>

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Notes to Financial Statements (Continued)  
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**4. Notes Receivable**

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

The University distributed \$92,678,816 for student loans in fiscal year 2025, through the U.S. Department of Education federal direct lending program. These distributions and related funding sources are not included as revenues or expenses in the accompanying financial statements.



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Notes to Financial Statements (Continued)  
June 30, 2025

## 5. Capital Assets

Capital assets and accumulated depreciation and amortization of the University as of June 30, 2025 are summarized as follows:

	Beginning Balance	Additions	Retirements or Transfers	Ending Balance
Capital assets not being depreciated:				
Land	\$ 12,813,291	\$ 900,136	\$ -	\$ 13,713,427
Construction in progress	14,264,244	38,587,383	(8,109,141)	44,742,486
Total non depreciable capital assets	27,077,535	39,487,519	(8,109,141)	58,455,913
Capital asset being depreciated:				
Buildings	749,399,044	-	-	749,399,044
Infrastructure	305,422,719	15,642,707	-	321,065,426
Equipment	105,881,955	6,495,490	(2,343,125)	110,034,320
Library materials	22,054,835	1,898,728	(2,174,445)	21,779,118
Right-to-use assets	24,520,037	8,201,180	(7,199,898)	25,521,319
Total depreciable capital assets	1,207,278,590	32,238,105	(11,717,468)	1,227,799,227
Total capital assets	1,234,356,125	71,725,624	(19,826,609)	1,286,255,140
Less: accumulated depreciation and amortization				
Buildings	410,588,378	20,212,168	-	430,800,546
Infrastructure	135,855,972	13,003,473	-	148,859,445
Equipment	91,086,976	3,451,503	(2,222,943)	92,315,536
Library materials	11,452,824	1,992,330	(2,174,445)	11,270,709
Right-to-use assets	15,542,364	5,869,818	(7,199,056)	14,213,126
Total accumulated depreciation and amortization	664,526,514	44,529,292	(11,596,444)	697,459,362
Total capital assets, net	\$ 569,829,611	\$ 27,196,332	\$ (8,230,165)	\$ 588,795,778

The University has commitments of approximately \$27,600,000 on various construction projects in progress as of June 30, 2025.

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Notes to Financial Statements (Continued)  
June 30, 2025

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

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

Right-to-use asset activity of the University in fiscal year 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Buildings	\$ 223,739	\$ 123,907	\$ -	\$ 347,646
Software	19,279,696	5,375,653	(5,456,680)	19,198,669
Equipment	5,016,602	2,701,620	(1,743,218)	5,975,004
Total right-to-use assets	24,520,037	8,201,180	(7,199,898)	25,521,319
Less: accumulated amortization				
Leases	3,498,150	1,125,719	(1,742,376)	2,881,493
Software	12,044,214	4,744,099	(5,456,680)	11,331,633
Total accumulated amortization	15,542,364	5,869,818	(7,199,056)	14,213,126
Net book value of right-to-use assets	\$ 8,977,673	\$ 2,331,362	\$ (842)	\$ 11,308,193

Future principal and interest payment requirements related to the University's lease and subscription liabilities at June 30, 2025 are as follows:

	Lease Liabilities		
	Principal	Interest	Total
2026	\$ 1,329,961	\$ 130,117	\$ 1,460,078
2027	804,352	80,017	884,369
2028	530,352	45,605	575,957
2029	355,032	22,726	377,758
2030	119,567	7,380	126,947
2031 and thereafter	111,152	2,556	113,708
Totals	\$ 3,250,416	\$ 288,401	\$ 3,538,817

	Subscription Liabilities		
	Principal	Interest	Total
2026	\$ 2,992,833	\$ 300,251	\$ 3,293,084
2027	2,535,360	205,950	2,741,310
2028	968,226	62,925	1,031,151
2029	360,646	20,904	381,550
2030	56,572	5,108	61,680
2031 and thereafter	60,050	2,630	62,680
Totals	\$ 6,973,687	\$ 597,768	\$ 7,571,455

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Notes to Financial Statements (Continued)  
June 30, 2025

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

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

During the year ended June 30, 2025, the University recognized the following related to its lessor agreements:

Lease revenue	\$ 127,638
Interest income related to leases	15,686
Total	<u>\$ 143,324</u>

Future principal and interest payment requirements related to the University's lease receivable at June 30, 2025 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 108,082	\$ 12,301	\$ 120,383
2027	87,421	8,440	95,861
2028	51,186	5,147	56,333
2029	30,868	2,951	33,819
2030	24,275	1,564	25,839
2031 and thereafter	28,216	9,616	37,832
Total	<u>\$ 330,048</u>	<u>\$ 40,019</u>	<u>\$ 370,067</u>

**7. Accounts Payable and Accrued Expenses**

The composition of accounts payable and accrued expenses of the University at June 30, 2025 is as follows:

Accounts payable	\$ 14,703,436
Accrued payroll and withholdings	11,063,151
Accrued health claims	3,000,000
Accrued interest on bonds	820,348
Total	<u>\$ 29,586,935</u>

Bowling Green State University  
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Notes to Financial Statements (Continued)  
June 30, 2025

## 8. Long-Term Debt and Other Obligations

Long-term debt and other obligations of the University for June 30, 2025 are summarized as follows:

	Rates	Maturity	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
<b>Public bonds:</b>							
2016 Bond Series A	3.75-5.00	2021-2046	\$ 63,900,000	\$ -	\$ 1,715,000	\$ 62,185,000	\$ 1,800,000
2017 Bond Series B	3.00-5.00	2018-2045	62,230,000	-	1,840,000	60,390,000	1,895,000
2020 Bond Series A	3.00-5.00	2021-2050	47,515,000	-	1,550,000	45,965,000	1,550,000
Bond premium			16,381,175	-	1,671,763	14,709,412	1,590,160
<b>Direct placement bonds:</b>							
2017 Bond Series A	1.51	2025-2050	35,000,000	-	-	35,000,000	1,160,000
2021 Bond Series A	Variable	2022-2048	35,910,000	-	920,000	34,990,000	955,000
Total bonds payable			260,936,175	-	7,696,763	253,239,412	8,950,160
<b>Other liabilities</b>							
Compensated absences, restated, see Note 1			16,397,743	183,979	-	16,581,722	8,430,535
Lease liability			1,785,557	2,825,527	1,360,668	3,250,416	1,329,961
Subscription liability			6,085,302	5,375,653	4,487,268	6,973,687	2,992,833
Federal student loan deposits			3,228,560	-	313,117	2,915,443	-
Construction funding payable - direct placement			8,763,818	-	596,800	8,167,018	596,800
Total other liabilities			36,260,980	8,385,159	6,757,853	37,888,286	13,350,129
Total long-term liabilities			\$ 297,197,155	\$ 8,385,159	\$ 14,454,616	\$ 291,127,698	\$ 22,300,289

The scheduled maturities and interest of the University's bonds for the five fiscal years subsequent to June 30, 2025 and subsequent periods thereafter are as follows:

	Bonds			Bonds from Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 5,245,000	\$ 7,708,163	\$ 12,953,163	\$ 2,115,000	\$ 1,910,122	\$ 4,025,122
2027	5,425,000	7,445,913	12,870,913	2,175,000	1,854,506	4,029,506
2028	5,620,000	7,174,663	12,794,663	2,230,000	1,797,038	4,027,038
2029	5,910,000	6,893,663	12,803,663	2,290,000	1,737,714	4,027,714
2030	6,080,000	6,598,163	12,678,163	2,355,000	1,676,501	4,031,501
2031-2035	38,750,000	28,096,400	66,846,400	12,745,000	7,392,474	20,137,474
2036-2040	44,560,000	18,610,394	63,170,394	14,620,000	5,531,261	20,151,261
2041-2045	45,700,000	8,483,513	54,183,513	16,825,000	3,336,889	20,161,889
2046-2050	11,250,000	787,572	12,037,572	14,635,000	835,661	15,470,661
Total	\$ 168,540,000	\$ 91,798,444	\$ 260,338,444	\$ 69,990,000	\$ 26,072,166	\$ 96,062,166

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Notes to Financial Statements (Continued)  
June 30, 2025

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

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

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

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

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

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Notes to Financial Statements (Continued)  
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**8. Long-Term Debt and Other Obligations (continued)**

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

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

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

On November 1, 2021, the University issued \$38,460,000 of variable rate, tax exempt General Receipts Bonds, Series 2021A. The proceeds were used to refinance the remaining Series 2020B bonds. This Series 2021A Bond has a stated maturity date of June 1, 2048 and bears interest at an adjustable rate, payable on the first business day of each month. The variable rate resets on the first of each month to 79.00 percent of the Bloomberg Overnight Short Term Bank Yield Index ("BSBY") plus 48 basis points. At no time will the interest rate borne by this Series 2021A Bond feature a BSBY rate used in calculation less than 0.50 percent or exceed a maximum interest rate of 12.00 percent per year. On November 14, 2024, the BSBY rate was discontinued. Pursuant to the benchmark replacement provisions in the 2021A Bond agreement, the replacement rate will be the Secured Overnight Financing Rate ("SOFR") with a BSBY long-term five-year spread adjustment of approximately 9 basis points.

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Notes to Financial Statements (Continued)  
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**8. Long-Term Debt and Other Obligations (continued)**

This Series 2021A Bond is subject to redemption at the option of the University prior to the stated maturity date in whole or in part, at the redemption price of 100 percent of the principal amount redeemed, plus accrued interest up to the redemption date. The interest calculation for the Series 2021A Bond included in the above table of scheduled maturities is based upon the rate in effect on July 1, 2025, of 3.97%.

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

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

Interest expense related to long-term debt of the University for the year ended June 30, 2025 was \$8,910,496.

The University had an escrow deposit restricted for a future 2017A debt payment, which is classified as restricted assets, at June 30, 2025 of \$580,000.

The construction funding payable amounts of the Corporation for the five fiscal years subsequent to June 30, 2025, and thereafter are as follows:

	The Oaks (CFP II)	Carillon (CFP III)	Total Due
2026	\$ 376,364	\$ 220,436	\$ 596,800
2027	376,364	220,436	596,800
2028	376,364	220,436	596,800
2029	376,364	220,436	596,800
2030	376,364	220,436	596,800
2031-2035	1,881,818	1,102,182	2,984,000
2036-2039	1,317,272	881,746	2,199,018
Total	<u>\$ 5,080,910</u>	<u>\$ 3,086,108</u>	<u>\$ 8,167,018</u>

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## 9. Employee Benefit Plans

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

STRS Ohio and OPERS offer three separate retirement plans:

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

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

Combined plan – has elements of the traditional pension plan and member-directed plan. Employee contributions are invested in self-directed investments. The employer contributions are used to fund a reduced defined benefit plan. This plan provides disability, annual cost-of-living adjustments, death benefits, and healthcare benefits. Healthcare benefits are based on years of service. Effective January 1, 2024, the OPERS Combined Plan was consolidated into the Traditional Pension Plan—an action resulting from low participation in the Combined Plan.

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

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

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



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

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

STRS Ohio – Plan benefits are established under Chapter 3307 of the Revised Code, as amended by Substitute Senate Bill 342 in 2012, gives the State Teachers Retirement Board the authority to make future adjustments to the member contribution rate, retirement age and service requirements, and the COLA as the need or opportunity arises, depending on the retirement system’s funding progress.

Effective June 1, 2025 through July 31, 2027, any member can retire with unreduced benefits with 33 years of service credit at any age or five years of service credit and age 65. Retirement eligibility for reduced benefits is 28 years of service credit at any age; or five years of service credit and age 60. Effective on or after Aug. 1, 2027, any member can retire with unreduced benefits with 34 years of service credit at any age or five years of service credit and age 65. Retirement eligibility for reduced benefits is 29 years of service credit at any age; or five years of service credit and age 60.

The maximum annual retirement allowance, payable for life, considers years of credited service, final average salary for the five highest years of earnings, multiplied by an amount equal to 2.2 percent of final average salary.

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

A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the plan. Various other benefits are available to members’ beneficiaries.

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

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

OPERS – Plan benefits are established under Chapter 145 of the Ohio Revised Code, as amended by Substitute Senate Bill 343 in 2012. The requirements to retire depend on years of service (5 to 32 years) and from attaining the age of 48 to 67, depending on when the employee became a member. Members retiring before age 65 with less than 32 years of service credit receive a percentage reduction in benefit. Member retirement benefits are calculated on a formula that considers years of service, age, and final average salary, using a factor ranging from 1.0 percent to 2.5 percent.

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

A death benefit of \$500 - \$2,500 is determined by the number of years of service credit of the retiree.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is an amount based on the average percentage increase in the Consumer Price Index, not to exceed 3 percent.

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

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

OPERS maintains a cost-sharing, multiple-employer healthcare plan to retirees who participated in the traditional pension plan or member-directed plan with 10 or more years of qualifying Ohio service credit.

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

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

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

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

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

The amount on deposit with the Program’s board at June 30, 2025 was \$38,030,758, which represents the fair value at such date.

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

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

Member contributions are set at the maximums authorized by the ORC. The plans' 2025 employer and member contribution rates on covered payroll to each system are:

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

Employer contributions to the following retirement benefit programs for the year ended June 30, 2025 are summarized as follows:

	Pension	OPEB
STRS Ohio	\$ 7,813,569	\$ -
OPERS	10,414,391	-
ARP	8,618,484	-
Total	<u>\$ 26,846,444</u>	<u>\$ -</u>

**Net Pension (Asset)/Liability, Deferrals, and Pension Expense** – At June 30, 2025, the University reported an (asset)/liability for its proportionate share of the net pension (asset)/liability of OPERS/STRS Ohio. For the year ended June 30, 2025, the net pension (asset)/liability was measured as of June 30, 2024 for the STRS Ohio plan and December 31, 2024 for the OPERS plan. The total pension (asset)/liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation as of those dates. The University's proportion of the net pension (asset)/liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined.

Plan	Measurement Date	Net Pension Liability (Asset)	Proportionate Share	Percent Change
		2025	2025	2024-2025
STRS Ohio	June 30	\$ 86,561,851	0.4499%	-0.7938%
OPERS – traditional	December 31	\$ 94,093,329	0.3838%	-0.0294%
OPERS – member directed	December 31	\$ (52,777)	0.3469%	-1.3928%

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

For the year ended June 30, 2025, the University recognized pension expense related to the STRS Ohio and OPERS plans of \$16,710,341. The University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30, 2025:

	STRS Ohio	OPERS	Total
Deferred outflows of resources:			
Differences between expected and actual experience	\$ 5,451,132	\$ 1,897,326	\$ 7,348,458
Changes of assumptions	3,989,246	946	3,990,192
Net difference between projected and actual earnings on pension plan investments	-	11,103,071	11,103,071
Changes in proportion and differences between University contributions and proportionate share of contributions	-	113,626	113,626
University contributions subsequent to the measurement date	8,986,655	5,207,196	14,193,851
Total	<u>\$ 18,427,033</u>	<u>\$ 18,322,165</u>	<u>\$ 36,749,198</u>
Deferred inflows of resources:			
Differences between expected and actual experience	\$ 47,401	\$ -	\$ 47,401
Changes of assumptions	3,002,755	-	3,002,755
Net difference between projected and actual earnings on pension plan investments	7,442,559	-	7,442,559
Changes in proportion and differences between University contributions and proportionate share of contributions	6,061,042	58,430	6,119,472
Total	<u>\$ 16,553,757</u>	<u>\$ 58,430</u>	<u>\$ 16,612,187</u>

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

Year Ended June 30	STRS Ohio	OPERS	Total
2026	\$ (8,142,258)	\$ 6,519,572	\$ (1,622,686)
2027	6,523,381	12,111,802	18,635,183
2028	(3,618,872)	(4,255,165)	(7,874,037)
2029	(1,875,630)	(1,365,955)	(3,241,585)
2030	-	15,303	15,303
Thereafter	-	30,982	30,982
Total	<u>\$ (7,113,379)</u>	<u>\$ 13,056,539</u>	<u>\$ 5,943,160</u>

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

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

**Net OPEB Asset, Deferrals, and OPEB Income** – At June 30, 2025, the University reported an asset for its proportionate share of the net OPEB asset of STRS Ohio/OPERS. For the year ended June 30, 2025, the net OPEB asset was measured as of June 30, 2024 for the STRS Ohio plan and December 31, 2024 for the OPERS plan. The total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of those dates, except OPERS which used an actuarial valuation dated December 31, 2023, rolled forward to the measurement date by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year for the defined benefit health care plans.

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

For plan year ended June 30, 2024, STRS Ohio did not allocate employer contributions to the OPEB plan. Therefore, STRS Ohio's calculation of the employers' proportionate share is based on total contributions to the plan for both pension and OPEB.

For plan year ended December 31, 2024, OPERS did not allocate employer contributions to the OPEB plan. Therefore, OPERS' calculation of the employers' proportionate share is based on total contributions to the plan for both pension and OPEB.

Plan	Measurement Date	Net OPEB Asset 2025	Proportionate Share 2025	Percent Change 2024-2025
STRS Ohio	June 30	\$ (8,533,000)	0.4499%	-0.7938%
OPERS	December 31	\$ (8,958,375)	0.3821%	0.1573%

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

For the year ended June 30, 2025, the University recognized OPEB income of \$4,831,923. The University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources at June 30, 2025:

	STRS Ohio	OPERS	Total
Deferred outflows of resources:			
Differences between expected and actual experience	\$ 370,000	\$ -	\$ 370,000
Changes of assumptions	1,050,000	-	1,050,000
Net difference between projected and actual earnings on OPEB plan investments	-	184,464	184,464
Changes in proportion and differences between University contributions and proportionate share of contributions	156,654	-	156,654
Total	<u>\$ 1,576,654</u>	<u>\$ 184,464</u>	<u>\$ 1,761,118</u>
Deferred inflows of resources:			
Differences between expected and actual experience	\$ 920,000	\$ 436,021	\$ 1,356,021
Changes of assumptions	3,847,000	1,292,614	5,139,614
Net difference between projected and actual earnings on OPEB plan investments	366,000	-	366,000
Changes in proportion and differences between University contributions and proportionate share of contributions	14,472	32,053	46,525
Total	<u>\$ 5,147,472</u>	<u>\$ 1,760,688</u>	<u>\$ 6,908,160</u>

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

Year Ended June 30	STRS Ohio	OPERS	Total
2026	\$ (1,286,633)	\$ (952,462)	\$ (2,239,095)
2027	(549,761)	836,278	286,517
2028	(712,952)	(1,079,721)	(1,792,673)
2029	(659,247)	(380,319)	(1,039,566)
2030	(529,015)	-	(529,015)
Thereafter	166,790	-	166,790
Total	<u>\$ (3,570,818)</u>	<u>\$ (1,576,224)</u>	<u>\$ (5,147,042)</u>

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Notes to Financial Statements (Continued)  
June 30, 2025

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

**Actuarial Assumptions** – The total pension (asset)/liability and OPEB asset is based on the results of an actuarial valuation and were determined using the following actuarial assumptions for 2024, applied to all periods included in the measurement for fiscal year ended June 30, 2025:

	STRS Ohio	OPERS
Valuation date - Pension	June 30, 2024	December 31, 2024
Valuation date - OPEB	June 30, 2024	December 31, 2023
Actuarial cost method	Entry age normal	Individual entry age
Cost of living	None	2.05 percent - 3.00 percent
Salary increases, including inflation	2.50 percent - 8.50 percent	2.75 percent - 10.75 percent
Inflation	2.50 percent	2.75 percent
Investment and discount rate of return - pension	7.00 percent, net of investment expenses, including inflation	6.90 percent, net of pension plan investment expense, including inflation
Investment and discount rate of return - OPEB	7.00 percent, net of investment expenses, including inflation	6.00 percent, investment rate of return, net of pension plan investment expenses, including inflation; single discount rate of 6.00 percent and municipal bond rate of 4.08 percent
Health care cost trend rates	-11.95 percent to 7.50 percent initial, 3.94 percent ultimate	5.50 percent initial, 3.50 percent ultimate in 2039
Experience study date	Period of 5 years ended June 30, 2021	Period of 5 years ended December 31, 2020
Mortality basis	Post-Retirement: Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020 Pre-Retirement: Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020 Post-Retirement Disabled: Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020	Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.



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

**Pension Discount Rate** – The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates for all plans. Based on those assumptions, each pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension (asset)/liability. The discount rate used to measure the total pension (asset)/liability for STRS Ohio was 7.00 percent for the plan year ended June 30, 2024. The discount rate used to measure the total pension (asset)/liability for OPERS was 6.90 percent for the plan year ended December 31, 2024.

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

*STRS Ohio – OPEB Discount Rate:* The discount rate used to measure the total OPEB asset was 7.00 percent for the plan year ended June 30, 2024. At June 30, 2024, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB asset.

*OPERS – OPEB Discount Rate:* The discount rates used to measure the total OPEB asset was 6.00 percent for the plan year ended December 31, 2024; however, the single discount rate used at the beginning of the year was 5.70 percent. At December 31, 2024, based on assumptions as described in OPERS’ ACFR, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2124. As a result, the single discount rate was set as the actuarial assumed long-term expected rate of return on health care investments and was applied to projected costs through the year 2124, the duration of the projection period through which projected health care payments are fully funded.

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

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

STRS Ohio as of 6/30/24				OPERS as of 12/31/24			
Investment Category	Target Allocation	Long-term Expected Real Rate of Return	Investment Category	Defined Benefit Portfolio		Health Care Portfolio	
				Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	26.00%	6.90%	Fixed Income	24.00%	2.42%	37.00%	2.37%
International Equity	22.00%	7.70%	Domestic Equity	21.00%	5.70%	26.00%	5.70%
Alternatives	19.00%	9.10%	Real Estate	13.00%	4.17%	0.00%	0.00%
Fixed Income	22.00%	4.50%	Private Equity	15.00%	8.40%	0.00%	0.00%
Real Estate	10.00%	5.10%	International Equity	20.00%	6.10%	26.00%	6.10%
Liquidity Reserves	1.00%	2.40%	Risk Parity	2.00%	4.40%	3.00%	4.40%
Total	100.00%		REITs	0.00%	0.00%	5.00%	5.00%
			Other Investments	5.00%	2.54%	3.00%	2.50%
			Total	100.00%		100.00%	

**Sensitivity of the Net Pension (Asset)/Liability to Changes in the Discount Rate** – The following presents the net pension (asset)/liability of the University at June 30, 2025, calculated using the discount rate listed below, as well as what the University's net pension (asset)/liability would be if it were calculated using a discount rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

Plan	1.00 Percent Decrease		Current Discount Rate		1.00 Percent Increase	
STRS Ohio	6.00%	\$ 139,639,434	7.00%	\$ 86,561,851	8.00%	\$ 41,667,333
OPERS – traditional	5.90%	153,931,240	6.90%	94,093,329	7.90%	44,368,552
OPERS – member directed	5.90%	(41,630)	6.90%	(52,777)	7.90%	(62,445)
		<u>\$ 293,529,044</u>		<u>\$ 180,602,403</u>		<u>\$ 85,973,440</u>

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

**Sensitivity of the Net OPEB Asset to Changes in the Discount Rate** – The following presents the net OPEB asset of the University at June 30, 2025, calculated using the discount rate listed below, as well as what the University's net OPEB asset would be if it were calculated using a discount rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

Plan	1.00 Percent Decrease	Current Discount Rate	1.00 Percent Increase
STRS Ohio	6.00% \$ (6,938,002)	7.00% \$ (8,533,000)	8.00% \$ (9,921,247)
OPERS	5.00% (4,448,168)	6.00% (8,958,375)	7.00% (12,721,607)
	<u>\$ (11,386,170)</u>	<u>\$ (17,491,375)</u>	<u>\$ (22,642,854)</u>

**Sensitivity of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate** – The following presents the net OPEB asset of the University at June 30, 2025, calculated using the healthcare cost trend rate listed below, as well as what the University's net OPEB asset would be if it were calculated using a health care cost trend rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

Plan	1.00 Percent Decrease	Current Trend Rate	1.00 Percent Increase
STRS Ohio	\$ (10,015,013)	\$ (8,533,000)	\$ (6,750,983)
OPERS	(9,095,051)	(8,958,375)	(8,804,621)
	<u>\$ (19,110,064)</u>	<u>\$ (17,491,375)</u>	<u>\$ (15,555,604)</u>

**Pension Plan and OPEB Plan Fiduciary Net Position** – Detailed information about the pension plan's fiduciary net position is available in the separately issued STRS Ohio/OPERS financial report.

**Benefit changes** – There were no significant benefit terms changes for the pension or OPEB plans since the prior two measurement dates for OPERS. Effective for 2024, the State Teachers Retirement board approved two benefit changes for active members. The board voted to make the current retirement eligibility rule requiring 34 years of service for an unreduced retirement benefit permanent and the eligibility for a reduced retirement was lowered to 29 years.

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

**Changes since the measurement date** – There were no significant changes since the measurement date for OPERS. In November 2024, the State Teachers Retirement board approved two benefit changes for active members retiring between June 1, 2025, and July 31, 2027. Unreduced retirement eligibility was lowered to 33 years and reduced retirement eligibility was lowered to 28 years.

**Payable to the Pension Plan** – At June 30, 2025, the University reported a payable of \$1,704,206 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2025.

**Defined Contribution Pension Plan** – The Alternative Retirement Plan (“ARP”) is a defined contribution pension plan, under IRS Section 401(a), and established by Ohio Amended Substitute House Bill 586 (ORC 3305.02) on March 31, 1998, for public institutions of higher education. The University’s Board of Trustees adopted the University’s plan on April 18, 1998. Full-time employees are eligible to choose a provider, in lieu of STRS Ohio or OPERS, from the list of four providers currently approved by the Ohio Department of Higher Education and who hold agreements with the University. Employee and employer contributions equal to those required by STRS Ohio and OPERS are required for the ARP, less any amounts required to be remitted to the state retirement system in which the employee would otherwise have been enrolled.

Eligible employees have 120 days from their date of hire to make an irrevocable election to participate in the ARP. Under this plan, employees who would have otherwise been required to be in STRS Ohio or OPERS, and who elect to participate in the ARP, must contribute the employee’s share of retirement contributions to one of at least seven private providers approved by the Ohio Department of Higher Education. The legislation mandates that the employer must contribute an amount to the state retirement system to which the employee would have otherwise belonged, based on an independent actuarial study commissioned by the Ohio Retirement Study Council and submitted to the Ohio Board of Regents. That amount is 2.91 percent for STRS Ohio and 2.24 percent for OPERS for the year ended June 30, 2025. The employer also contributes what would have been the employer’s contribution under STRS Ohio or OPERS, less the aforementioned percentages, to the private provider selected by the employee. The University plan provides these employees with immediate plan vesting. The ARP does not provide disability benefits, survivor benefits, or postretirement health care. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant’s choice of investment options. For the year ended June 30, 2025, employee contributions to the ARP totaled \$7,725,336 and the University recognized pension expense of \$8,618,484.

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## 10. Risk Management

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

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

	2025	2024	2023
Unpaid claims, July 1	\$ 3,500,000	\$ 3,500,000	\$ 2,500,000
Incurred claims	29,978,912	28,833,375	26,439,696
Paid claims	(30,478,912)	(28,833,375)	(25,439,696)
Unpaid claims, June 30	<u>\$ 3,000,000</u>	<u>\$ 3,500,000</u>	<u>\$ 3,500,000</u>

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

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

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

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**11. Contingencies**

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

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

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June 30, 2025

**12. Foundation Net Assets**

The Foundation's net assets with donor restriction at June 30, 2025 were available for the following purposes:

Scholarships	\$ 168,975,017
General and operational support	94,041,464
Professorships	22,377,844
Capital and equipment	8,684,261
Centers and institutes	5,021,774
Chair	4,242,802
Faculty and staff	1,864,375
Research	1,649,123
Fellowships	821,002
Total	<u><u>\$ 307,677,662</u></u>

The Foundation's summary of the net assets released from restrictions during the year ended June 30, 2025 is as follows:

Scholarships	\$ 14,313,244
General and operational support	7,930,082
Professorships	536,336
Capital and equipment	6,819,213
Centers and institutes	175,616
Chair	110,220
Faculty and staff	90,235
Research	41,195
Fellowships	14,009
Total	<u><u>\$ 30,030,150</u></u>

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### **13. Related Party Transactions**

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

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

The University incurred costs during different stages of start-up and implementation of the Corporation. The University also incurred costs on behalf of the Corporation for various outside services related to the Series 2010 Project, The Oaks, and Carillon. These outside services include consulting, legal, engineering, architectural, and construction. In addition, certain salaries and fringe benefits of financial, accounting, development, and information technology personnel are incurred by the University but relate to the Corporation. These in-kind expenses are paid by the University on behalf of the Corporation as operating expenses of \$6,812 for the fiscal year ended June 30, 2025. These in-kind transactions between the University and the Corporation have been eliminated in the University's financial statements.

Chartwells provided approximately \$18,000,000 of funding for these projects during the year ended June 30, 2012. The Chartwells construction funding payable will be paid in annual installments, ranging from \$409,000 to \$857,000 over 27.5 years, through June 30, 2039. Due to the University's Management Agreement with Chartwells for the dining program and in exchange for the use of the dining facilities, the construction funding payable is considered repaid on behalf of the Corporation, as these are of approximate equal value. As such, the Corporation recognizes this noncash transaction as a reduction to the construction funding payable and as in-kind support nonoperating revenue. For year ended June 30, 2025, the repayment and in-kind support revenue totaled \$596,800. The University recognized in-kind nonoperating expense of \$596,800 for the year ended June 30, 2025. These in-kind transactions between the University and the Corporation have been eliminated in the University's financial statements. The University contributed an additional \$1,000,000 to be used by the Corporation during the year end June 30, 2025, which has been eliminated in the University's financial statements.



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June 30, 2025

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

The University can pay off the construction funding payable of \$18,000,000 early without penalty. The University also has a Food Services Agreement with Chartwells in which the University pays a management fee to Chartwells to manage the dining halls through fiscal year 2035. The Food Services Agreement can be renewed for three additional successive five-year periods. If the Food Services Agreement with Chartwells is terminated or not renewed, the University would be required to pay Chartwells interest on the construction funding payable until full payoff at a rate equal to the 12-month U.S. Treasury rate. Payment in full of the construction funding payable would be required in one year from termination of agreement or within 30 days after the University hires another third party to run its dining services.

## **Required Supplemental Information**

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**Bowling Green State University**  
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**June 30, 2025**

**Schedule of Pension Funding Progress**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>OPERS:</b>										
University's proportion of the net pension liability	0.3825%	0.3820%	0.3700%	0.3626%	0.3794%	0.3914%	0.4060%	0.4089%	0.4220%	0.4131%
University's proportionate share of the net pension liability	\$ 94,040,552	\$ 99,389,397	\$ 108,479,969	\$ 30,085,421	\$ 54,533,925	\$ 76,454,269	\$ 110,725,047	\$ 63,558,676	\$ 96,270,704	\$ 71,389,662
University's covered payroll	\$ 71,763,349	\$ 67,351,979	\$ 61,446,164	\$ 56,543,861	\$ 56,977,850	\$ 75,013,542	\$ 76,206,086	\$ 74,061,634	\$ 74,474,934	\$ 62,112,087
University's proportionate share of the net pension liability as a percentage of its covered payroll	131.04%	147.57%	176.54%	53.21%	95.71%	101.92%	145.30%	85.82%	129.27%	114.94%
Fiduciary net position as a percentage of the total pension liability	81.01%	79.39%	76.07%	93.01%	86.88%	82.17%	74.91%	84.85%	77.38%	81.19%
<b>STRS Ohio:</b>										
University's proportion of the net pension liability	0.4499%	0.4535%	0.4832%	0.4942%	0.5227%	0.5116%	0.5192%	0.5125%	0.5162%	0.5256%
University's proportionate share of the net pension liability	\$ 86,561,851	\$ 97,670,424	\$ 107,426,500	\$ 63,193,798	\$ 126,469,432	\$ 113,128,183	\$ 114,156,933	\$ 121,738,071	\$ 172,801,507	\$ 145,252,543
University's covered payroll	\$ 54,623,684	\$ 53,840,402	\$ 51,650,346	\$ 49,926,546	\$ 49,626,136	\$ 50,166,515	\$ 50,328,992	\$ 48,957,254	\$ 46,828,962	\$ 46,225,751
University's proportionate share of the net pension liability as a percentage of its covered payroll	158.47%	181.41%	207.99%	126.57%	254.84%	225.51%	226.82%	248.66%	369.01%	314.22%
Fiduciary net position as a percentage of the total pension liability	82.55%	80.02%	78.90%	87.80%	75.50%	75.50%	77.31%	75.29%	66.80%	72.10%

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

**Schedule of Contributions**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>OPERS:</b>										
Contractually required contribution	\$ 10,414,391	\$ 10,072,618	\$ 9,435,127	\$ 8,155,903	\$ 7,848,606	\$ 8,269,955	\$ 8,475,085	\$ 8,128,775	\$ 8,293,880	\$ 7,934,000
Contributions in relation to the contractually required contribution	\$ 10,414,391	\$ 10,072,618	\$ 9,435,127	\$ 8,155,903	\$ 7,848,606	\$ 8,269,955	\$ 8,475,085	\$ 8,128,775	\$ 8,293,880	\$ 7,934,000
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 73,585,005	\$ 69,500,205	\$ 64,318,609	\$ 57,803,517	\$ 55,700,928	\$ 58,678,024	\$ 60,033,251	\$ 57,625,045	\$ 58,800,542	\$ 55,472,339
Contributions as a percentage of covered payroll	14.15%	14.49%	14.67%	14.11%	14.09%	14.09%	14.12%	14.11%	14.11%	14.30%
<b>STRS Ohio:</b>										
Contractually required contribution	\$ 7,813,569	\$ 7,640,318	\$ 7,511,640	\$ 7,220,918	\$ 7,023,444	\$ 6,947,659	\$ 6,820,371	\$ 6,877,222	\$ 6,566,167	\$ 6,284,849
Contributions in relation to the contractually required contribution	\$ 7,813,569	\$ 7,640,318	\$ 7,511,640	\$ 7,220,918	\$ 7,023,444	\$ 6,947,659	\$ 6,820,371	\$ 6,877,222	\$ 6,566,167	\$ 6,284,849
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 55,908,854	\$ 54,623,684	\$ 53,840,402	\$ 51,650,346	\$ 49,926,546	\$ 49,626,136	\$ 48,716,936	\$ 49,123,014	\$ 46,901,194	\$ 44,891,777
Contributions as a percentage of covered payroll	13.98%	13.99%	13.95%	13.98%	14.07%	14.00%	14.00%	14.00%	14.00%	14.00%

Bowling Green State University  
A Component Unit of the State of Ohio  
Required Supplemental Information (Continued)  
June 30, 2025

**Notes to Required Supplemental Information:**

*Changes of benefit terms:*

There were no changes affecting STRS Ohio and OPERS plans.

*Changes of assumptions:*

STRS Ohio: During the plan year ended June 30, 2024 and 2023, there were no changes to key assumptions.

During the plan year ended June 30, 2022, there were changes to several assumptions for STRS Ohio based on an updated experience study for the five-year period ended June 30, 2021. The projected salary increase range changed from 2.5-12.5 percent to 2.5-8.5 percent. The mortality tables used changed from RP-2014 to PUB-2010.

During the plan year ended June 30, 2021, the investment rate of return decreased from 7.45 percent to 7.00 percent.

During the plan year ended June 30, 2017, there were changes to several assumptions for STRS Ohio. The cost-of-living adjustment dropped from 2.00 percent to 0.00 percent. The wage inflation dropped from 2.75 percent to 2.50 percent. The investment rate of return decreased from 7.75 percent to 7.45 percent. The mortality tables used changed from RP-2000 to PR-2014.

OPERS: During the plan year ended December 31, 2024 and 2023, there were no changes to key assumptions. Effective January 1, 2024, the OPERS Combined Plan was consolidated into the Traditional Pension Plan—an action resulting from low participation in the Combined Plan

During the plan year ended December 31, 2021, there were changes to several assumptions for OPERS. The discount rate was reduced from 7.50 percent to 6.90 percent. The wage inflation dropped from 3.25 percent to 2.75 percent. The projected salary increase range changed from 3.25-10.75 percent to 2.75-10.75 percent. The experience study changed from the 5 year period ended December 31, 2015 to the 5 year period ended December 31, 2020. The mortality tables used changed from RP-2014 to PUB-2010.

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

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

**Bowling Green State University**  
**A Component Unit of the State of Ohio**  
**Required Supplemental Information (Continued)**  
**June 30, 2025**

**Schedule of OPEB Funding Progress**

	2025	2024	2023	2022	2021	2020	2019	2018
<b>OPERS:</b>								
University's proportion of the net OPEB liability/(asset)	0.3821%	0.3815%	0.3692%	0.3626%	0.3768%	0.3910%	0.4030%	0.4062%
University's proportionate share of the net OPEB liability/(asset)	\$ (8,958,375)	\$ (3,443,273)	\$ 2,327,789	\$ (11,357,218)	\$ (6,712,102)	\$ 54,013,197	\$ 52,547,293	\$ 44,112,500
University's covered payroll	\$ 71,763,349	\$ 67,351,979	\$ 61,446,164	\$ 56,543,861	\$ 56,977,850	\$ 75,013,542	\$ 76,206,086	\$ 74,061,634
University's proportionate share of the net OPEB liability/(asset) as a percentage of its covered payroll	-12.48%	-5.11%	3.79%	-20.09%	-11.78%	72.00%	68.95%	59.56%
Fiduciary net position as a percentage of the total OPEB liability/(asset)	121.51%	107.76%	94.79%	128.23%	115.57%	47.08%	46.33%	77.25%
<b>STRS Ohio:</b>								
University's proportion of the net OPEB liability/(asset)	0.4499%	0.4535%	0.4833%	49.4200%	0.5227%	51.1600%	0.5192%	0.5125%
University's proportionate share of the net OPEB liability/(asset)	\$ (8,533,000)	\$ (8,821,000)	\$ (12,513,000)	\$ (10,421,000)	\$ (9,186,052)	\$ (8,473,000)	\$ (8,343,000)	\$ 19,994,643
University's covered payroll	\$ 54,623,684	\$ 53,840,402	\$ 51,650,346	\$ 49,926,546	\$ 49,626,136	\$ 50,166,515	\$ 50,328,992	\$ 48,957,254
University's proportionate share of the net OPEB liability/(asset) as a percentage of its covered payroll	-15.62%	-16.38%	-24.23%	-20.87%	-18.51%	-16.89%	-16.58%	40.84%
Fiduciary net position as a percentage of the total OPEB liability/(asset)	158.01%	168.52%	230.70%	174.70%	182.10%	-592.08%	176.99%	47.11%

**Schedule of Contributions**

	2025	2024	2023	2022	2021	2020	2019	2018
<b>OPERS:</b>								
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 624,385
Contributions in relation to the contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 624,385
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 73,585,005	\$ 69,500,205	\$ 64,318,609	\$ 57,803,517	\$ 55,700,928	\$ 58,678,024	\$ 60,033,251	\$ 57,625,045
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.08%
<b>STRS Ohio:</b>								
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 55,908,854	\$ 54,623,684	\$ 53,840,402	\$ 51,650,346	\$ 49,926,546	\$ 49,626,136	\$ 48,716,936	\$ 49,123,014
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Bowling Green State University  
A Component Unit of the State of Ohio  
Required Supplemental Information (Continued)  
June 30, 2025

**Notes to Required Supplemental Information:**

*Changes of benefit terms:*

Effective for 2023, STRS Ohio implemented a one-time 3% cost of living adjustment effective on the anniversary of a benefits recipient's retirement date for those eligible during FY23 and eliminated the age 60 requirement (effective August 1, 2026). In May 2023, STRS Ohio approved an additional 1% permanent COLA for eligible benefit recipients that began paying out in fiscal year 2024. In June 2025, the board approved a one-time, permanent 1.5% COLA for eligible benefit recipients to be effective starting July 1, 2025.

There were no benefit changes affecting the OPERS plan.

*Changes of assumptions:*

STRS Ohio: During the plan year ended June 30, 2022, there were changes to several assumptions for STRS Ohio based on an updated experience study for the five-year period ended June 30, 2021. The projected salary increase range changed from 2.5-12.5 percent to 2.5-8.5 percent. The mortality tables used changed from RP-2014 to PUB-2010.

During the plan year ended June 30, 2021, the investment rate of return decreased from 7.45 percent to 7.00 percent.

During the plan year ended June 30, 2018, the discount rate increased from a blended rate between the long-term expected rate of return and a 20-year municipal bond rate of 4.13 percent to the investment rate of return of 7.45 percent based on the cash flow analysis.

OPERS: During the plan year ended December 31, 2024, the discount rate increased from 5.70 percent to 6.00 percent.

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

During the plan year ended December 31, 2022, the discount rate was reduced from 6.00 percent to 5.22 percent.

During the year ended December 31, 2021, there were changes to several assumptions for OPERS. The experience study changed from the 5-year period ended December 31, 2015 to the 5-year period ended December 31, 2020. The municipal bond rate decreased from 2.00 percent to 1.84 percent. Wage inflation decreased from 3.25 percent to 2.75 percent. The projected salary increase range changed from 3.25-10.75 percent to 2.75-10.75 percent.

Bowling Green State University  
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Required Supplemental Information (Continued)  
June 30, 2025

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

During the plan year ended December 31, 2020, the discount rate was increased from 3.16 percent to 6.00 percent.

During the plan year ended December 31, 2019, the discount rate was reduced from 3.96 percent to 3.16 percent.

## **Uniform Guidance Audit Requirements**

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**Bowling Green State University**  
**A Component Unit of the State of Ohio**  
**Schedule of Expenditures of Federal Awards**  
**June 30, 2025**

Cluster Title Federal Grantor / Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass-Through Identifying Number or Other Award Identifier	Provided to Subrecipients	Total Federal Expenditures
<b>Student Financial Assistance Cluster</b>				
<b>U.S. Department of Education - Direct Programs</b>				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	\$ -	\$ 735,588
Federal Work-Study Program	84.033	N/A	-	593,297
Federal Perkins Loans	84.038	N/A	-	1,012,633
Federal Pell Grant Program	84.063	N/A	-	28,643,301
Federal Direct Student Loans	84.268	N/A	-	92,678,816
Teacher Education Assistance for College and Higher Education Grants	84.379	N/A	-	742,328
<b>Total U.S. Department of Education</b>			-	124,405,963
<b>U.S. Department of Health and Human Services - Direct Program</b>				
Nursing Student Loans	93.364	N/A	-	914,737
<b>Total U.S. Department of Health and Human Services</b>			-	914,737
<b>Total Student Financial Assistance Cluster</b>			-	<b>125,320,700</b>
<b>Research and Development Cluster</b>				
<b>U.S. Department of Agriculture</b>				
Direct Programs:				
Agriculture and Food Research Initiative	10.310	N/A	39,228	53,280
Equipment Grants Program	10.519	N/A	-	42,571
Environmental Quality Incentives Program	10.912	N/A	-	34,150
Pass-through Programs from:				
Ohio Department of Agriculture - Specialty Crop Block Grant Program - Farm Bill	10.170	AGR-SCBG-21-05	-	1,270
Ohio State University Research Fndn - Regional Conservation Partnership Program	10.932	SPC-1000012328: GR131829	-	139,179
<b>Total U.S. Department of Agriculture</b>			39,228	270,450
<b>U.S. Department of Commerce</b>				
Direct Programs:				
Economic Development Technical Assistance	11.303	N/A	87,258	159,919
Science, Technology, Business and/or Education Outreach	11.620	N/A	-	71,268
Pass-through Programs from:				
Ohio State University Research Fndn - Sea Grant Support	11.417	SPC-1000006438 - GR126910	-	73,435
Ohio State University Research Fndn - Sea Grant Support	11.417	SPC-1000006440 GR126913	-	38,235
Ohio State University Research Fndn - Sea Grant Support	11.417	SPC-1000013511 / GR135742	-	6,850
Ohio State University Research Fndn - Sea Grant Support	11.417	SPC-1000013509: GR135741	-	47,394
Ohio Department of Natural Resources - Coastal Zone Management Administration Awards	11.419	DNRFHCZ20B 306-04B	-	589
Ohio Department of Natural Resources - Coastal Zone Management Administration Awards	11.419	DNRFHCZ24 306-04	-	35,809
Ohio Department of Natural Resources - Office for Coastal Management	11.473	DNRFHCIRA24-01	-	14,677
Mbio Diagnostics - Center for Sponsored Coastal Ocean Research Coastal Ocean Program	11.478	NA20NOS4780186-BGSU	-	6,883
<b>Total U.S. Department of Commerce</b>			87,258	455,059
<b>U.S. Department of Defense - Direct Program</b>				
Basic, Applied, and Advanced Research in Science and Engineering	12.630	N/A	1,817	16,004
<b>Total U.S. Department of Defense</b>			1,817	16,004
<b>U.S. Department of Justice</b>				
Direct Program:				
Juvenile Justice and Delinquency Prevention	16.540	N/A	-	78,878
Pass-through Programs from:				
University of North Carolina Charlotte - National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	20220912-03-BGS	-	63,272
TASC of Northwest Ohio, Inc. - Second Chance Act Reentry Initiative	16.812	2020-CY-BX-0018	-	11,818
Maumee Police Department - Comprehensive Opioid, Stimulant, and other Substances Use Program	16.838	15PBJA-21-GG-04554-COAP_BGSU	-	10,107
<b>Total U.S. Department of Justice</b>			-	164,075
<b>Library of Congress</b>				
Pass-through Programs from:				
Illinois State University - Teaching with Primary Sources	42.010	A08-0002-S081	-	11,829
<b>Total Library of Congress</b>			-	11,829
<b>National Aeronautics and Space Administration</b>				
Pass-through Programs from:				
University of Texas at Austin - Science	43.001	UTAUS-SUB00001271	-	18,434
University of Texas at Dallas - National Aeronautics and Space Administration	43.XXX	2208042; Vendor0000052895	-	(730)
<b>Total National Aeronautics and Space Administration</b>			-	17,704

**Bowling Green State University**  
**A Component Unit of the State of Ohio**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**June 30, 2025**

Cluster Title Federal Grantor / Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass-Through Identifying Number or Other Award Identifier	Provided to Subrecipients	Total Federal Expenditures
<b>National Science Foundation</b>				
Direct Programs:				
Engineering	47.041	N/A	-	312,314
Mathematical and Physical Sciences	47.049	N/A	-	1,013,174
Geosciences	47.050	N/A	288,235	484,904
Computer and Information Science and Engineering	47.070	N/A	-	82,234
Biological Sciences	47.074	N/A	-	5,586
STEM Education (formerly Education and Human Resources)	47.076	N/A	-	727,780
Polar Programs	47.078	N/A	-	118,308
NSF Technology, Innovation, and Partnerships	47.084	N/A	-	53,369
Pass-through Programs from:				
University of Connecticut - Geosciences	47.050	150347887	-	84,497
University of Cincinnati - STEM Education (formerly Education and Human Resources)	47.076	015897-00003	-	7,239
LLC BG Biologics - NSF Technology, Innovation, and Partnerships	47.084	2023-1	-	10,280
<b>Total National Science Foundation</b>			288,235	2,899,685
<b>U.S. Environmental Protection Agency</b>				
Pass-through Programs from:				
Ohio State University - Geographic Programs - Great Lakes Restoration Initiative	66.469	SPC-1000014582   GR138972	-	11,508
<b>Total U.S. Environmental Protection Agency</b>			-	11,508
<b>U.S. Department of Energy</b>				
Direct Program:				
Office of Science Financial Assistance Program	81.049	N/A	-	110,097
<b>Total U.S. Department of Energy</b>			-	110,097
<b>U.S. Department of Education</b>				
Pass-through Programs from:				
University of Wisconsin-Madison - Education Research, Development and Dissemination	84.305	0000002692	-	94,418
<b>Total U.S. Department of Education</b>			-	94,418
<b>U.S. Department of Health and Human Services</b>				
Direct Programs:				
Environmental Health	93.113	N/A	27,558	27,587
Cardiovascular Diseases Research	93.837	N/A	1,899	95,244
Allergy and Infectious Diseases Research	93.855	N/A	-	21,854
Biomedical Research and Research Training	93.859	N/A	168,294	482,958
Child Health and Human Development Extramural Research	93.865	N/A	-	204,937
Aging Research	93.866	N/A	16,012	292,579
Pass-through Programs from:				
University of Michigan - Environmental Health	93.113	SUBK00018447	-	17,323
University of Cincinnati - Occupational Safety and Health Program	93.262	013704-00015 PO4600015210	-	4,857
University of Cincinnati - Occupational Safety and Health Program	93.262	013704-00095 PO4600032266	-	6,098
University of Texas at San Antonio - Minority Health and Health Disparities Research	93.307	1000004975 (1000004964)	-	130,694
Rutgers University - Cancer Cause and Prevention Research	93.393	3552; PO25725436	-	31,673
ProMedica - Opioid STR	93.788	1002105-3521-253; 1202302	-	2,895
University of Minnesota - Child Health and Human Development Extramural Research	93.865	A009471601	-	59,522
University of Minnesota - Child Health and Human Development Extramural Research	93.865	SUBA00000910-P010791101	-	39,705
Syracuse University - Aging Research	93.866	32872-06364-S01	-	117,979
University of Michigan - Aging Research	93.866	SUBK00021436/PO3008263792	5,964	54,415
ProMedica - Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912	1002105-3111-162; 80163	-	(1,015)
<b>Total U.S. Department of Health and Human Services</b>			219,727	1,589,305
<b>Total Research and Development Cluster</b>			<b>636,265</b>	<b>5,640,134</b>
<b>U.S. Department of Transportation</b>				
<b>Highway Safety Cluster</b>				
Pass-through Programs from:				
Ohio Department of Public Safety - State and Community Highway Safety	20.600	SC-2024-BGSUnive-00007	-	10,135
Ohio Department of Public Safety - State and Community Highway Safety	20.600	SC-2025-BGSUnive-00003	-	30,801
<b>Total Highway Safety Cluster</b>			-	<b>40,936</b>
<b>U.S. Department of Education</b>				
<b>Special Education Cluster (IDEA)</b>				
Pass-through Programs from:				
University of Cincinnati - Special Education Grants to States	84.027A	PO4600013606;014548-00002	-	(710)
University of Cincinnati - Special Education Grants to States	84.027A	Sub 015292-00002 PO 4600019505	-	1,976
University of Cincinnati - Special Education Grants to States	84.027A	016230-00002 PO4600026803	-	93,862
<b>Total Special Education Cluster (IDEA)</b>			-	<b>95,128</b>

See notes to schedule of expenditures of federal awards.

**Bowling Green State University**  
**A Component Unit of the State of Ohio**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**June 30, 2025**

Cluster Title Federal Grantor / Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass-Through Identifying Number or Other Award Identifier	Provided to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Education</b>				
<b>TRIO Cluster</b>				
Direct Programs:				
TRIO Student Support Services	84.042A	N/A	-	594,013
TRIO Talent Search	84.044A	N/A	-	490,192
TRIO Upward Bound	84.047A	N/A	-	452,498
TRIO McNair Post-Baccalaureate Achievement	84.217A	N/A	-	237,179
<b>Total TRIO Cluster</b>			-	1,773,882
<b>U.S. Department of Education</b>				
<b>Education Stabilization Fund</b>				
Pass-through Programs from:				
Ohio Department of Education - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	EDUFAR21	-	(117)
Ohio Department of Education - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	PBS In-Home Learning	-	5,131
Ohio Department of Education - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	ARP-ESSER	-	181,001
<b>Total Education Stabilization Fund</b>			-	186,015
<b>Other Programs</b>				
<b>U.S. Department of Agriculture - Direct Program</b>				
Rural Development Cooperative Agreement Program	10.890	N/A	-	(10,324)
<b>Total U.S. Department of Agriculture</b>			-	(10,324)
<b>U.S. Department of Commerce - Direct Programs</b>				
Science, Technology, Engineering, and Mathematics (STEM) Talent Challenge Program	11.023	N/A	-	184,925
<b>Total U.S. Department of Commerce</b>			-	184,925
<b>U.S. Department of Interior</b>				
Pass-through Programs from:				
AmericaView - National Cooperative Geologic Mapping	15.810	AV23-OH-01; 10010337	-	25,478
<b>Total U.S. Department of Interior</b>			-	25,478
<b>U.S. Department of Justice - Direct Program</b>				
STOP School Violence	16.839	N/A	-	641,052
<b>Total U.S. Department of Justice</b>			-	641,052
<b>National Endowment for the Humanities</b>				
Pass-through Programs from:				
Ohio Humanities Council - Promotion of the Humanities Federal/State Partnership	45.129	IG23-032	-	(133)
Northern Illinois University - Promotion of the Humanities Division of Preservation and Access	45.149	G2B66860 Bowling Green	-	3,154
State Library of Ohio - Grants to States	45.310	L-19-25	-	2,794
<b>Total National Endowment for the Humanities</b>			-	5,815
<b>U.S. Department of Education</b>				
Direct Programs:				
Child Care Access Means Parents in School	84.335	N/A	-	156,071
Pass-through Programs from:				
Ohio Department of Education - Career and Technical Education -- Basic Grants to States	84.048A	Teacher Prep	-	115,180
Putnam County Educational Service Center - Twenty-First Century Community Learning Centers	84.287	20231204095910	-	255
University of Cincinnati - Special Education - State Personnel Development	84.323A	PO #4600019910; 012-00002	-	730
<b>Total U.S. Department of Education</b>			-	272,236
<b>U.S. Election Assistance Commission - Direct Program</b>				
Help America Vote College Program	90.400	N/A	-	19,091
<b>Total U.S. Election Assistance Commission</b>			-	19,091

Bowling Green State University  
A Component Unit of the State of Ohio  
Schedule of Expenditures of Federal Awards (Continued)  
June 30, 2025

Cluster Title Federal Grantor / Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass-Through Identifying Number or Other Award Identifier	Provided to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Health and Human Services</b>				
Direct Program:				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	N/A	-	124,434
Pass-through Programs from:				
Ohio Dept of Mental Health/Addiction Srv - Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	93.104	2400819	-	51,393
Ohio Dept of Mental Health/Addiction Srv - Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	93.104	2500409	-	126,672
Ohio Department of Children and Youth - Stephanie Tubbs Jones Child Welfare Services Program	93.645	PO00185102; G-2223-06-113	-	88,988
Mercy College of Ohio - Mental and Behavioral Health Education and Training Grants	93.732	T26HP39449	-	9,103
ProMedica - Primary Care Training and Enhancement	93.884	1002105-3357-224; 1202201	-	(791)
ProMedica - Primary Care Training and Enhancement	93.884	1002105-3497-248; 1202300	-	(376)
ProMedica - Primary Care Training and Enhancement	93.884	1002105-3608-257; 12024004	-	26,709
<b>Total U.S. Department of Health and Human Services</b>			-	426,132
<b>Total Other Programs</b>			-	<b>1,564,405</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 636,265</b>	<b>\$ 134,621,200</b>

Bowling Green State University  
A Component Unit of the State of Ohio  
Notes to Schedule of Expenditures of Federal Awards  
June 30, 2025

**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Bowling Green State University (the “University”) under programs of the federal government for the year ended June 30, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the “Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net position, or cash flows of the University.

**2. Summary of Significant Accounting Policies**

Expenditures reported in the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the “Uniform Guidance”), wherein certain types of expenditures are not allowable, or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

**3. Indirect Costs**

The University recovers indirect costs by means of predetermined fixed indirect cost rates. The predetermined fixed rates are a result of negotiated agreements with the U.S. Department of Health and Human Services. The predetermined fixed rate for on-campus research is 45 percent of modified total direct costs, and the off-campus predetermined rate is 16 percent of modified total direct costs effective July 1, 2023 through June 30, 2027.

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

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

The University acts as an intermediary for students receiving Federal Direct Student Loans (ALN 84.268), which include Direct Loans and Parents' Loans for Undergraduate Students, from the federal government. The federal government is responsible for billings and collections of the loans. The University assists the federal government by processing the applications and applying funds to student accounts from the federal government. Since this program is administered by the federal government, new loans made in the fiscal year ended June 30, 2025 related to Federal Direct Loans are considered current year federal expenditures, whereas the outstanding loan balance is not.

The outstanding balances on the Federal Perkins Loans (ALN 84.038) and Federal Nursing Loans (ALN 93.364) at June 30, 2025 are \$734,385 and \$812,575, respectively.

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

**Independent Auditor's Report**

Board of Trustees  
Bowling Green State University  
Bowling Green, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the business-type activities and discretely presented component unit of Bowling Green State University (University), collectively a component unit of the State of Ohio, as of and for the year ended June 30, 2025, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 14, 2025.

***Report on Internal Control Over Financial Reporting***

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

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

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

### ***Report on Compliance and Other Matters***

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

### ***Purpose of This Report***

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

**Forvis Mazars, LLP**

Cincinnati, Ohio  
October 14, 2025

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

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

Board of Trustees  
Bowling Green State University  
Bowling Green, Ohio

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

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

We have audited Bowling Green State University's (University) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2025. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

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

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

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

##### ***Responsibilities of Management for Compliance***

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



### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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

**Forvis Mazars, LLP**

Cincinnati, Ohio  
January 6, 2026

Bowling Green State University  
A Component Unit of the State of Ohio  
Schedule of Findings and Questioned Costs  
June 30, 2025

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ☐ Yes ☒ No

**Federal Awards**

Internal control over major federal programs:

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

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

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

Identification of major federal programs:

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

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

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

Bowling Green State University  
A Component Unit of the State of Ohio  
Schedule of Findings and Questioned Costs  
June 30, 2025

**Section II – Financial Statement Findings**

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

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

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

Bowling Green State University  
A Component Unit of the State of Ohio  
Summary Schedule of Prior Year Audit Findings  
June 30, 2025

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

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# OHIO AUDITOR OF STATE KEITH FABER



**BOWLING GREEN STATE UNIVERSITY**

**WOOD COUNTY**

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

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



**Certified for Release 2/19/2026**

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

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