

**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 YEARS ENDED JUNE 30, 2023-2022**



OHIO AUDITOR OF STATE  
KEITH FABER



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Bowling Green State University  
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We have reviewed the *Independent Auditor's Report* of the Bowling Green State University, Wood County, prepared by Plante & Moran, PLLC, for the audit period July 1, 2022 through June 30, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber  
Auditor of State  
Columbus, Ohio

November 13, 2023

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## Independent Auditor's Report

To the Board of Trustees  
Bowling Green State University

### Report on the Audits of the Financial Statements

#### **Opinions**

We have audited the financial statements of the business-type activities and the discretely presented component unit of Bowling Green State University (the "University"), a component unit of the State of Ohio, as of and for the years ended June 30, 2023 and 2022 and the related notes to the financial statements, which collectively comprise Bowling Green State University's basic financial statements, as listed in the table of contents.

In our opinion, based on our audits and the report of other auditors, 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, 2023 and 2022 and the respective changes in its financial position and, where applicable, cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Bowling Green State University Foundation, Inc. and Subsidiary (the "Foundation"), which represents 100 percent of the assets, net position, and revenue of the discretely presented component units. Those financial statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors.

#### **Basis for Opinions**

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

#### **Emphasis of Matters**

As described in Note 1 to the financial statements, the University is reporting a change within the financial reporting entity. Centennial Falcon Properties, Inc. and Subsidiary was previously reported as a discretely presented component unit and is now reported as a blended component unit. Our opinion is not modified with respect to this matter.

As described in Note 1 to the financial statements, in the year ended June 30, 2023, the entity adopted new accounting guidance related to GASB 96, *Subscription Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

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

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

To the Board of Trustees  
Bowling Green State University

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 Audits of the Financial Statements***

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

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

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

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

### ***Required Supplemental Information***

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



To the Board of Trustees  
Bowling Green State University

**Supplemental Information**

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The other supplemental information, the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information, 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 12, 2023 on our consideration of Bowling Green State University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Bowling Green State University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bowling Green State University's internal control over financial reporting and compliance.



October 12, 2023

# Bowling Green State University

## Management's Discussion and Analysis

### **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, 2023, 2022 and 2021. 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 vice president for university advancement at Mileti Alumni Center, Bowling Green, Ohio 43403.

### **Noteworthy Financial Activity**

During a challenging academic year, the University's financial position remained strong at June 30, 2023, with total assets of \$917.1 million, net deferred outflows of \$49.2 million, and total liabilities of \$570.0 million, for a total net position of \$396.4 million. Net position decreased by \$5.8 million from \$402.2 million at June 30, 2022.

# Bowling Green State University

## Management's Discussion and Analysis (continued)

In October 2011, the University's Board of Trustees approved the planning, programming and schematic design work supporting a \$200 million reinvestment in core academic buildings on the Bowling Green campus. The scope of the capital project renewal included renovations in four of the campus' oldest, historical buildings.

Initial funding for this major capital project renewal was approved by the Board of Trustees in February 2013. On May 7, 2014, the University issued \$40,000,000 General Receipts, Series 2014, tax exempt, variable interest rate bonds.

Additional funding for this major project was approved by the Board of Trustees in September, 2015. On February 11, 2016, the University issued \$70,000,000 General Receipts, Series 2016A, tax exempt, variable interest rate bonds.

In December 2016, the Board of Trustees approved additional funding for the project. On June 29, 2017, the University issued \$35,000,000 General Receipts, Series 2017A, tax exempt, fixed rate bonds.

In February 2017, the Board of Trustees approved funding that was used to acquire two student housing facilities from the Corporation. On August 10, 2017, the University issued \$73,560,000 General Receipts, Series 2017B, tax exempt, fixed rate bonds.

In September 2019, the Board of Trustees approved a new bond issuance, which would refund the remaining 2010 bonds and fund various construction projects and campus improvements. In January 2020, the University issued \$53,685,000 General Receipts, Series 2020A, tax exempt, fixed rate bonds.

In September 2020, the Board of Trustees approved a new bond issuance, which would refund the remaining 2014 bonds. In October 2020, the University issued \$39,245,000 of General Receipts Bonds, Series 2020B, tax exempt, variable rate bonds.

In November 2021, the Board of Trustees approved a new bond issuance, which would refund the 2020B bonds. In November 2021, the University issued \$38,640,000 of General Receipts Bonds, Series 2020B, tax exempt, variable rate bonds.

# Bowling Green State University

## Management's Discussion and Analysis (continued)

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.

In June 2022, the University adopted GASB Statement No. 87, *Leases*. GASB Statement No. 87 establishes a single model for lease accounting, substantially changing all prior lease accounting and financial statement footnote disclosures. In accordance with the statement, the University reported a change in accounting principle adjustment to its Unrestricted Net Position as of July 1, 2020 and fiscal year 2021 was restated to reflect this new accounting standard.

In June 2023, the University adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end-users. A SBITA is defined as a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets. In accordance with the statement, the University reported a change in accounting principle adjustment to its Unrestricted Net Position as of July 1, 2021 and fiscal year 2022 has been restated to reflect this new accounting standard.

In March 2020, the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus was declared a pandemic by the World Health Organization, and a national emergency by the President of the United States. In response, federal and state governments have implemented measures to combat the outbreak which have impacted business operations worldwide. Effective March 16, 2020, the University cancelled all in-person classes for the remainder of the spring semester and remote instruction began for all classes on March 23, 2020. For the remainder of fiscal year 2020 and throughout all of fiscal year 2021, the University reduced the scope of its on-site operations and certain courses were converted to hybrid or online delivery. Where possible, certain employees teleworked from their homes or minimized their presence on campus.

## Bowling Green State University

### Management's Discussion and Analysis (continued)

The University received funding from the Higher Education Emergency Relief Fund (“HEERF”) via the Federal Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), the Coronavirus Response and Relief Supplemental Appropriations Act (“CRRSAA”) and the American Rescue Plan (“ARP”). The University also received funds from the State of Ohio, as a passthrough of the State’s Coronavirus Relief Fund (“CRF”) award under the CARES Act. These grant funds offset a portion of costs associated with mitigating the economic consequences of health and safety protocols necessary to operate during the pandemic as well as provide direct emergency relief aid to students in 2020, 2021 and 2022. The University largely repopulated campus and returned to in-person classes for fall 2021 and continues to implement safety and health initiatives to combat new variants of COVID-19.

# Bowling Green State University

## Management's Discussion and Analysis (continued)

### Statement of Net Position

The Statement of Net Position includes all assets and liabilities. 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.

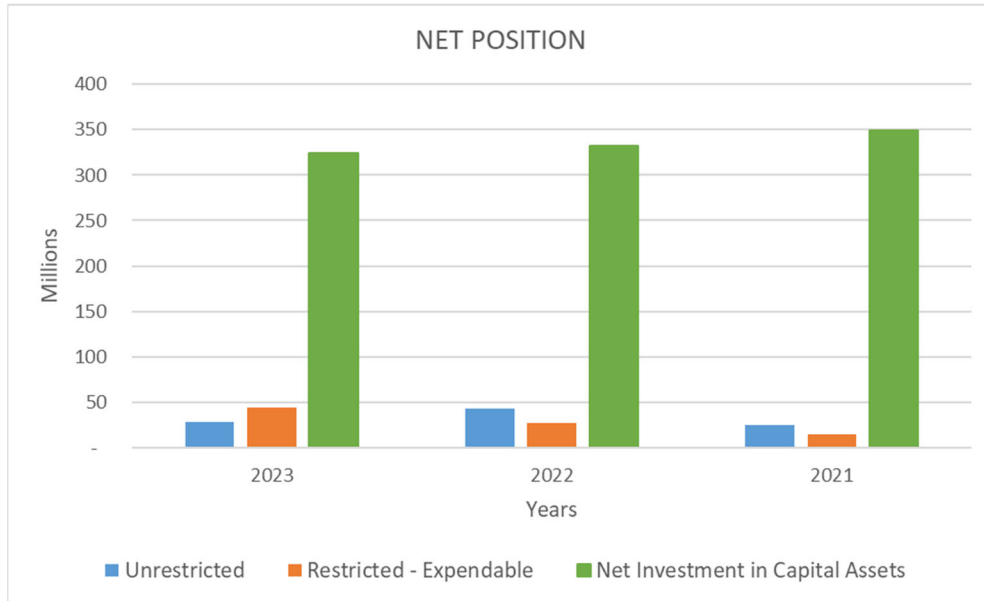
### Bowling Green State University Condensed Statement of Net Position as of June 30, 2023, 2022 and 2021 (in thousands)

	2023	Restated 2022	2021
<b>Assets</b>			
Current assets	\$ 302,862	\$ 297,162	\$ 321,850
Non-current assets:			
Capital assets	575,099	594,512	593,961
Other	39,178	49,581	49,026
Total non-current assets	614,277	644,093	642,987
Total assets	917,139	941,255	964,837
<b>Deferred outflows</b>	77,509	41,006	32,715
<b>Liabilities</b>			
Current liabilities	62,284	59,954	71,018
Non-current liabilities	507,700	394,518	476,179
Total liabilities	569,984	454,472	547,197
<b>Deferred inflows</b>	28,282	125,606	62,335
<b>Net position</b>			
Net investment in			
capital assets	323,943	332,527	348,604
Restricted, expendable	43,834	26,764	14,901
Unrestricted	28,605	42,892	24,515
Total net position	\$ 396,382	\$ 402,183	\$ 388,020

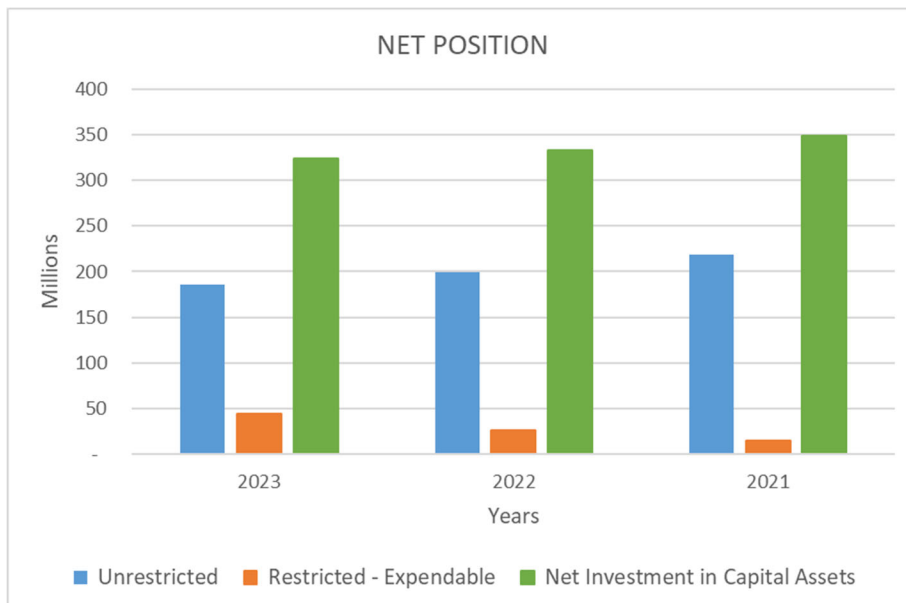
# Bowling Green State University

## Management's Discussion and Analysis (continued)

The following chart provides a graphical breakdown of net position by category for the fiscal years ended June 30, 2023, 2022 and 2021 – **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, 2023, 2022 and 2021 – **without** the impact of GASB Statement No. 68 and GASB Statement No. 75 adoption:



# Bowling Green State University

## Management's Discussion and Analysis (continued)

### **2023 Versus 2022**

University assets totaled \$917.1 million at June 30, 2023, compared to \$941.3 million at June 30, 2022, reflecting a decrease of \$24.2 million.

- In fiscal year 2023, the University's current assets of \$302.9 million were sufficient to cover current liabilities of \$62.3 million (current ratio of 4.9).
- Accounts receivable, net of allowance for doubtful accounts were \$11.0 million at June 30, 2023, reflecting an overall increase of \$1.0 million from the prior year. This increase is related to the timing of payments on grants and other third party receivables.
- Current investments were \$276.3 million, or 30.1 percent of total assets at June 30, 2023, and increased by \$6.0 million over 2022. Net investment income of \$21.8 million was recorded during the year.
- Cash and cash equivalents were \$10.8 million at June 30, 2023 and decreased \$0.7 million over 2022 primarily due to the timing of transfers between the investment pool and the operating cash account at the fiscal year end.
- Restricted assets are funds held by trustees from long-term debt issues. At June 30, 2023, restricted investments were \$19.8 million and increased by \$0.1 million over 2022, related to investment earnings on unspent bond funds.
- Capital assets (net of depreciation) were \$575.1 million (62.7 percent of total assets) at June 30, 2023 compared to \$594.5 million (63.2 percent of total assets) at June 30, 2022, reflecting a decrease of \$19.4 million from the prior year.
- The University reported net deferred outflows of \$49.2 million at June 30, 2023 related to GASB Statement No. 68, GASB Statement No. 75, GASB Statement No. 87 and GASB Statement No. 96. Certain amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, post-retirement benefits, leases and SBITAs are subject to amortization and will be expensed through recognition of annual amortization amounts in subsequent years' pension, OPEB, lease and software expense. 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 net deferred outflows increased by \$133.8 million from the prior year.



# Bowling Green State University

## Management's Discussion and Analysis (continued)

University liabilities totaled \$570.0 million at June 30, 2023 compared to \$454.5 million at June 30, 2022.

- Total current liabilities at June 30, 2023 of \$62.3 million reflect a slight increase over June 30, 2022 current liabilities of \$60.0 million.
- Long-term debt and other obligations decreased in 2023 by \$11.8 million due to debt payments made throughout the year.
- Pension and OPEB obligations at June 30, 2023 were \$205.7 million compared to \$71.5 million at June 30, 2022. The increase of \$134.2 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, 2023 is \$396.4 million, compared to the prior year of \$402.2 million, a decrease of \$5.8 million. This decrease is attributable to a number of factors including:

- Operating revenues for 2023 increased by \$12.2 million in 2023 compared to 2022. Auxiliary revenues increased by \$9.4 million and grant revenues increased by \$2.6 million.
- Operating expenses increased by \$47.1 million in 2023 compared to 2022. Approximately \$39.3 million of this increase is directly related to GASB Statement No. 68 and GASB Statement No. 75 pension and OPEB expense (2023 results include expense of \$0.7 million related to GASB 68/75 while 2022 includes expense reduction of \$38.6 million). Auxiliary expenses increased by \$10.3 million in 2023 due to increased operations on campus in 2023 as compared to 2022. Educational and general expenditures decreased by \$2.0 million in 2023, depreciation and amortization expense decreased by \$1.4 million and other operating expenses increased by \$1.0 million. More details on these increases and decreases can be found below.

# Bowling Green State University

## Management's Discussion and Analysis (continued)

- An increase in state appropriations of approximately \$3.3 million.
- A \$48.6 million increase in net investment earnings due to market performance in 2023.
- A \$37.2 million decrease in nonexchange grants due to the exhaustion of the CARES Act, CRRSAA and ARP grants awarded to the University.

Of the total net assets, \$367.8 million is invested in capital assets or is restricted. The remaining \$28.6 million in unrestricted net assets has been designated or allocated for specific academic, research and support purposes, reserves, and quasi-endowments.

### **2022 Versus 2021**

University assets totaled \$941.3 million at June 30, 2022, compared to \$964.8 million at June 30, 2021, reflecting a decrease of \$23.5 million.

- In fiscal year 2022, the University's current assets of \$297.2 million were sufficient to cover current liabilities of \$60.0 million (current ratio of 5.0).
- Accounts receivable, net of allowance for doubtful accounts were \$10.0 million at June 30, 2022, reflecting an overall decrease of \$33.0 million from the prior year. This decrease is related to Federal COVID relief grant dollars that were drawn in fiscal year 2022.
- Current investments were \$270.3 million, or 28.7 percent of total assets at June 30, 2022, and increased by \$6.1 million over 2021. A net investment loss of \$26.8 million was recorded during the year.
- Cash and cash equivalents were \$11.5 million at June 30, 2022 and increased \$2.0 million over 2021 due to the timing of transfers between the investment pool and the operating cash account at the fiscal year end and also the blending of the Corporation's cash balance in with the University's cash balance in the 2022 financial statements.
- Restricted assets are funds held by trustees from long-term debt issues. At June 30, 2022, restricted investments were \$19.7 million and decreased by \$2.8 million over 2021, related to bond drawdowns throughout the year.
- Capital assets (net of depreciation) were \$594.5 million (63.2 percent of total assets) at June 30, 2022 compared to \$594.0 million (61.6 percent of total assets) at June 30, 2021, reflecting a net increase of \$0.5 million from the prior year.

# Bowling Green State University

## Management's Discussion and Analysis (continued)

- The University reported net deferred inflows of \$84.6 million at June 30, 2022 related to GASB Statement No. 68, GASB Statement No. 75, GASB Statement No. 87 and GASB Statement No. 96. Certain amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, post-retirement benefits, leases and SBITAs are subject to amortization and will be expensed through recognition of annual amortization amounts in subsequent years' pension, OPEB, lease and software expense. 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 net deferred inflows increased by \$55.0 million from the prior year.

University liabilities totaled \$454.5 million at June 30, 2022 compared to \$547.2 million at June 30, 2021.

- Total current liabilities at June 30, 2022 of \$60.0 million reflect a decrease over June 30, 2021 current liabilities of \$71.0 million due to a decrease in unearned revenue related to federal grants that were not recognized until certain spending requirements were met in 2022.
- Long-term debt and other obligations increased in 2022 by \$6.1 million due to the implementation of GASB Statement No. 96, which recorded a liability related to SBITAs, offset by debt payments made throughout the year.
- Net pension and OPEB obligations at June 30, 2022 were \$71.5 million compared to \$165.1 million at June 30, 2021. The decrease of \$93.6 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, 2022 is \$402.2 million, compared to the prior year of \$388.0 million, an increase of \$14.2 million. This increase is attributable to a number of factors including:

- Operating revenues for 2021 and 2022 were affected by the COVID-19 pandemic that began in March of 2020. In 2021, as a result of a reduced number of students living on campus in an effort to limit the spread of COVID-19, there was a significant decrease in auxiliary enterprise revenue. Fiscal year 2022 saw a return to more typical on campus housing levels, and auxiliary enterprise revenue increased by \$19.7 million over 2021.

# Bowling Green State University

## Management's Discussion and Analysis (continued)

- Operating expenses increased by \$37.1 million in 2022 compared to 2021. Approximately \$6.9 million of this increase is directly related to GASB Statement No. 68 and GASB Statement No. 75 pension and OPEB expense (2022 results include expense reduction of \$38.6 million related to GASB 68/75 while 2021 includes expense reduction of \$45.5 million). Auxiliary expenses increased by \$8.5 million in 2022 due to increased operations on campus in 2022 as compared to 2021. Educational and general expenditures increased by \$18.6 million in 2022 and other operating expenses increased by \$1.4 million. The implementation of GASB Statement No. 96 in 2022 resulted in an additional \$0.7 million of expense in 2022 and the blending of the Corporation's in 2022 increased the University's operating expenses by \$0.7 million in 2022.
- An increase in state appropriations of approximately \$1.1 million.
- A \$66.0 million decrease in net investment earnings due to market performance in 2022.

Of the total net assets, \$359.3 million is invested in capital assets or is restricted. The remaining \$42.9 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

## Management's Discussion and Analysis (continued)

### 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 non-operating. 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 non-operating 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 Statement of Revenues, Expenses and Changes in Net Position For years ended June 30, 2023, 2022 and 2021 (in thousands)

	2023	Restated 2022	2021
<b>Operating revenues:</b>			
Student tuition and fees	\$ 165,394	\$ 165,743	\$ 167,432
Auxiliary enterprises	78,874	69,451	49,743
Grants and contracts	21,722	19,114	16,529
Sales and service	3,494	2,998	2,500
Other operating revenues	7,681	7,689	9,241
Total operating revenues	<u>277,165</u>	<u>264,995</u>	<u>245,445</u>
<b>Operating expenses:</b>			
Educational and general	305,017	270,493	248,484
Auxiliary enterprises	70,453	57,400	48,657
Depreciation and amortization	44,220	45,603	40,571
Other expenses	4,567	3,610	2,258
Total operating expenses	<u>424,257</u>	<u>377,106</u>	<u>339,970</u>
Operating loss	<u>(147,092)</u>	<u>(112,111)</u>	<u>(94,525)</u>
<b>Non-operating revenues (expenses):</b>			
State appropriations	87,341	84,034	82,919
Other non-operating revenues and expenses	39,539	28,938	96,994
Total non-operating revenues	<u>126,880</u>	<u>112,972</u>	<u>179,913</u>
(Loss) Income before other changes	(20,212)	861	85,388
Capital appropriations, grants and gifts	14,412	8,842	10,454
Change in net position	(5,800)	9,703	95,842
<b>Net position</b>			
Net position at the beginning of the year	402,183	388,020	292,253
Adjustment for change in accounting principle/reporting entity	-	4,460	(75)
Net position at the end of year	<u>\$ 396,383</u>	<u>\$ 402,183</u>	<u>\$ 388,020</u>

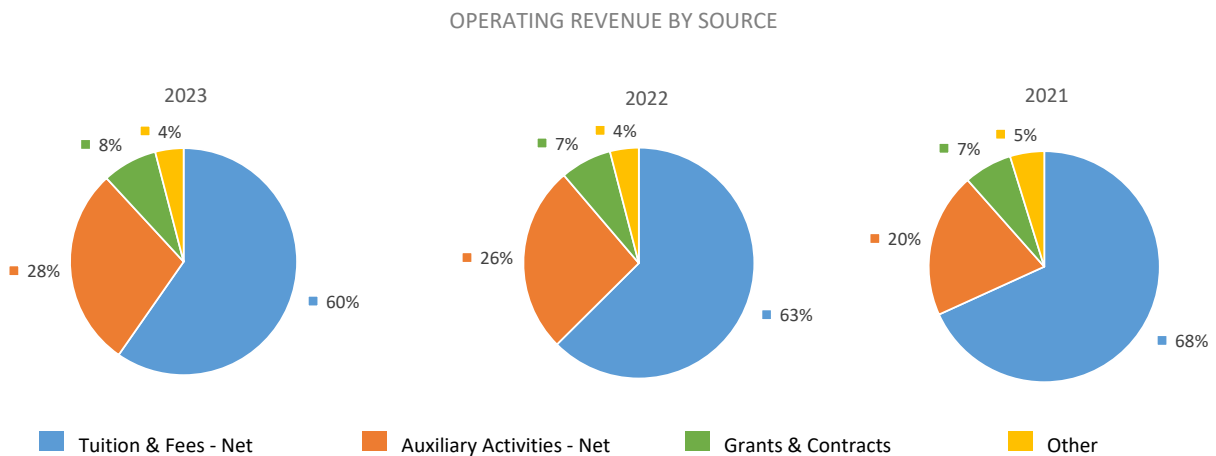
# Bowling Green State University

## Management's Discussion and Analysis (continued)

### 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:



### 2023 versus 2022

The most significant sources of operating revenues for the University are tuition and fees of \$165.4 million, which decreased \$0.3 million, or 0.2 percent over 2022.

Auxiliary enterprises, another significant source of University revenues, increased from \$69.5 million in 2022 to \$78.9 million in 2023. The increase in auxiliary revenue was primarily due to increased housing, dining and parking services in academic year 2022-2023, as compared to academic year 2021-2022, which was still being affected by the COVID-19 pandemic.

Grants and contracts revenue of \$21.7 million for the year ending June 30, 2023 reflect an increase of \$2.6 million over 2022 and is due to timing fluctuations of grant expenditures year over year, and the timing of grant end dates and the beginning dates of renewals/new grants.

# Bowling Green State University

## Management's Discussion and Analysis (continued)

### **2022 versus 2021**

The most significant sources of operating revenues for the University are tuition and fees of \$165.7 million, which decreased \$1.7 million, or 1.0 percent over 2021.

Auxiliary enterprises, another significant source of University revenues, increased from \$49.7 million in 2021 to \$69.5 million in 2022. The increase in auxiliary revenue was primarily due to increased housing, dining and parking services in academic year 2021-2022, as compared to academic year 2020-2021, which was during the peak of the COVID-19 pandemic.

Grants and contracts revenue of \$19.1 million for the year ending June 30, 2022 reflect an increase of \$2.6 million over 2021 and is due to timing fluctuations of grant expenditures year over year, and the timing of grant end dates and the beginning dates of renewals/new grants.

# Bowling Green State University

## Management's Discussion and Analysis (continued)

### **Operating Expenses**

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

#### **2023 versus 2022**

Total operating expenditures of \$424.3 million for 2023 increased overall by \$47.1 million, or 12.5 percent over 2022.

- Educational and general expenditures consist of instruction, research, public services, academic support, student services, institutional support, operations and maintenance of plant and student aid totaled \$305.0 million for 2023 compared to \$270.5 million for 2022, reflecting an overall increase of \$34.5 million, of which \$36.6 million is related to pension and OPEB expense due to GASB Statement No. 68 and GASB Statement No. 75.
- Auxiliary enterprise expenses increased \$10.3 million in 2023 due to increased housing, dining and parking services in academic year 2022-2023.
- Other operating expenses increased \$1.0 million in 2023 due to the increase in health insurance costs for employees.

#### **2022 versus 2021**

Total operating expenditures of \$377.1 million for 2022 increased overall by \$37.1 million, or 10.9 percent over 2021.

- Educational and general expenditures consist of instruction, research, public services, academic support, student services, institutional support, operations and maintenance of plant and student aid totaled \$270.5 million for 2022 compared to \$249.4 million for 2021, reflecting an overall increase of \$21.1 million, of which \$6.9 million is related to pension and OPEB expense due to GASB Statement No. 68 and GASB Statement No. 75.
- Auxiliary enterprise expenses increased \$8.7 million in 2022 due to increased housing, dining and parking services in academic year 2021-2022.
- Other operating expenses increased \$1.4 million in 2022 due to an increase in campus maintenance projects.



# Bowling Green State University

## Management's Discussion and Analysis (continued)

### **Non-operating Revenues**

Non-operating 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).

Non-operating revenue was impacted by the following factors:

- State appropriations remain the most significant source of non-operating revenue, and totaled \$87.3 million in the current year, reflecting an increase of \$3.3 million, or 3.9 percent over 2022.
- Non-exchange grants and contracts had an overall decrease of \$37.2 million in 2023, primarily due to the exhaustion of the CARES Act, CRRSAA, ARP and CRF grants awarded to the University.
- Net investment income of \$21.8 million reflects an increase of \$48.6 million over prior year due to market performance during fiscal year 2023.

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

At June 30, 2023, the University had \$575.1 million of capital assets (net of accumulated depreciation), compared to \$594.5 million of net capital assets for the prior fiscal year. The decrease of \$19.4 million is due to the slowing of construction, as the University nears completion of its 2011 master plan. The charges for depreciation and amortization included in the statement of revenues, expenses, and changes in net position were \$44.2 million for 2023 and \$45.6 million for 2022. Detailed information about the University's capital assets is presented in Note 5 to the financial statements.

In January 2020, the University issued \$53,685,000 of General Receipts Bonds, Series 2020A, fixed rate bonds. The proceeds were used to refund the remaining 2010 bonds and to fund various construction projects and campus improvements.

In October 2020, the University issued \$39,245,000 of General Receipts Bonds, Series 2020B, variable rate bonds. The proceeds were used to refund the remaining 2014 bonds.

In November 2021, the University issued \$38,640,000 of General Receipts Bonds, Series 2021A, variable rate bonds. The proceeds were used to refund the remaining 2020B bonds.

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

# Bowling Green State University

## Management's Discussion and Analysis (continued)

### Statement of Cash Flows

The Statement of Cash Flows presents information related to cash inflows and outflows summarized by operating, non-capital 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 Statement of Cash Flows For years ended June 30, 2023, 2022 and 2021 (in thousands)

	<u>2023</u>	<u>Restated 2022</u>	<u>2021</u>
Cash provided (used) by:			
Operating activities	\$ (104,837)	\$ (95,586)	\$ (119,316)
Non-capital financing activities	113,804	147,736	148,382
Capital financing activities	(26,120)	(23,296)	(32,143)
Investing activities	16,423	(27,981)	2,321
Net (decrease) increase in cash and cash equivalents	(730)	873	(756)
Cash and cash equivalents, beginning of year	11,503	9,466	10,222
Adjustment for change in reporting entity		1,164	
Cash and cash equivalents, end of year	<u>\$ 10,773</u>	<u>\$ 11,503</u>	<u>\$ 9,466</u>

For the year ended June 30, 2023:

- Major sources of cash provided by operating activities included student tuition and fees of \$165.5 million, auxiliary enterprises of \$78.6 million, and research grants and contracts of \$21.3 million. Major uses of cash in operations included payments to employees and benefits of \$236.8 million, payments to vendors for supplies and services of \$127.6 million, and payments for scholarships and fellowships of \$17.9 million.
- Non-capital financing activities included cash provided from state appropriations of \$87.3 million and grants received for other than capital purposes of \$26.5 million.
- Primary sources of cash from capital financing activities state capital appropriations of \$7.6 million and capital grants received of \$6.4 million. Cash used to purchase capital assets was \$24.3 million, principal paid on long-term debt was \$5.6 million, and interest paid on long-term debt was \$10.2 million.
- Investing activities included proceeds from sales and maturities of investments of \$143.1 million and investment income of \$8.1 million. Purchases of investments were \$134.8 million.

# Bowling Green State University

## Management's Discussion and Analysis (continued)

For the year ended June 30, 2022:

- Major sources of cash provided by operating activities included student tuition and fees of \$163.9 million, auxiliary enterprises of \$69.4 million, and research grants and contracts of \$31.6 million. Major uses of cash in operations included payments to employees and benefits of \$227.6 million, payments to vendors for supplies and services of \$108.2 million, and payments for scholarships and fellowships of \$35.9 million.
- Non-capital financing activities included cash provided from state appropriations of \$84.0 million and grants received for other than capital purposes (primarily from the CARES Act, CRRSAA, ARP, CRR grants and the Federal Pell Grant Program) of \$63.7 million.
- Primary sources of cash from capital financing activities were new debt proceeds of \$38.5 million, state capital appropriations of \$6.4 million and capital grants received of \$2.5 million. Cash used to purchase capital assets was \$17.1 million, principal paid on long-term debt was \$43.9 million, and interest paid on long-term debt was \$9.6 million.
- Investing activities included proceeds from sales and maturities of investments of \$37.4 million and investment income of \$4.4 million. Purchases of investments were \$69.8 million.

### **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. While tuition revenue remained relatively consistent from prior year, it continues to be a challenging environment. However, with enrollment increases in fall of 2023, tuition revenue is expected to grow. This dynamic makes state appropriations even more crucial to University operations. State appropriations increased approximately 3 percent and contributed substantially to the successful maintenance and operation of the University.

# Bowling Green State University

## Management's Discussion and Analysis (continued)

The COVID pandemic had a negative impact on undergraduate enrollment particularly impacting the incoming first year class size in fall of 2020 (-300) and again in the fall of 2021 (-200). The incoming first year class in the fall of 2022 began to recover (+200) and the fall of 2023 first year incoming class continued that recovery (+300). In fact, the fall of 2023 is the University's largest class and the highest achieving freshman class in history with new first-time student enrollment up approximately 7 percent at nearly 3,500 students. The class of 2027 has the highest grade point average in University history at 3.67 with the Honors College welcoming nearly 400 new students. The number of top scholars attending the University this fall is up 20 percent compared to fall 2022. Out-of-state student enrollment is up 12 percent for new first-time students. Student success and retention is also at an all time high of 80 percent. This is a result of the University's commitment to student success and outcomes and providing additional access to comprehensive opportunities.

Graduate enrollment increase in the fall of 2020 is primarily attributed to a new online MBA program (began spring of 2020 semester). As the pandemic concludes, the University remains focused on recovering lost enrollments and growing specific undergraduate and graduate programs with high student and employer demand.

### Fall 15th Day Headcount

	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023
BG Campus UG	15,104	14,992	14,468	13,873	14,014
Firelands Campus UG	2,171	2,085	1,946	1,849	1,938
<b>UNDERGRAD TOTAL</b>	<b>17,275</b>	<b>17,077</b>	<b>16,414</b>	<b>15,722</b>	<b>15,952</b>
BG Campus Grad	2,630	3,155	3,183	3,070	3,014
<b>GRAND TOTAL</b>	<b>19,905</b>	<b>20,232</b>	<b>19,597</b>	<b>18,792</b>	<b>18,966</b>

As part of the University's newly created School of Engineering, the Board of Trustees approved three new bachelor's degrees in February of 2023 (Bachelor of Science in Electronic and Computer Engineering, Bachelor of Science in Mechanical and Manufacturing Engineering, and Bachelor of Science in Robotics Engineering). The U.S. Bureau of Labor Statistics projects employment opportunities and market demand for students graduating with undergraduate degrees in these fields will grow 6-10 percent from 2022 to 2032 – faster than the average for all other occupations. The University expects to begin admitting students to these programs beginning in the fall of 2023. The University continually reviews existing academic programs and majors, as well as assessing the need for new programs/majors.

The biggest revenue recovery is in auxiliaries with an approximate increase of \$9.4 million (13.6 percent), as a result of more normal on-campus student residency, dining plans and intercollegiate athletic activity.

# Bowling Green State University

## Management's Discussion and Analysis (continued)

Recent increases in inflation have had a negative impact on certain ongoing costs of operation such as supplies, travel, software/technology and health care. During the past 12-18 months, the University experienced significant recruiting and hiring challenges among lower-compensated hourly staff positions. In addition, the rising cost of building materials and supply chain issues have caused the University to delay or reduce the scope of certain planned capital projects. While access to building materials has significantly improved, the University continues to experience longer-than-normal lead time procuring certain building materials contributing to some price uncertainty and overall higher costs.

Higher education faces ongoing changes in which universities have to be prepared to adapt to new trends, whether it be with the economic model, student services, technology or workforce maintenance. The University recognizes the significance of these changes and developed a strategic plan in response to these trends. The University's current strategic plan "Forward" includes the following strategic and foundational objectives:

- I. Driving Public Good Through Redefining Student Success
- II. Creating Public Good Through Research, Creative Activities, Partnerships and Engagement
- III. Powering Public Good Through Our People and Community
- IV. Supporting Public Good Through Efficient and Effective Processes, Structures and Technologies.

The detailed strategic plan can be found at: <https://www.bgsu.edu/forward>. Each objective has four initiatives which guide and align annual goal setting across the University. Progress is measured and shared with the University's Board of Trustees at each regularly scheduled meeting.

Although the pandemic has created challenges for the University, we remain grateful for the support of our students, faculty, staff, alumni and donors. As a public university for the public good, we remain committed to using our resources wisely to educate and prepare our students and to serve the communities in which we work and live.

## Bowling Green State University

## Statements of Net Position

	<b>June 30</b>	
	<b>2023</b>	<b>2022</b>
		<b>Restated</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 10,773,172	\$ 11,502,545
Investments	276,288,312	270,270,576
Accounts receivable, net	10,851,798	9,607,718
Inventories	534,486	553,161
Notes receivable	987,073	1,307,869
Prepaid and other assets	3,427,498	3,920,119
Total current assets	<u>302,862,339</u>	<u>297,161,988</u>
Noncurrent assets:		
Investments	4,697,871	5,038,050
Assets - restricted	19,792,834	19,657,258
Accounts receivable, net	124,280	364,374
Cash surrender value of life insurance and annuities	639,019	628,827
Notes receivable	1,410,558	2,114,734
Capital assets, net	575,098,718	594,511,745
OPEB asset	12,513,000	21,778,218
Total noncurrent assets	<u>614,276,280</u>	<u>644,093,206</u>
Total assets	<u>917,138,619</u>	<u>941,255,194</u>
<b>Deferred Outflows of Resources</b>		
Deferred outflows related to pensions	69,577,191	39,836,529
Deferred outflows related to OPEB	7,931,640	1,169,593
Total deferred outflows of resources	<u>77,508,831</u>	<u>41,006,122</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued expenses	29,435,537	25,321,031
Unearned revenue	12,437,764	12,215,440
Deposits	688,367	1,142,194
Current portion of long-term debt and other obligations	19,721,628	21,276,029
Total current liabilities	<u>62,283,296</u>	<u>59,954,694</u>
Noncurrent liabilities:		
Long-term debt and other obligations	289,465,542	301,238,365
Pension liability	215,906,469	93,279,218
OPEB liability	2,327,789	-
Total noncurrent liabilities	<u>507,699,800</u>	<u>394,517,583</u>
Total liabilities	<u>569,983,096</u>	<u>454,472,277</u>
<b>Deferred Inflows of Resources</b>		
Deferred inflows related to pensions	16,389,326	101,555,072
Deferred inflows related to OPEB	11,635,514	23,497,851
Deferred inflows related to leases	257,203	553,465
Total deferred inflows of resources	<u>28,282,043</u>	<u>125,606,388</u>
<b>Net position</b>		
Net investment in capital assets	323,942,807	332,526,710
Restricted for expendable:		
Loans	648,344	1,400,361
Capital projects	43,185,783	25,363,364
Unrestricted	28,605,377	42,892,216
Total net position	<u>\$ 396,382,311</u>	<u>\$ 402,182,651</u>

See accompanying notes.

# Bowling Green State University

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

	<b>Year Ended June 30</b>	
	<b>2023</b>	<b>2022</b>
		<b>Restated</b>
<b>Revenues</b>		
Operating revenues:		
Student tuition and fees (net of scholarship allowances of \$68,210,215 for 2023 and \$64,705,549 for 2022 )	\$ 165,393,582	\$ 165,742,652
Federal grants and contracts	10,036,916	8,136,453
State grants and contracts	4,820,533	3,869,507
Nongovernmental grants and contracts	6,864,963	7,108,342
Sales and services of educational departments	3,493,643	2,998,081
Auxiliary enterprises (net of scholarship allowances of \$2,813,199 for 2023 and \$2,664,808 for 2022)	78,873,629	69,450,763
Other operating revenues	7,681,015	7,689,256
Total operating revenues	277,164,281	264,995,054
<b>Expenses</b>		
Operating expenses:		
Educational and general:		
Instruction	152,947,361	123,124,554
Research	13,375,134	10,671,231
Public services	6,229,542	5,058,986
Academic support	25,039,006	20,739,511
Student services	19,870,260	17,463,619
Institutional support	42,404,273	34,193,883
Operations and maintenance of plant	27,283,903	23,299,124
Student aid	17,867,025	35,941,414
Auxiliary enterprises	70,452,851	57,400,368
Depreciation and amortization	44,220,030	45,603,278
Other expenses	4,566,634	3,610,345
Total operating expenses	424,256,019	377,106,313
Operating loss	(147,091,738)	(112,111,259)
Nonoperating revenues (expenses):		
State appropriations	87,340,780	84,033,695
Non-exchange grants and contracts	26,463,319	63,701,887
Investment income (loss), net	21,769,099	(26,835,315)
Interest on capital asset-related debt	(8,693,860)	(7,927,948)
Net nonoperating revenues	126,879,338	112,972,319
(Loss) income before other changes	(20,212,400)	861,060
Other changes:		
Capital appropriations	7,592,721	6,362,969
Capital grants and gifts	6,819,339	2,479,232
Total other changes	14,412,060	8,842,201
Change in net position	(5,800,340)	9,703,261
<b>Net position</b>		
Net position at the beginning of year	402,182,651	388,020,124
Adjustment for change in accounting principle GASB 96	-	183,719
Adjustment for change in reporting entity	-	4,275,547
Net position at the end of year	\$ 396,382,311	\$ 402,182,651

# Bowling Green State University

## Statements of Cash Flows

	<b>Year Ended June 30</b>	
	<b>2023</b>	<b>2022</b>
		<b>Restated</b>
<b>Operating activities</b>		
Tuition and fees	\$ 165,486,782	\$ 163,931,991
Research grants and contracts	21,284,318	31,621,179
Payments to vendors for supplies and services	(127,632,093)	(108,174,803)
Payments to employees and benefits	(236,783,704)	(227,615,094)
Payments for scholarships and fellowships	(17,867,025)	(35,941,414)
Student loans granted, net of repayments	1,007,111	645,551
Auxiliary enterprises	78,571,559	69,449,390
Sales and services of educational departments	3,797,829	2,996,446
Direct lending receipts	115,297,542	110,941,085
Direct lending disbursements	(115,012,307)	(111,025,484)
Other receipts	7,013,551	7,585,320
Net cash used in operating activities	(104,836,437)	(95,585,833)
<b>Noncapital financing activities</b>		
State appropriations	87,340,780	84,033,695
Grants received for other than capital purposes	26,463,319	63,701,887
Net cash provided by noncapital financing activities	113,804,099	147,735,582
<b>Capital financing activities</b>		
Proceeds from capital debt	–	38,460,000
Capital appropriations	7,592,721	6,362,969
Capital grants received	6,352,916	2,479,232
Purchases of capital assets	(24,289,529)	(17,132,370)
Principal paid on long-term debt	(5,620,000)	(43,895,000)
Interest paid on long-term debt	(10,155,653)	(9,571,004)
Net cash used in capital financing activities	(26,119,545)	(23,296,173)
<b>Investing activities</b>		
Proceeds from sales and maturities of investments	143,148,319	37,350,513
Investment income	8,118,966	4,445,051
Purchase of investments	(134,844,775)	(69,776,880)
Net cash provided by (used in) investing activities	16,422,510	(27,981,316)
Net (decrease) increase in cash and cash equivalents	(729,373)	872,260
Cash and cash equivalents at beginning of year	11,502,545	9,466,178
Adjustment for change in reporting entity	–	1,164,107
Cash and cash equivalents at end of year	<u>\$ 10,773,172</u>	<u>\$ 11,502,545</u>

*See accompanying notes*



# Bowling Green State University

## Statements of Cash Flows (continued)

	<b>Year Ended June 30</b>	
	<b>2023</b>	<b>2022</b>
		<b>Restated</b>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (147,091,738)	\$ (112,111,259)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	44,220,030	45,603,278
Pension and OPEB expense (gain)	689,466	(38,630,392)
Lease and subscription expense	(6,539,828)	(6,922,826)
Changes in assets and liabilities:		
Accounts receivable, net	(1,003,986)	33,011,064
Inventories	18,675	56,055
Other assets	492,621	(510,959)
Accounts payable and accrued liabilities	4,051,445	4,770,592
Unearned revenue	222,324	(22,596,025)
Deposits held for others	(453,827)	1,130,888
Compensated absences	76,812	583,164
Loans to students	481,569	30,587
Net cash used in operating activities	\$ (104,836,437)	\$ (95,585,833)
 Supplemental disclosures of noncash information:		
Capital assets acquired by gifts in-kind	\$ 466,423	\$ —

*See accompanying notes.*

THE BOWLING GREEN STATE UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 2,914,180	\$ 1,728,607
Contributions receivable, net of allowance for uncollectible contributions of \$2,129,700 in 2023 and \$2,313,793 in 2022	3,856,527	4,456,998
Total current assets	6,770,707	6,185,605
Investments		
Fixed income funds	57,069,367	53,222,814
Mutual funds	159,077,415	141,865,644
Alternative investments	36,793,968	33,372,844
Corporate stocks	849,143	703,099
Money market funds	20,683,962	23,709,919
Total investments	274,473,855	252,874,320
Prepaid and other assets	755,597	2,228
Long-term contributions receivable, net of allowance for uncollectible contributions of \$627,045 in 2023 and \$403,735 in 2022	10,480,871	7,225,895
Beneficial interest in trust held by others	1,445,193	1,774,364
Cash value of life insurance	1,700,206	1,693,375
Total assets	\$ 295,626,429	\$ 269,755,787
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 1,021,273	\$ 469,971
Total current liabilities	1,021,273	469,971
Annuities payable	2,698,463	3,137,502
Total liabilities	3,719,736	3,607,473
Net assets		
Without donor restrictions	24,431,944	19,928,873
With donor restrictions	267,474,749	246,219,441
Total net assets	291,906,693	266,148,314
Total liabilities and net assets	\$ 295,626,429	\$ 269,755,787

THE BOWLING GREEN STATE UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
Year Ended June 30, 2023

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
<b>Support, revenue, and gains</b>			
Contributions and gifts	\$ 272,409	\$ 27,820,936	\$ 28,093,345
Contributions and gifts - nonfinancial	-	572,098	572,098
Provision for uncollectible contributions	-	(1,686,081)	(1,686,081)
University support	4,692,000	-	4,692,000
Interest and dividends	905,913	4,922,016	5,827,929
Net realized and unrealized gains (losses)	4,959,461	14,835,767	19,795,228
Other revenue	1,213	289,624	290,837
Net assets released from restriction	<u>25,073,612</u>	<u>(25,073,612)</u>	<u>-</u>
Total support, revenue, and gains	<u>35,904,608</u>	<u>21,680,748</u>	<u>57,585,356</u>
<b>Expenses</b>			
Program services	25,399,730	-	25,399,730
Fundraising	3,051,196	-	3,051,196
Management and general	<u>2,950,611</u>	<u>-</u>	<u>2,950,611</u>
Total expenses	<u>31,401,537</u>	<u>-</u>	<u>31,401,537</u>
Change in net assets from operations	4,503,071	21,680,748	26,183,819
Change in split interest agreements	<u>-</u>	<u>(425,440)</u>	<u>(425,440)</u>
Change in net assets	4,503,071	21,255,308	25,758,379
Net assets at beginning of year	<u>19,928,873</u>	<u>246,219,441</u>	<u>266,148,314</u>
Net assets at end of year	<u>\$ 24,431,944</u>	<u>\$ 267,474,749</u>	<u>\$ 291,906,693</u>

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

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

Bowling Green State University

Notes to Financial Statements

June 30, 2023 and 2022

**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  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

**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 26-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.

During the years ended June 30, 2023 and 2022, the Foundation distributed \$23,282,238 and \$18,093,874, respectively, to the University for both restricted and unrestricted purposes.

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  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

**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 Satelitics, Inc.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

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

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

**Condensed Statement of Net Position**

	Centennial Falcon Properties, Inc. and Subsidiaries	
	2023	2022
<b>Assets</b>		
Current assets	\$ 831,336	\$ 1,274,281
Non-current assets:		
Capital assets	13,081,139	12,839,155
Total non-current assets	13,081,139	12,839,155
Total assets	13,912,475	14,113,436
<b>Liabilities</b>		
Current liabilities	596,800	596,800
Non-current liabilities	8,763,818	9,360,618
Total liabilities	9,360,618	9,957,418
<b>Net position</b>		
Unrestricted	4,551,857	4,156,018
Total net position	\$ 4,551,857	\$ 4,156,018



Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

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

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

	Centennial Falcon Properties, Inc. and Subsidiaries	
	<b>2023</b>	<b>2022</b>
<b>Operating revenues:</b>		
Other	8,152	7,532
Total operating revenues	8,152	7,532
<b>Operating expenses:</b>		
Auxiliary enterprises	30,410	40,673
Depreciation and amortization	683,188	683,188
Total operating expenses	713,598	723,861
Operating loss	(705,446)	(716,329)
<b>Nonoperating revenues (expenses):</b>		
Other nonoperating revenues and expenses	1,101,285	596,800
Total nonoperating revenues	1,101,285	596,800
(Loss) income before other changes	395,839	(119,529)
Change in net position	395,839	(119,529)
<b>Net position</b>		
Net position at the beginning of the year	4,156,018	4,275,547
Net position at the end of year	\$ 4,551,857	\$ 4,156,018

**Condensed Statement of Cash Flows**

	Centennial Falcon Properties, Inc. and Subsidiaries	
	<b>2023</b>	<b>2022</b>
Cash provided (used) by:		
Operating activities	\$ (15,758)	\$ (40,641)
Non-capital financing activities	500,000	-
Capital financing activities	(920,687)	-
Net decrease in cash and cash equivalents	(436,445)	(40,641)
Cash and cash equivalents, beginning of year	1,266,781	1,307,422
Cash and cash equivalents, end of year	\$ 830,336	\$ 1,266,781

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

**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.

**Upcoming Pronouncements**

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the University's financial statements for the year ending June 30, 2025.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

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

**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 \$10,773,172 and \$11,502,545 at June 30, 2023 and 2022, respectively.

**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**

All investments are stated at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Investments in publicly traded securities are stated at fair value as established by major securities markets. 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.

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.

Bowling Green State University  
Notes to Financial Statements (Continued)  
June 30, 2023 and 2022

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

**Restricted Assets**

Restricted assets represent unspent bond proceeds and consist of money markets and U.S. government obligations.

**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. Infrastructure and improvements other than 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 (lease asset) in the financial statements.

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.

Bowling Green State University  
Notes to Financial Statements (Continued)  
June 30, 2023 and 2022

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

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 other capital assets and lease liabilities are reported with long-term debt in 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.

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.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

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

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 other capital assets, and subscription liabilities are reported with long-term debt in the statement of net position.

**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.

**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 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.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

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

**Other Postemployment Benefit Costs**

For purposes of measuring the other postemployment benefits (“OPEB”) asset, 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.

**Deferred Outflows/Inflows of Resources**

*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).

*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).

**Compensated Absences**

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

Unused hours exceeding their limitations are forfeited. The liability and expense incurred are recorded at year end as liabilities in the statements of net position and as a component of operating expense in the statements of revenues, expenses, and changes in net position.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

**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 statements 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.

**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.

**Eliminations**

In preparing the financial statements, the University eliminates inter-fund assets and liabilities that would otherwise be reflected twice in the statements of net position. Similarly, revenues and expenses related to internal activities are also eliminated from the statements of revenues, expenses, and changes in net position.

**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.



Bowling Green State University  
Notes to Financial Statements (Continued)  
June 30, 2023 and 2022

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

**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 of 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.

*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.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

**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, federal Pell grant revenue, and investment income.

**Change in Accounting Policy**

Effective for the fiscal year ended June 30, 2023, the University adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, ("GASB 96") which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users. Under this standard, end users in SBITAs are required to recognize a right-to-use subscription asset and a corresponding subscription liability. Upon adoption, the initial right-to-use subscription asset and corresponding subscription liability both totaled \$11,121,502, respectively. In accordance with the statement, the University reported a change in accounting principle to its unrestricted net position as of July 1, 2021 and fiscal year 2022 results have been restated to reflect this new accounting standard.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

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

**Restatement**

In addition to the restatement made for the implementation of GASB 96 described above, the University restated fiscal year 2022 results for a change in reporting entity. The Corporation meets the requirements to be a blended component unit of the University. In previous years, the Corporation was deemed to be a discretely presented component unit.

The change in accounting principle and change in reporting entity had the following effects on the fiscal year 2022 statements:

	2022 as Previously Reported	Implementation of GASB 96	Blending of Corporation	2022 Restated
Current assets	296,677,086	(671,350)	1,156,252	297,161,988
Noncurrent assets	620,375,699	10,878,352	12,839,155	644,093,206
Total assets	917,052,785	10,207,002	13,995,407	941,255,194
Current liabilities	54,964,962	4,510,961	478,771	59,954,694
Noncurrent liabilities	378,916,417	6,240,548	9,360,618	394,517,583
Total liabilities	433,881,379	10,751,509	9,839,389	454,472,277
Net position	398,571,140	(544,507)	4,156,018	402,182,651
Operating expenses	375,970,723	419,261	716,329	377,106,313
Net nonoperating revenues (expenses)	112,684,484	(308,965)	596,800	112,972,319
Change in net position	10,551,016	(728,226)	(119,529)	9,703,261

Bowling Green State University  
Notes to Financial Statements (Continued)  
June 30, 2023 and 2022

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

**Deposits**

Amounts available for deposit at June 30, 2023 and 2022 are as follows:

	2023	2022 Restated
Cash and cash equivalents (carrying amounts)	\$ 10,661,422	\$ 11,373,454
Reconciling items (net) to arrive at bank balances of deposit	(908,732)	(334,592)
Total available for deposit and investment (bank balances of deposits)	\$ 9,752,690	\$ 11,038,862

The carrying amount shown above does not include \$111,750 and \$129,091 held in cash funds at June 30, 2023 and 2022, respectively.

Approximately \$328,653 and \$275,841 at June 30, 2023 and 2022, respectively, was covered by federal depository insurance and \$5,982,651 and \$5,388,506 at June 30, 2023 and 2022, respectively, 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 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, 2023 and 2022.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

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

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

	<u>2023</u>	<u>2022</u>
Equity mutual funds	\$ 120,095,525	\$ 104,106,710
Fixed income mutual funds	68,722,181	69,240,884
U.S. government obligations	6,827,997	14,582,397
Money market funds	34,511,981	29,279,221
Municipal bonds	4,697,871	5,038,050
Common and preferred stocks	436,254	399,803
STAR Ohio	6,143,535	15,523,630
Alternative investments:		
Hedge funds	38,492,457	36,109,596
Multi-asset credit	13,092,048	12,924,485
Limited partnerships	7,759,168	7,761,108
Total	<u>\$ 300,779,017</u>	<u>\$ 294,965,884</u>

The components of net investment income (loss) at June 30 are as follows:

	<u>2023</u>	<u>2022</u>
Interest and dividends, net	\$ 7,868,507	\$ 5,564,017
Realized gain (loss) from sale of investments	259,651	(1,107,845)
Unrealized appreciation (depreciation) in market value of investments	13,640,941	(31,291,487)
Total	<u>\$ 21,769,099</u>	<u>\$ (26,835,315)</u>

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

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

**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, 2023, 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
U.S. government obligations	\$ 6,827,997	\$ 6,827,997	\$ -	\$ -	\$ -
Municipal bonds	4,697,871	-	-	-	4,697,871
STAR Ohio	6,143,535	6,143,535	-	-	-
Fixed income securities	68,722,181	68,722,181	-	-	-
<b>Total</b>	<b>\$ 86,391,584</b>	<b>\$ 81,693,713</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,697,871</b>

As of June 30, 2022, 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
U.S. government obligations	\$ 14,582,397	\$ 7,694,906	\$ 6,887,491	\$ -	\$ -
Municipal bonds	5,038,050	-	-	-	5,038,050
STAR Ohio	15,523,630	15,523,630	-	-	-
Fixed income securities	69,240,884	69,240,884	-	-	-
<b>Total</b>	<b>\$ 104,384,961</b>	<b>\$ 92,459,420</b>	<b>\$ 6,887,491</b>	<b>\$ -</b>	<b>\$ 5,038,050</b>

**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.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

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

The credit ratings of the University's interest-bearing investments at June 30, 2023 are as follows:

Credit Rating (Standard & Poor's)	Other Investments
AAA	\$ 12,971,532
AA	4,697,871
Not rated	68,722,181
Total	\$ 86,391,584

The credit ratings of the University's interest-bearing investments at June 30, 2022 are as follows:

Credit Rating (Standard & Poor's)	Other Investments
AAA	\$ 30,106,027
AA	5,038,050
Not rated	69,240,884
Total	\$ 104,384,961

**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 \$41,796 and \$34,164 at June 30, 2023 and 2022, respectively.

**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.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

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

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.

The University has the following recurring fair value measurements as of June 30, 2023 and 2022:

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

	Balance at June 30, 2023	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	\$ 436,254	\$ 436,254	\$ -	\$ -
Debt securities:				
U.S. Treasury securities	6,827,997	6,827,997	-	-
Municipal bonds	4,697,871	-	4,697,871	-
Total debt securities	11,525,868	6,827,997	4,697,871	-
Equity securities:				
Mutual funds:				
Domestic	142,141,316	142,141,316	-	-
International	46,676,390	46,676,390	-	-
Total equity securities	188,817,706	188,817,706	-	-
Total investments by fair value level	<u>\$ 200,779,828</u>	<u>\$ 196,081,957</u>	<u>\$ 4,697,871</u>	<u>\$ -</u>

**Investments measured at the net asset value (NAV)**

Multi-strategy hedge funds	38,492,457
Multi-asset credit	13,092,048
Limited partnerships	7,759,168
Total investments measured at the NAV	<u>59,343,673</u>
Total investments measured at fair value	<u>\$ 260,123,501</u>



Bowling Green State University  
Notes to Financial Statements (Continued)  
June 30, 2023 and 2022

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

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

	Balance at June 30, 2022	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	\$ 399,803	\$ 399,803	\$ -	\$ -
Debt securities:				
U.S. Treasury securities	14,582,397	14,582,397	-	-
Municipal bonds	5,038,050	-	5,038,050	-
Total debt securities	<u>19,620,447</u>	<u>14,582,397</u>	<u>5,038,050</u>	<u>-</u>
Equity securities:				
Mutual funds:				
Domestic	131,727,114	131,727,114	-	-
International	41,620,480	41,620,480	-	-
Total equity securities	<u>173,347,594</u>	<u>173,347,594</u>	<u>-</u>	<u>-</u>
Total investments by fair value level	<u>\$ 193,367,844</u>	<u>\$ 188,329,794</u>	<u>\$ 5,038,050</u>	<u>\$ -</u>
<b>Investments measured at the net asset value (NAV)</b>				
Multi-strategy hedge funds	36,109,596			
Multi-asset credit	12,924,485			
Limited partnerships	7,761,108			
Total investments measured at the NAV	<u>56,795,189</u>			
Total investments measured at fair value	<u>\$ 250,163,033</u>			

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

The remaining debt securities at June 30, 2023 and 2022 were determined primarily 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 investment on the statement of net position at June 30, 2023 and 2022 include investments in STAR Ohio of \$6,143,535 and \$15,523,630, respectively. 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 \$25 million. STAR Ohio reserves the right to limit the transactions to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the STAR Ohio investors will be combined for these purposes.

Bowling Green State University  
Notes to Financial Statements (Continued)  
June 30, 2023 and 2022

**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 year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	June 30, 2023	June 30, 2022	June 30, 2023		
	Fair Value	Fair Value	Unfunded Commitments	Redemption Frequency, if	Redemption Notice Period
Multi-strategy hedge funds	\$ 38,492,457	\$ 36,109,596	\$ -	Quarterly	100 days
Multi-asset credit	13,092,048	12,924,485	-	Quarterly	60 days
Limited partnership	7,759,168	7,761,108	6,837,650	N/A	N/A
Total	\$ 59,343,673	\$ 56,795,189	\$ 6,837,650		

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 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 the following investments that had fair values of 5 percent or more of total investments as of June 30:

	2023	2022
Mercer Hedge Fund Investors	\$ 38,492,457	\$ 36,109,596

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

**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 \$6,143,535 and \$15,523,630 at June 30, 2023 and 2022, respectively. The remaining investments are uninsured and unregistered with securities held by the counterparty's trust department or agent in the University's name.

The values of investments held by the Foundation at June 30, 2023 and 2022 are as follows:

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

	Balance at June 30, 2023	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>				
Cash equivalents and money market funds	\$ 20,550,836	\$ 20,550,836	\$ -	\$ -
Domestic corporate stock	849,143	849,143	-	-
Equity securities:				
Mutual funds:				
Domestic funds	125,951,679	125,951,679	-	-
International funds	31,165,601	31,165,601	-	-
Fixed income funds	55,394,585	55,394,585	-	-
Total equity securities	212,511,865	212,511,865	-	-
Split interest agreements:				
Cash equivalents and money market funds	133,126	133,126	-	-
Mutual funds	1,960,135	1,960,135	-	-
Fixed income funds	1,674,782	1,674,782	-	-
Total split interest agreements	3,768,043	3,768,043	-	-
Beneficial interest in trust held by others	1,445,193	-	-	1,445,193
Total investments by fair value level	<u>\$ 239,125,080</u>	<u>\$ 237,679,887</u>	<u>\$ -</u>	<u>\$ 1,445,193</u>
<b>Investments measured at the net asset level (NAV)</b>				
Private investment funds	36,183,083			
Real estate funds and other	610,885			
Total investments at the NAV	<u>36,793,968</u>			
Total investments at fair value	<u>\$ 275,919,048</u>			

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

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

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

	Balance at June 30, 2022	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>				
Cash equivalents and money market funds	\$ 23,512,013	\$ 23,512,013	\$ -	\$ -
Domestic corporate stock	703,099	703,099	-	-
Equity securities:				
Mutual funds:				
Domestic funds	106,327,749	106,327,749	-	-
International funds	33,397,812	33,397,812	-	-
Fixed income funds	50,821,321	50,821,321	-	-
Total equity securities	190,546,882	190,546,882	-	-
Split interest agreements:				
Cash equivalents and money market funds	197,906	197,906	-	-
Mutual funds	2,140,083	2,140,083	-	-
Fixed income funds	2,401,493	2,401,493	-	-
Total split interest agreements	4,739,482	4,739,482	-	-
Beneficial interest in trust held by others	1,774,364	-	-	1,774,364
Total investments by fair value level	<u>\$ 221,275,840</u>	<u>\$ 219,501,476</u>	<u>\$ -</u>	<u>\$ 1,774,364</u>
<b>Investments measured at the net asset level (NAV)</b>				
Private investment funds	32,761,959			
Real estate funds and other	610,885			
Total investments at the NAV	<u>33,372,844</u>			
Total investments at fair value	<u>\$ 254,648,684</u>			

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

**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 balance sheet using significant observable (Level 3) inputs:

	Funds Held in Trust by Others
Beginning balance, July 1, 2022	\$ 1,774,364
Total gains or losses (realized/ unrealized) included in earnings	(335,110)
Change in split interest agreements	5,939
Ending balance, June 30, 2023	\$ 1,445,193

	Funds Held in Trust by Others
Beginning balance, July 1, 2021	\$ 1,740,338
Total gains or losses (realized/ unrealized) included in earnings	47,100
Change in split interest agreements	(13,074)
Ending balance, June 30, 2022	\$ 1,774,364

The Foundation realized a net gain from the sale of investment securities of \$4,385,414 and \$1,020,607 for the years ended June 30, 2023 and 2022, respectively. The net appreciation (depreciation) on the fair value of investments totaled \$15,409,814 and \$(29,722,363) for the years ended June 30, 2023 and 2022, respectively.

The Foundation has outstanding commitments to invest in various alternative investments at June 30, 2023 and 2022, amounting to approximately \$21,266,000 and \$19,163,500, respectively.

Certain Foundation investment securities are held by independent custodial and management agents. Custodial and management fees paid approximated \$106,000 and \$118,000 in 2023 and 2022, respectively.

Bowling Green State University  
Notes to Financial Statements (Continued)  
June 30, 2023 and 2022

**3. Accounts Receivable**

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

	2023	2022
Student receivable for fees, room and board	\$ 6,482,061	\$ 6,033,304
Research, sponsored programs and COVID relief funding	3,998,679	3,634,575
Due from the Foundation	683,466	-
Other	1,311,872	1,804,213
Subtotal	12,476,078	11,472,092
Less allowance for doubtful accounts	1,500,000	1,500,000
Totals	\$ 10,976,078	\$ 9,972,092

**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 \$95,029,004 and \$93,248,651 for student loans in 2023 and 2022, respectively, 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.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

**5. Capital Assets**

Capital assets and accumulated depreciation and amortization of the University as of June 30, 2023 are summarized as follows:

	Restated Beginning Balance	Additions	Retirements or Transfers	Ending Balance
Land (non-depreciable)	\$ 11,663,075	\$ 925,172	\$ -	\$ 12,588,247
Buildings	748,068,385	4,673,557	(1,021,407)	751,720,535
Infrastructure	266,278,918	16,912,201	-	283,191,119
Equipment	104,577,070	2,247,581	(3,471,046)	103,353,605
Library materials	22,846,393	1,949,751	(2,299,054)	22,497,090
Construction in progress (non-depreciable)	11,112,942	6,951,070	(9,744,217)	8,319,795
Right to use asset	30,448,549	1,425,000	(253,394)	31,620,155
Total capital assets	1,194,995,332	35,084,332	(16,789,118)	1,213,290,546
Less accumulated depreciation and amortization	(600,483,587)	(44,220,030)	6,511,789	(638,191,828)
Net capital assets	<u>\$ 594,511,745</u>	<u>\$ (9,135,698)</u>	<u>\$ (10,277,329)</u>	<u>\$ 575,098,718</u>

Capital assets and accumulated depreciation and amortization of the University as of June 30, 2022 are summarized as follows:

	Restated Beginning Balance	Additions	Retirements or Transfers	Restated Ending Balance
Land (non-depreciable)	\$ 11,663,075	\$ -	\$ -	\$ 11,663,075
Buildings	743,892,995	8,063,330	(3,887,940)	748,068,385
Infrastructure	260,234,988	6,043,930	-	266,278,918
Equipment	102,634,125	4,255,072	(2,312,127)	104,577,070
Library materials	23,599,071	1,870,213	(2,622,891)	22,846,393
Construction in progress (non-depreciable)	13,621,090	9,166,017	(11,674,165)	11,112,942
Right to use asset	25,674,914	4,860,689	(87,054)	30,448,549
Total capital assets	1,181,320,258	34,259,251	(20,584,177)	1,194,995,332
Less accumulated depreciation and amortization	(563,183,120)	(45,603,278)	8,302,811	(600,483,587)
Net capital assets	<u>\$ 618,137,138</u>	<u>\$ (11,344,027)</u>	<u>\$ (12,281,366)</u>	<u>\$ 594,511,745</u>

The University has commitments of approximately \$27.7 million on various construction projects in progress as of June 30, 2023.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

**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 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 2023 was as follows:

	Restated			
	Beginning		Reductions	Ending
	Balance	Additions	Reductions	Balance
Land	\$ 4,119	\$ -	\$ (4,119)	\$ -
Buildings	332,563	49,216	(108,824)	272,955
Software	20,827,396	1,086,087	-	21,913,483
Equipment	9,284,471	289,697	(140,451)	9,433,717
Total right to use assets	30,448,549	1,425,000	(253,394)	31,620,155
Less accumulated amortization - leases	(5,788,647)	(1,566,123)	195,298	(7,159,472)
Less accumulated amortization - software	(8,791,542)	(4,326,541)	-	(13,118,083)
Net book value of right to use assets	<u>\$ 15,868,360</u>	<u>\$ (4,467,664)</u>	<u>\$ (58,096)</u>	<u>\$ 11,342,600</u>

Right to use asset activity of the University in fiscal year 2022 was as follows:

	Restated			Restated
	Beginning		Reductions	Ending
	Balance	Additions	Reductions	Balance
Land	\$ -	\$ 4,119	\$ -	\$ 4,119
Buildings	313,161	19,402	-	332,563
Software	16,183,751	4,643,645	-	20,827,396
Equipment	9,178,002	193,523	(87,054)	9,284,471
Total right to use assets	25,674,914	4,860,689	(87,054)	30,448,549
Less accumulated amortization - leases	(4,173,706)	(1,701,995)	87,054	(5,788,647)
Less accumulated amortization - software	(5,062,249)	(3,729,293)	-	(8,791,542)
Net book value of right to use assets	<u>\$ 16,438,959</u>	<u>\$ (570,599)</u>	<u>\$ -</u>	<u>\$ 15,868,360</u>

Future principal and interest payment requirements related to the University's lease and subscription liabilities at June 30, 2023 are as follows:

	Lease Liabilities			Subscription Liabilities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 1,009,238	\$ 55,673	\$ 1,064,911	\$ 3,436,771	\$ 160,152	\$ 3,596,923
2025	791,691	33,765	825,456	2,720,860	104,228	2,825,088
2026	565,859	17,083	582,942	1,052,203	41,299	1,093,502
2027	67,122	6,006	73,128	115,802	4,516	120,318
2028	35,009	3,717	38,726	-	-	-
2029 and thereafter	129,828	33,185	163,013	-	-	-
	<u>\$ 2,598,747</u>	<u>\$ 149,429</u>	<u>\$ 2,748,176</u>	<u>\$ 7,325,636</u>	<u>\$ 310,195</u>	<u>\$ 7,635,831</u>



Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

**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 years ended June 30, 2023 and 2022 the University recognized the following related to its lessor agreements:

	2023	2022
Lease revenue	\$ 175,124	\$ 229,880
Interest income related to leases	9,192	11,121
Totals	<u>\$ 184,316</u>	<u>\$ 241,001</u>

Future principal and interest payment requirements related to the University's lease receivable at June 30, 2023 are as follows:

	Principal	Interest	Total
2024	\$ 91,247	\$ 6,050	\$ 97,297
2025	70,369	3,928	74,297
2026	47,249	2,396	49,645
2027	22,626	1,137	23,763
2028	1,400	692	2,092
2029 and thereafter	31,107	11,926	43,033
	<u>\$ 263,998</u>	<u>\$ 26,129</u>	<u>\$ 290,127</u>

**7. Accounts Payable and Accrued Expenses**

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

	2023	2022
Accounts payable	\$ 15,879,614	\$ 12,362,198
Accrued payroll and withholdings	9,192,464	9,658,435
Accrued health claims	3,500,000	2,500,000
Accrued interest on bonds	863,459	800,398
Total	<u>\$ 29,435,537</u>	<u>\$ 25,321,031</u>

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

### 8. Long-Term Debt and Other Obligations

Long-term debt and other obligations of the University for June 30, 2023 are summarized as follows:

	Rates	Maturity	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
<b>Public bonds:</b>							
2016 Bond Series A	3.75-5.00	2021-2046	\$ 67,090,000	\$ -	\$ 1,555,000	\$ 65,535,000	\$ 1,635,000
2017 Bond Series B	3.00-5.00	2018-2045	65,650,000	-	1,670,000	63,980,000	1,750,000
2020 Bond Series A	3.00-5.00	2021-2050	50,605,000	-	1,545,000	49,060,000	1,545,000
Bond premium			20,081,865	-	1,909,732	18,172,133	1,790,958
<b>Direct placement bonds:</b>							
2017 Bond Series A	1.51	2025-2050	35,000,000	-	-	35,000,000	-
2021 Bond Series A	Variable	2022-2048	37,645,000	-	850,000	36,795,000	885,000
Total bonds payable			276,071,865	-	7,529,732	268,542,133	7,605,958
<b>Other liabilities</b>							
Vacation pay			9,215,032	5,907,041	6,056,911	9,065,162	6,625,157
Sick leave			8,495,426	226,682	-	8,722,108	447,704
Lease liability			3,906,975	338,913	1,647,141	2,598,747	1,009,238
Subscription liability			10,751,509	1,086,087	4,511,960	7,325,636	3,436,771
Federal student loan deposits			4,116,169	-	543,403	3,572,766	-
Construction funding payable - direct placement			9,957,418	-	596,800	9,360,618	596,800
Total other liabilities			46,442,529	7,558,723	13,356,215	40,645,037	12,115,670
Total long-term liabilities			\$ 322,514,394	\$ 7,558,723	\$ 20,885,947	\$ 309,187,170	\$ 19,721,628

Long-term debt and other obligations of the University for June 30, 2022 are summarized as follows:

	Rates	Maturity	Restated Beginning Balance	Additions	Reductions	Restated Ending Balance	Due in One Year
<b>Public bonds:</b>							
2016 Bond Series A	3.75-5.00	2021-2046	\$ 68,575,000	\$ -	\$ 1,485,000	\$ 67,090,000	\$ 1,555,000
2017 Bond Series B	3.00-5.00	2018-2045	67,240,000	-	1,590,000	65,650,000	1,670,000
2020 Bond Series A	3.00-5.00	2021-2050	52,150,000	-	1,545,000	50,605,000	1,545,000
Bond premium			22,111,059	-	2,029,194	20,081,865	1,908,732
<b>Direct placement bonds:</b>							
2017 Bond Series A	1.51	2025-2050	35,000,000	-	-	35,000,000	-
2020 Bond Series B	Variable	2021-2048	38,460,000	-	38,460,000	-	-
2021 Bond Series A	Variable	2021-2048	-	38,460,000	815,000	37,645,000	850,000
Total bonds payable			283,536,059	38,460,000	45,924,194	276,071,865	7,528,732
<b>Other liabilities</b>							
Vacation pay			8,743,944	6,594,999	6,123,911	9,215,032	6,584,075
Sick leave			8,383,349	112,077	-	8,495,426	469,205
Lease liability			5,406,527	217,044	1,716,596	3,906,975	1,585,256
Subscription liability			10,470,076	4,643,645	4,362,212	10,751,509	4,511,961
Federal student loan deposits			4,746,860	-	630,691	4,116,169	-
Construction funding payable - direct placement			10,554,218	-	596,800	9,957,418	596,800
Total other liabilities			48,304,974	11,567,765	13,430,210	46,442,529	13,747,297
Total long-term liabilities			\$ 331,841,033	\$ 50,027,765	\$ 59,354,404	\$ 322,514,394	\$ 21,276,029

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

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

The scheduled maturities and interest of the University's bonds for the five fiscal years subsequent to June 30, 2023 and subsequent periods thereafter are as follows:

	Bonds			Bonds from Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 4,930,000	\$ 8,173,113	\$ 13,103,113	\$ 885,000	\$ 2,209,553	\$ 3,094,553
2025	5,105,000	7,926,613	13,031,613	2,080,000	2,169,120	4,249,120
2026	5,245,000	7,708,163	12,953,163	2,135,000	2,109,572	4,244,572
2027	5,425,000	7,445,913	12,870,913	2,190,000	2,048,123	4,238,123
2028-2032	31,710,000	32,935,813	64,645,813	11,860,000	9,245,025	21,105,025
2033-2037	42,550,000	24,459,688	67,009,688	13,560,000	7,372,592	20,932,592
2038-2042	43,645,000	14,664,656	58,309,656	15,570,000	5,161,870	20,731,870
2043-2047	35,805,000	4,332,063	40,137,063	17,935,000	2,544,812	20,479,812
2048-2050	4,160,000	252,150	4,412,150	5,580,000	178,755	5,758,755
	<u>\$ 178,575,000</u>	<u>\$ 107,898,172</u>	<u>\$ 286,473,172</u>	<u>\$ 71,795,000</u>	<u>\$ 33,039,422</u>	<u>\$ 104,834,422</u>

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.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

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

On February 11, 2016, the University issued \$70,000,000 of fixed rate 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 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.

On August 10, 2017, the University issued \$73,560,000 of fixed rate 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.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

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

On March 3, 2020, the University issued \$53,685,000 of fixed rate 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 ("BSBYON") plus 48 basis points. The rate in effect at June 30, 2023 was 4.51 percent. At no time will the interest rate borne by this Series 2021A Bond feature a BSBYON rate used in calculation less than 0.50 percent or exceed a maximum interest rate of 12.00 percent per year. 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, 2022. 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 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 is in compliance.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

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

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 years ended June 30, 2023 and 2022 was \$8,693,860 and \$7,927,948, respectively.

The University had unspent bond proceeds, which are classified as restricted assets, at June 30, 2023 and 2022 of \$19,792,834 and \$19,657,258, respectively.

The construction funding payable amounts of the Corporation for the five fiscal years subsequent to June 30, 2023 and thereafter are as follows:

	The Oaks (CFP II)	Carillon (CFP III)	Total Due
2024	\$ 376,364	\$ 220,436	\$ 596,800
2025	376,364	220,436	596,800
2026	376,364	220,436	596,800
2027	376,364	220,436	596,800
2028	376,364	220,436	596,800
Thereafter	3,951,815	2,424,803	6,376,618
	\$ 5,833,635	\$ 3,526,983	\$ 9,360,618

Bowling Green State University  
Notes to Financial Statements (Continued)  
June 30, 2023 and 2022

**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.

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 Comprehensive Annual 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 Comprehensive Annual 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.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

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

A defined benefit plan or combined plan member with five or more years of credited service who is determined to be disabled (illness or injury preventing 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. Death benefit coverage up to \$2,000 can be purchased by participants in all three of the plans. Various other benefits are available to members’ beneficiaries.

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



Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

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

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 30 years) and from attaining the age of 48 to 62, depending on when the employee became a member. Members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. Member retirement benefits are calculated on a formula that considers years of service (5-30 years), age (48-62 years), and final average salary, using a factor ranging from 1.0 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. Benefits may transfer to a beneficiary upon death with 1.5 years of service credits with the plan obtained within the last 2.5 years, except for law enforcement and public safety personnel who are eligible immediately upon employment.

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

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 years ended June 30, 2023 and 2022. 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 defined benefit or combined plan with 10 or more years of qualifying Ohio service credit. Coverage includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

**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 amounts on deposit with the Program’s board at June 30, 2023 and 2022 were \$29,143,141 and \$25,568,055, respectively, which represents the fair value at such dates.

**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.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

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

Member contributions are set at the maximums authorized by the ORC. The plans' 2023 and 2022 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 June 30 are summarized as follows:

	2023		2022	
	Pension	OPEB	Pension	OPEB
STRS Ohio	\$ 8,598,851	\$ -	\$ 8,810,712	\$ -
OPERS	9,543,691	-	8,687,151	-
ARP	6,297,704	-	5,467,370	-
Total	\$ 24,440,246	\$ -	\$ 22,965,233	\$ -

**Net Pension Liability, Deferrals, and Pension Expense** – At June 30, 2023 and 2022, the University reported a liability for its proportionate share of the net pension liability of OPERS/STRS Ohio. For the year ended June 30, 2023, the net pension liability was measured as of June 30, 2022 for the STRS Ohio plan and December 31, 2022 for the OPERS plan. For the year ended June 30, 2022, the net pension liability was measured as of June 30, 2021 for the STRS Ohio plan and December 31, 2021 for the OPERS plan. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The University's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined.

Plan	Measurement Date	Net Pension Liability		Proportionate Share		Percent Change	
		2023	2022	2023	2022	2022-2023	2021-2022
STRS Ohio	June 30	\$ 107,426,500	\$ 63,193,798	0.4832%	0.4942%	-2.2253%	-5.4396%
OPERS	December 31	\$ 108,479,969	\$ 30,085,420	0.3700%	0.3626%	2.0468%	-4.4142%

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

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

For the years ended June 30, 2023 and 2022, the University recognized pension expense (income) related the STRS Ohio and OPERS plans of \$24,388,146 and \$(11,440,378), respectively. The University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30, 2023 and 2022:

	University Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
June 30, 2023		
Differences between expected and actual experience	\$ 5,138,221	\$ 525,588
Changes of assumptions	14,065,470	9,676,665
Net difference between projected and actual earnings on pension plan investments	35,201,250	-
Changes in proportion and differences between University contributions and proportionate share of contributions	1,855,836	6,187,073
University contributions subsequent to the measurement date	13,316,414	-
Total	<u>\$ 69,577,191</u>	<u>\$ 16,389,326</u>

	University Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
June 30, 2022		
Differences between expected and actual experience	\$ 3,635,370	\$ 1,244,355
Changes of assumptions	21,548,798	-
Net difference between projected and actual earnings on pension plan investments	-	92,302,828
Changes in proportion and differences between University contributions and proportionate share of contributions	1,763,697	8,007,889
University contributions subsequent to the measurement date	12,888,664	-
Total	<u>\$ 39,836,529</u>	<u>\$ 101,555,072</u>

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

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

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

Year Ended	
June 30	Amount
2024	\$ 2,957,195
2025	5,934,626
2026	4,555,996
2027	26,321,666
2028	29,306
Thereafter	72,662

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

**Net OPEB Liability/(Asset), Deferrals, and OPEB Expense** – At June 30, 2023 and 2022, the University reported an asset for its proportionate share of the net OPEB asset of STRS Ohio/OPERS. For the year ended June 30, 2023, the net OPEB asset was measured as of June 30, 2022 for the STRS Ohio plan and December 31, 2022 for the OPERS plan. For the year ended June 30, 2022, the net OPEB asset was measured as of June 30, 2021 for the STRS Ohio plan and December 31, 2021 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, 2021 and 2020, respectively, rolled forward to the measurement date by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year for the defined benefit health care plans.

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

For plan years ending June 30, 2022 and 2021, 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 plant for both pension and OPEB.

For plan years ending December 31, 2022 and 2021, 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.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

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

Plan	Measurement Date	Net OPEB (Asset) Liability		Proportionate Share		Percent Change	
		2023	2022	2023	2022	2022-23	2021-22
STRS Ohio	June 30	\$ (12,513,000)	\$ (10,421,000)	0.4833%	0.4942%	-2.2244%	-5.4396%
OPERS	December 31	\$ 2,327,789	\$ (11,357,218)	0.3692%	0.3626%	1.8160%	-3.7555%

For the years ended June 30, 2023 and 2022, the University recognized OPEB income of \$7,031,377 and \$11,692,956. The University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources at June 30, 2023 and 2022:

	University Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
June 30, 2023		
Differences between expected and actual experience	\$ 181,000	\$ 2,459,641
Changes of assumptions	2,806,604	9,060,080
Net difference between projected and actual earnings on OPEB plan investments	4,841,070	-
Changes in proportion and differences between University contributions and proportionate share of contributions	102,966	115,793
University contributions subsequent to the measurement date	-	-
Total	<u>\$ 7,931,640</u>	<u>\$ 11,635,514</u>

	University Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
June 30, 2022		
Differences between expected and actual experience	\$ 371,000	\$ 3,631,716
Changes of assumptions	666,000	10,814,273
Net difference between projected and actual earnings on OPEB plan investments	-	8,302,322
Changes in proportion and differences between University contributions and proportionate share of contributions	132,593	749,540
University contributions subsequent to the measurement date	-	-
Total	<u>\$ 1,169,593</u>	<u>\$ 23,497,851</u>

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

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

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

Year Ended	
June 30	Amount
2024	\$ (2,077,685)
2025	(1,185,867)
2026	94,898
2027	1,676,012
2028	(732,425)
Thereafter	(1,478,807)

**Actuarial Assumptions** – The total pension liability and OPEB liability/(asset) is based on the results of an actuarial valuation and were determined using the following actuarial assumptions for 2022, applied to all periods included in the measurement for fiscal year ended June 30, 2023:

	STRS Ohio	OPERS
Valuation date - Pension	June 30, 2022	December 31, 2022
Valuation date - OPEB	June 30, 2022	December 31, 2021
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, net of pension plan investment expenses, including inflation
Health care cost trend rates	-68.78 percent to 9.00 percent initial, 4.00 percent ultimate	5.50 percent initial, 3.50 percent ultimate in 2036
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.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

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

The following are actuarial assumptions for 2021, applied to all periods included in the measurement for fiscal year ended June 30, 2022:

	STRS Ohio	OPERS
Valuation date - Pension	June 30, 2021	December 31, 2021
Valuation date - OPEB	June 30, 2021	December 31, 2020
Actuarial cost method	Entry age normal	Individual entry age
Cost of living	None	2.50 percent - 3.00 percent
Salary increases, including inflation	2.50 percent - 12.50 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, net of pension plan investment expenses, including inflation
Health care cost trend rates	16.20 percent to 30.00 percent initial, 4.00 percent ultimate	5.50 percent initial, 3.50 percent ultimate in 2034
Experience study date	Period of 5 years ended June 30, 2016	Period of 5 years ended December 31, 2020
Mortality basis	RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016	Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.



Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

**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 liability. The discount rate used to measure the total pension liabilities for STRS Ohio was 7.00 percent for the plan years ended June 30, 2022 and 2021. The discount rate used to measure the total pension liability for OPERS was 6.90 percent for the plan years ended December 31, 2022 and 2021.

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

*STRS Ohio – OPEB Discount Rate:* The discount rate used to measure the total OPEB assets was 7.00 percent for the plan years ended June 30, 2022 and 2021. At June 30, 2022 and 2021, 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 liabilities/(assets) was 5.22 percent and 6.00 percent for the plan years ended December 31, 2022 and 2021, respectively. At December 31, 2022, the plan’s fiduciary net position was projected to become insufficient to make all projected future benefit payments for current active and inactive employees. Therefore, a blended rate was used, which consisted of the long-term expected rate of return on OPEB plan investments (6.00 percent) for the funded benefit payments and Fidelity Index’s 20-Year Municipal GO AA Index of 4.05 percent as of December 31, 2022. At December 31, 2021, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability as of December 31, 2021.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

**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:

Investment Category	STRS Ohio as of 6/30/22		Investment Category	OPERS as of 12/31/22			
	Target Allocation	Long-term Expected Real Rate of Return		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%	6.60%	Fixed Income	22.00%	2.62%	34.00%	2.56%
International Equity	22.00%	6.80%	Domestic Equity	22.00%	4.60%	26.00%	4.60%
Alternatives	19.00%	7.38%	Real Estate	13.00%	3.27%	0.00%	0.00%
Fixed Income	22.00%	1.75%	Private Equity	15.00%	7.53%	0.00%	0.00%
Real Estate	10.00%	5.75%	International Equity	21.00%	5.51%	25.00%	5.51%
Liquidity Reserves	1.00%	1.00%	Risk Parity	2.00%	4.37%	2.00%	4.37%
Total	<u>100.00%</u>		REITs	0.00%	0.00%	7.00%	4.70%
			Other Investments	5.00%	3.27%	6.00%	1.84%
			Total	<u>100.00%</u>		<u>100.00%</u>	

Investment Category	STRS Ohio as of 6/30/21		Investment Category	OPERS as of 12/31/21			
	Target Allocation	Long-term Expected Real Rate of Return		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	28.00%	7.35%	Fixed Income	24.00%	1.32%	34.00%	1.07%
International Equity	23.00%	7.55%	Domestic Equity	21.00%	5.64%	25.00%	5.64%
Alternatives	17.00%	7.09%	Real Estate	11.00%	5.39%	0.00%	0.00%
Fixed Income	21.00%	3.00%	Private Equity	12.00%	10.42%	0.00%	0.00%
Real Estate	10.00%	6.00%	International Equity	23.00%	7.36%	25.00%	7.36%
Liquidity Reserves	1.00%	2.25%	Risk Parity	5.00%	2.92%	2.00%	2.92%
Total	<u>100.00%</u>		REITs	0.00%	0.00%	7.00%	3.71%
			Other Investments	4.00%	2.85%	7.00%	1.93%
			Total	<u>100.00%</u>		<u>100.00%</u>	

Bowling Green State University  
Notes to Financial Statements (Continued)  
June 30, 2023 and 2022

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

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following presents the net pension liability of the University at June 30, 2023 and 2022, calculated using the discount rate listed below, as well as what the University’s net pension liability would be if it were calculated using a discount rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

June 30, 2023						
Plan	1.00 Percent Decrease		Current Discount Rate		1.00 Percent Increase	
STRS Ohio	6.00%	\$162,282,335	7.00%	\$107,426,500	8.00%	\$ 61,035,449
OPERS	5.90%	163,307,308	6.90%	108,479,969	7.90%	62,889,149
		<u>\$325,589,643</u>		<u>\$215,906,469</u>		<u>\$123,924,598</u>

June 30, 2022						
Plan	1.00 Percent Decrease		Current Discount Rate		1.00 Percent Increase	
STRS Ohio	6.00%	\$118,338,335	7.00%	\$ 63,193,798	8.00%	\$ 16,596,785
OPERS	5.90%	82,080,316	6.90%	30,085,420	7.90%	(13,162,907)
		<u>\$200,418,651</u>		<u>\$ 93,279,218</u>		<u>\$ 3,433,878</u>

**Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate** – The following presents the net OPEB asset of the University at June 30, 2023 and 2022, calculated using the discount rate listed below, as well as what the University’s net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

June 30, 2023						
Plan	1.00 Percent Decrease		Current Discount Rate		1.00 Percent Increase	
STRS Ohio	6.00%	\$ (11,567,831)	7.00%	\$ (12,513,000)	8.00%	\$ (13,322,401)
OPERS	4.22%	7,922,732	5.22%	2,327,789	6.22%	(2,288,953)
		<u>\$ (3,645,099)</u>		<u>\$ (10,185,211)</u>		<u>\$ (15,611,354)</u>

June 30, 2022						
Plan	1.00 Percent Decrease		Current Discount Rate		1.00 Percent Increase	
STRS Ohio	6.00%	\$ (8,793,522)	7.00%	\$ (10,421,000)	8.00%	\$ (11,780,097)
OPERS	5.00%	(6,679,110)	6.00%	(11,357,218)	7.00%	(15,240,120)
		<u>\$ (15,472,632)</u>		<u>\$ (21,778,218)</u>		<u>\$ (27,020,217)</u>

Bowling Green State University

Notes to Financial Statements (Continued)

June 30, 2023 and 2022

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

**Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Health Care Cost Trend Rate** – The following presents the net OPEB liability/(asset) of the University at June 30, 2023 and 2022, 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:

June 30, 2023			
Plan	1.00 Percent Decrease	Current Trend Rate	1.00 Percent Increase
STRS Ohio	\$ (12,978,903)	\$ (12,513,000)	\$ (11,924,646)
OPERS	2,181,889	2,327,789	\$ 2,492,006
	<u>\$ (10,797,014)</u>	<u>\$ (10,185,211)</u>	<u>\$ (9,432,640)</u>

June 30, 2022			
Plan	1.00 Percent Decrease	Current Trend Rate	1.00 Percent Increase
STRS Ohio	\$ (11,725,019)	\$ (10,421,000)	\$ (8,807,954)
OPERS	(11,479,948)	(11,357,218)	\$ (11,211,623)
	<u>\$ (23,204,967)</u>	<u>\$ (21,778,218)</u>	<u>\$ (20,019,577)</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.

**Assumption Changes** – During the measurement periods ended June 30, 2022 and December 31, 2022, respectively, certain assumption changes were made by the plans. The OPERS OPEB discount rate decreased from 6.00 percent to 5.22 percent, which impacted the annual actuarial valuation for OPEB prepared as of December 31, 2022. The STRS Ohio mortality tables, projected salary increases, and trend rates were updated based on a new experience study, which impacted the annual actuarial valuation for pension and OPEB prepared as of June 30, 2022.

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

**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 2023, STRS 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).

Bowling Green State University  
Notes to Financial Statements (Continued)  
June 30, 2023 and 2022

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

**Changes since the measurement date** – There were no significant changes since the measurement date.

**Payable to the Pension Plan** – At June 30, 2023, the University reported a payable of \$1,418,915 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2023. At June 30, 2022, the University reported a payable of \$1,294,222 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

**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 four 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, 2023 and 4.47 percent for STRS Ohio and 2.44 percent for OPERS for the year ended June 30, 2022. 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, 2023 and 2022, employee contributions to the ARP totaled \$7,059,500 and \$6,729,829, and the University recognized pension expense of \$7,772,943 and \$7,468,175, respectively.

Bowling Green State University  
Notes to Financial Statements (Continued)  
June 30, 2023 and 2022

**10. Risk Management**

The University self-insures its healthcare program up to a specific limit of \$300,000 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:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Unpaid claims, July 1	\$ 2,500,000	\$ 2,400,000	\$ 2,400,000
Incurred claims	26,439,696	23,277,556	21,732,628
Paid claims	<u>(25,439,696)</u>	<u>(23,177,556)</u>	<u>(21,732,628)</u>
Unpaid claims, June 30	<u>\$ 3,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ 2,400,000</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.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

**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.

Bowling Green State University  
Notes to Financial Statements (Continued)  
June 30, 2023 and 2022

**12. Foundation Net Assets**

The Foundation's net assets with donor restriction at June 30, 2023 and 2022 were available for the following purposes:

	<u>2023</u>	<u>2022</u>
Scholarships	\$ 148,265,859	\$ 136,870,619
General and operational support	78,750,122	71,552,790
Professorships	18,777,835	16,666,727
Capital and equipment	10,359,206	10,663,670
Centers and institutes	4,330,430	4,060,329
Chair	3,532,841	3,228,847
Faculty and staff	1,606,911	1,468,937
Research	1,367,864	1,265,663
Fellowships	483,681	441,859
Total	<u>\$ 267,474,749</u>	<u>\$ 246,219,441</u>

The Foundation's summary of the net assets released from restrictions during the years ended June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Scholarships	\$ 11,039,940	\$ 9,461,848
General and operational support	7,768,674	6,885,583
Professorships	347,710	388,545
Capital and equipment	5,560,344	2,387,649
Centers and institutes	176,293	176,345
Chair	62,774	126,375
Faculty and staff	66,616	63,654
Research	28,154	27,917
Fellowships	23,107	22,025
Total	<u>\$ 25,073,612</u>	<u>\$ 19,539,941</u>



Bowling Green State University

Notes to Financial Statements (Continued)

June 30, 2023 and 2022

**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 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 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 \$8,152 and \$7,532 for the fiscal years ended June 30, 2023 and 2022, respectively. 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 University repays the construction funding payable on behalf of the Corporation, as these are of approximate equal value. As such, the Corporation recognizes this non-cash transaction as a decrease to the construction funding payable and as in-kind support nonoperating revenue. For the years ended June 30, 2023 and 2022, the repayment and in-kind support revenue totaled \$596,800. The University recognized in-kind nonoperating expense of \$596,800 for the years ended June 30, 2023 and 2022. These in-kind transactions between the University and the Corporation have been eliminated in the University's financial statements.

Bowling Green State University  
Notes to Financial Statements (Continued)  
June 30, 2023 and 2022

**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 2025. 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

## Required Supplemental Information

### Schedule of Pension Funding Progress

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>OPERS:</b>									
University's proportion of the net pension liability	0.3700%	0.3626%	0.3794%	0.3914%	0.4060%	0.4089%	0.4220%	0.4131%	0.4245%
University's proportionate share of the net pension liability	\$ 108,479,969	\$ 30,085,421	\$ 54,533,925	\$ 76,454,269	\$ 110,725,047	\$ 63,558,676	\$ 96,270,704	\$ 71,389,662	\$ 51,032,379
University's covered payroll	\$ 61,446,164	\$ 56,543,861	\$ 56,977,850	\$ 75,013,542	\$ 76,206,086	\$ 74,061,634	\$ 74,474,934	\$ 62,112,087	\$ 53,363,875
University's proportionate share of the net pension liability as a percentage of its covered payroll	176.54%	53.21%	95.71%	101.92%	145.30%	85.82%	129.27%	114.94%	95.63%
Fiduciary net position as a percentage of the total pension liability	76.07%	93.01%	86.88%	82.17%	74.91%	84.85%	77.38%	81.19%	86.53%
<b>STRS Ohio:</b>									
University's proportion of the net pension liability	0.4832%	0.4942%	0.5227%	0.5116%	0.5192%	0.5125%	0.5162%	0.5256%	0.5362%
University's proportionate share of the net pension liability	\$ 107,426,500	\$ 63,193,798	\$ 126,469,432	\$ 113,128,183	\$ 114,156,933	\$ 121,738,071	\$ 172,801,507	\$ 145,252,543	\$ 130,415,104
University's covered payroll	\$ 51,650,346	\$ 49,926,546	\$ 49,626,136	\$ 50,166,515	\$ 50,328,992	\$ 48,957,254	\$ 46,828,962	\$ 46,225,751	\$ 46,606,816
University's proportionate share of the net pension liability as a percentage of its covered payroll	207.99%	126.57%	254.84%	225.51%	226.82%	248.66%	369.01%	314.22%	279.82%
Fiduciary net position as a percentage of the total pension liability	78.90%	87.80%	75.50%	75.50%	77.31%	75.29%	66.80%	72.10%	74.70%

### Schedule of Contributions

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>OPERS:</b>									
Contractually required contribution	\$ 9,435,127	\$ 8,155,903	\$ 7,848,606	\$ 8,269,955	\$ 8,475,085	\$ 8,128,775	\$ 8,293,880	\$ 7,934,000	\$ 7,679,000
Contributions in relation to the contractually required contribution	\$ 9,435,127	\$ 8,155,903	\$ 7,848,606	\$ 8,269,955	\$ 8,475,085	\$ 8,128,775	\$ 8,293,880	\$ 7,934,000	\$ 7,679,000
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 64,318,609	\$ 57,803,517	\$ 55,700,928	\$ 58,678,024	\$ 60,033,251	\$ 57,625,045	\$ 58,800,542	\$ 55,472,339	\$ 61,602,245
Contributions as a percentage of covered payroll	14.67%	14.11%	14.09%	14.09%	14.12%	14.11%	14.11%	14.30%	12.47%
<b>STRS Ohio:</b>									
Contractually required contribution	\$ 7,511,640	\$ 7,220,918	\$ 7,023,444	\$ 6,947,659	\$ 6,820,371	\$ 6,877,222	\$ 6,566,167	\$ 6,284,849	\$ 6,304,000
Contributions in relation to the contractually required contribution	\$ 7,511,640	\$ 7,220,918	\$ 7,023,444	\$ 6,947,659	\$ 6,820,371	\$ 6,877,222	\$ 6,566,167	\$ 6,284,849	\$ 6,304,000
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 53,840,402	\$ 51,650,346	\$ 49,926,546	\$ 49,626,136	\$ 48,716,936	\$ 49,123,014	\$ 46,901,194	\$ 44,891,777	\$ 46,225,751
Contributions as a percentage of covered payroll	13.95%	13.98%	14.07%	14.00%	14.00%	14.00%	14.00%	14.00%	13.64%

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, 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, 2022, there were no changes to key assumptions.

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

## Required Supplemental Information

### Schedule of OPEB Funding Progress

	2023	2022	2021	2020	2019	2018
<b>OPERS:</b>						
University's proportion of the net OPEB liability/(asset)	0.3692%	0.3626%	0.3768%	0.3910%	0.4030%	0.4062%
University's proportionate share of the net OPEB liability/(asset)	\$ 2,327,789	\$ (11,357,218)	\$ (6,712,102)	\$ 54,013,197	\$ 52,547,293	\$ 44,112,500
University's covered payroll	\$ 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	3.79%	-20.09%	-11.78%	72.00%	68.95%	59.56%
Fiduciary net position as a percentage of the total OPEB liability/(asset)	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)	0.4833%	49.4200%	0.5227%	51.1600%	0.5192%	0.5125%
University's proportionate share of the net OPEB liability/(asset)	\$ (12,513,000)	\$ (10,421,000)	\$ (9,186,052)	\$ (8,473,000)	\$ (8,343,000)	\$ 19,994,643
University's covered payroll	\$ 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	-24.23%	-20.87%	-18.51%	-16.89%	-16.58%	40.84%
Fiduciary net position as a percentage of the total OPEB liability/(asset)	230.70%	174.70%	182.10%	-592.08%	176.99%	47.11%

### Schedule of Contributions

	2023	2023	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	\$ 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%	1.08%
<b>STRS Ohio:</b>						
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 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%

Bowling Green State University

Required Supplemental Information

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).

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. The health care cost trend rates also decreased from 4.93 percent to 9.62 percent initial and 4.00 percent ultimate for plan year ended June 30, 2020, to 16.20 percent to 30.00 percent initial and 4 percent ultimate for plan year ended June 30, 2021.

During the plan year ended June 30, 2018, there were changes to several assumptions for STRS Ohio. The health care cost trend rates decreased from 6.00 percent to 11.00 percent initial and 4.50 percent ultimate for plan year ended June 30, 2017, to (5.23) percent to 9.62 percent initial and 4.00 percent ultimate for plan year ended June 30, 2018. The discount rate increased from a blended rate between the long-term expected rate of return and a 20-year municipal bond rate of 4.13 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, 2022, the health care cost trend rate changed to 5.50% initial, 3.5% ultimate in 2036 from 5.50% initial, 3.5% ultimate in 2034 in 2021. In addition, 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. Health care cost trend rate decreased from 8.50 percent initial, 3.50 percent ultimate in 2035 to 5.50 percent initial, 3.50 percent ultimate in 2034.

During the plan year ended December 31, 2020, there were changes to several assumptions for OPERS. The health care cost trend rates decreased from 10.5 percent initial and 3.5 percent ultimate to 8.5 percent initial and 3.5 percent ultimate. The discount rate was increased from 3.16 percent to 6.00 percent.

Bowling Green State University

Required Supplemental Information

Notes to required supplemental information (continued):

During the plan year ended December 31, 2019, there were changes to several assumptions for OPERS. The health care cost trend rates decreased from 10.0 percent initial and 3.25 percent ultimate to 10.5 percent initial and 3.5 percent ultimate. The discount rate was reduced from 3.96 percent to 3.16 percent.



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

### Independent Auditor's Report

To Management, the Audit Committee,  
and the Board of Trustees  
Bowling Green State University

We have audited the financial statements of the business-type activities and the discretely presented component units of Bowling Green State University (the "University"), a component unit of the State of Ohio, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the University's basic financial statements, as listed in the table of contents. Our report includes a reference to other auditors who audited the financial statements of Bowling Green State University Foundation, Inc. and Subsidiary, as described in our report on the University's financial statements, which were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

#### 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

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

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

#### Report on Compliance and Other Matters

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

To Management, the Audit Committee,  
and the Board of Trustees  
Bowling Green State University

**Purpose of This Report**

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

*Plante & Moran, PLLC*

October 12, 2023

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

**Independent Auditor's Report**

To the Audit Committee and the Board of Trustees  
Bowling Green State University

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

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

We have audited Bowling Green State University's (the "University") compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2023. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2023.

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

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

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

***Responsibilities of Management for Compliance***

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

To the Audit Committee and the Board of Trustees  
Bowling Green State University

### ***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.

To the Audit Committee and the Board of Trustees  
Bowling Green State University

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

*Plante & Moran, PLLC*

October 12, 2023

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity	Federal Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
<b>STUDENT FINANCIAL AID CLUSTER</b>					
<b>U.S. Department of Education</b>					
Federal Supplemental Educational Opportunity Grants 2021-2022	84.007	ED Student Financial Assistance	P007A213240	\$ -	\$ (5,667)
Federal Supplemental Educational Opportunity Grants 2022-2023	84.007	ED Student Financial Assistance	P007A223240	-	890,372
Federal Work-Study Program 2021-2022	84.033	ED Student Financial Assistance	P033A213240	-	2,955
Federal Work-Study Program 2022-2023	84.033	ED Student Financial Assistance	P033A223240	-	318,186
Federal Work-Study Program 2022-2023 Family Lit	84.033	ED Student Financial Assistance	P033A223240	-	12,975
Federal Work-Study Program 2021-2022 JLD	84.033	ED Student Financial Assistance	P033A213240	-	-
Federal Work-Study Program 2022-2023 JLD	84.033	ED Student Financial Assistance	P033A223240	-	48,841
Federal Work-Study Program 2023-2024 JLD	84.033	ED Student Financial Assistance	P033A233240	-	1,819
Federal Perkins Loans	84.038	ED Student Financial Assistance	-	-	2,713,201
Federal Pell Grant Program 2021-2022	84.063	ED Student Financial Assistance	P063P210332, P063Q210332	-	(1,869)
Federal Pell Grant Program 2022-2023	84.063	ED Student Financial Assistance	P063P220332, P063Q220332	-	17,773,650
Federal Pell Grant Program 2023-2024	84.063	ED Student Financial Assistance	P063P230332	-	1,170,787
Federal Direct Subsidized Student Loans	84.268	ED Student Financial Assistance	-	-	21,123,536
Federal Direct Unsubsidized Student Loans	84.268	ED Student Financial Assistance	-	-	44,282,328
Federal Direct PLUS Loans	84.268	ED Student Financial Assistance	-	-	29,623,140
Teacher Education Assistance for College and Higher Education Grants 2021-2022	84.379	ED Student Financial Assistance	P379T220332	-	(420)
Teacher Education Assistance for College and Higher Education Grants 2022-2023	84.379	ED Student Financial Assistance	P379T230332	-	572,350
Teacher Education Assistance for College and Higher Education Grants 2023-2024	84.379	ED Student Financial Assistance	P379T230332	-	1,886
<b>Total U.S. Department of Education</b>				-	118,528,070
<b>U.S. Department of Health and Human Services</b>					
Federal Nursing Student Loans	93.364	HHS	-	-	789,415
<b>Total U.S. Department of Health and Human Services</b>				-	789,415
<b>TOTAL STUDENT FINANCIAL AID CLUSTER</b>				-	119,317,485
<b>RESEARCH &amp; DEVELOPMENT CLUSTER</b>					
<b>U.S. Department of Agriculture</b>					
Specialty Crop Block Grant Program - Farm Bill					
Pesticide-Free Management of Pythium Pathogens in Hydroponic Greenhouses	10.170	Ohio State University Research Fndn	60079915	-	4,780
Strategic Positioning Plan for Lake Sediments as Specialty Crop Amendment	10.170	Ohio Department of Agriculture	AGR-SCBG-21-05	-	70,380
Agriculture and Food Research Initiative:					
Where is Pollution in Peril? Evaluating Climate Risks	10.310	USDA	2020-67013-31916	112,561	152,536
Partnership Agreements:					
Ash Monitoring to Inform Resistance Breeding for Resistance to EAB	10.699	USDA Forest Service	20-CR-11242316-027	-	-
Environmental Quality Incentives Program					
Aquaponics on the Edge: Coupling Aquaponics to Tile Drai	10.912	USDA	GRANT13119876	-	6,817
Pilot Watershed Project in the Western Lake Erie Basin	10.932	Ohio State University Research Fndn	IPAS 2603	-	5,780
<b>Total U.S. Department of Agriculture</b>				112,561	240,293
<b>U.S. Department of Commerce</b>					
Economic Development Technical Assistance:					
Rural Universities Consortium University Center	11.303	DOC Economic Development Administration	ED16CHI3030034	-	(331)
Rural Universities Consortium University Center	11.303	DOC Economic Development Administration	ED21CHI3030031	58,054	124,474
Sea Grant Support:					
Role of Wetlands in Controlling Nutrient Loading to Lake	11.417	Ohio State University Research Fndn	60071937	-	(1,558)
Variation in Contaminant Concentrations in Wastewater and in Biota of Streams of NW Ohio	11.417	Ohio State University Research Fndn	RF01614086 Proj 60074858	-	21,917
Dredged Material Blended with Organic Rich Sources to Amend Farm Soils	11.417	Ohio State University Research Fndn	60074856	-	54,039
Strategies to Increase Consumer Perceptions and Attitudes Towards Integrated Multi-Trophic Aquaponics	11.417	DOC NOAA	NA190AR4170342	-	41,911
Stoichiometry Meets Genomics: Assessing Limiting Factors	11.417	Ohio State University Research Fndn	SPC-1000006438 - GR126910	-	7,535
CRISPR-Based Portable Biosensor System for On-Site Detection of Fish Pathogens	11.417	Ohio State University Research Fndn	SPC-1000006440 GR126913	-	38,183
The Effects of Lake Erie's Island Archipelago on the Fil	11.417	Ohio State University Research Fndn	SPC-1000007077 GR128645	-	9,598
The Effects of Lake Erie's Island Archipelago on the Fil	11.417	Ohio State University Research Fndn	IPAS 0011605	-	1,583
Coastal Zone Management Administration Awards:					
Sandusky Bay Monitoring and Data Phase 4	11.419	Ohio State University Research Fndn/ODNR	RF01620478 Proj 60079040	-	-
Sandusky Bay Monitoring and Data Phase 4 - Year 2	11.419	Ohio State University Research Fndn/ODNR	SPC-1000005877 GR125458	-	20,156
Sandusky Bay Data Collection and Monitoring Phase 4	11.419	Ohio State University Research Fndn/ODNR	DNRFH208 306-04B; NA20N	-	23,349
Coastal Zone Management Administration Awards:					
Dynamics of Lake Erie Wetlands: Effects on Northern Pike Populations	11.420	Ohio Department of Natural Resources	DNRFH1N18B 315-13-01-01	-	689
OWC Graduate Fellowship (Ritzenhler)	11.420	Ohio Department of Natural Resources	DNRFH1N18B 315-13	-	1,379
Center for Sponsored Coastal Ocean Research Coastal Ocean Program					
MERHAB19: Portable Toxin Detection Technology to Support Great Lakes Decision Support Tools	11.478	DOC NOAA	NA19NOS4780190	93,948	115,848
PCMHAB20: Rapid, Portable, Multiplexed Detection of Harm	11.478	Mbio Diagnostics	NA20NOS4780186-BGSU	-	59,352
<b>Total U.S. Department of Commerce</b>				152,002	518,124
<b>U.S. Department of Defense</b>					
Air Force Defense Research Sciences Program					
Electronically Dimmable Eyewear Protection Devices Phase II	12.800	AlphaMicro Inc.	EDEPD STTR PII-01	-	3,223
<b>Total U.S. Department of Defense</b>				-	3,223
<b>U.S. Department of Justice</b>					
National Institute of Justice Research, Evaluation, Development Project Grants:					
Mechanisms Underlying Desistance from Crime: Individual and Social Pathways	16.560	DOJ National Institute of Justice	2019-R2-CX-0032	12,486	156,811
Second Chance Act Reentry Initiative:					
FY19 Second Chance Act Youth Offender Reentry Program	16.812	Lucas County Juvenile Court	2019-CZ-BX-0015	-	9,927
TASC of Northwest Ohio Reentry Program for Opioid Use Disorders	16.812	TASC of Northwest Ohio, Inc.	2020-CY-BX-0018	-	22,604
The Maumee Opioid Early Response Program (MOERP)	16.838	Maumee Police Department	15PBJA-21-GG-04554-COAP_B	-	20,358
<b>Total U.S. Department of Justice</b>				12,486	209,700
<b>Library of Congress</b>					
Teaching with Primary Sources:					
Teaching in the Digital Age with Primary Sources	42.010	Illinois State University	A08-0002-S049	-	250
<b>Total Library of Congress</b>				-	250
<b>National Aeronautics and Space Administration</b>					
Science:					
On-Demand Single-Photon Sources for Correlated Calibrati	43.RD	NASA Office of Earth Science	2208042; Vendor000052895	-	14,726
Constraining Earth Structure Around the Great Lakes Using Loading Deformation	43.001	University of Texas at Dallas	80NSSC19K0361	49,233	131,883
<b>Total National Aeronautics and Space Administration</b>				49,233	146,609
<b>National Science Foundation</b>					
Engineering Grants:					
RET Site: Mission Rebuild Workforce through Advanced Manufacturing Training of K-14 Educators	47.041	NSF Engineering	2206952	-	57,016
Solution-Processed Laser Diodes Utilizing Colloidal Qnan	47.041	NSF Engineering	2208834	-	86,305
Mathematical and Physical Sciences:					
EXTREMS-QED: Computational Mathematics and Statistics P	47.049	NSF Mathematics and Physical Sciences	DMS-1331036	-	26,959
CAREER: Controlling Mechanical Properties of Materials U	47.049	NSF Mathematics and Physical Sciences	CHE-1653892	-	22,698
Deciphering and Reprogramming Light Induced Double Bond	47.049	NSF Mathematics and Physical Sciences	CHE-1710191	-	2,096
New Developments at the Interface of Banach Algebras and	47.049	NSF Mathematics and Physical Sciences	DMS-1856010	-	11,812

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity	Federal Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
Probes, Labels, Traps, and Reporters: Exploring the Mode	47.049	NSF Mathematics and Physical Sciences	1900541	\$ -	\$ 115,678.00
Exciton Dynamics in Colloidal PHS Nanosheets	47.049	NSF Mathematics and Physical Sciences	1905217	-	100,821
Enforcing Excited State Reactivity by Altering Chromophore	47.049	NSF Mathematics and Physical Sciences	CHE-1955524	-	122,277
Collaborative Research: Bridging the Atomic Scale and the	47.049	NSF Mathematics and Physical Sciences	DMR-2005064	-	118,435
COVID-19 - RAPID: Severe Acute Respiratory Syndrome Coronavirus 2 (	47.049	NSF Mathematics and Physical Sciences	617407325	-	2,359
Multianalyte Fluorescence Sensing of Phosphates	47.049	NSF Mathematics and Physical Sciences	2102581	-	63,038
Femtosecond Time-Resolved Studies of the First 200 fs Ph	47.049	NSF Mathematics and Physical Sciences	2102619	-	164,259
LEAPS-MPS: Photodynamic Hybrid Polymer Network Sponges a	47.049	NSF Mathematics and Physical Sciences	2137672	-	111,369
<b>Geosciences:</b>					
Lake Erie Center for Fresh Waters and Human Health	47.050	NSF Geosciences	OCE-1840715	596,305	785,545
GP-EXTRA: Geoscience Education Through Authentic Research	47.050	NSF Geosciences	ICER-1911577	-	70,306
DISES: Coproducing Actionable Science to Understand, Mit	47.050	University of Connecticut	150347887	-	9,058
COVID-19 - Collaborative Research: GP-GO: Integrating Spatial Literacy into Geoscience: Bridging the Gap Betwe	47.050	NSF Geosciences	2119967	7,775	84,540
Collaborative Research: Associations between Climate Shi	47.050	NSF Geosciences	-	-	70,788
Collaborative Research: Revealing the Hidden Groundwater	47.050	NSF Geosciences	2218194	-	20,611
<b>Computer and Information Science and Engineering:</b>					
COVID-19 - CRII: IIS: Deep Neural Network Pruning for Fast and Reli	47.070	NSF Computer & Information Science & Eng	-	-	66,579
<b>Biological Sciences:</b>					
Collaborative Research: Expression and Dynamics of Reproductive Tactics in a Wild Population of Smallmouth Ba	47.074	NSF Biological Sciences	IOS-1755421	-	11,198
Collaborative Proposal: MRA: Teleconnections Among Great Plains NEON Sites by Wind and Wing	47.074	NSF Biological Sciences	DEB-1926555	-	33,171
<b>Social, Behavioral, and Economic Sciences:</b>					
FAI: Using Explainable AI to Increase Equity and Transpa	47.075	NSF Social, Behavioral & Economic Scien	FAIN: 2147256	69,517	88,154
<b>Education and Human Resources:</b>					
Project SEA Change: Using Social Connectivity to Improve Quantitative Literacy and Transform Undergraduate Sc	47.076	NSF Education & Human Resources	DUE-1525623	43,306	294,782
Collaborative Research: Developing & Evaluating Assessments of Problem Solving (DEAP)	47.076	NSF Education & Human Resources	DRL-1720646	-	254,433
BGSU ALLIES: Building Inclusive Leadership Practices and Policies to Transform the Institution	47.076	NSF Education & Human Resources	HRD-1760389	-	182,339
Collaborative Research: Validity Evidence and Measurement in Mathematics Education (V-M2ED)	47.076	NSF Education & Human Resources	DRL-1920621	-	93,872
Collaborative Research: Developing and Evaluating Assessments of Problem-Solving in Computer Adaptive Testing	47.076	NSF Education & Human Resources	2100988	-	145,814
Cultivating Learners' Autonomy to Improve Math Skills for	47.076	NSF Education & Human Resources	-	-	76,615
Collaborative Research: Quantifying Curricular Reasoning	47.076	NSF Education & Human Resources	2201165	-	33,003
BCSER: Adapting Problem-Solving Cycles in Professional D	47.076	NSF Education & Human Resources	2225351	-	48,593
<b>Office of International Science and Engineering</b>					
IRES Track II: Advanced Studies Institute on Water Quality and Harmful Algal Blooms in Lake Victoria, Kenya	47.079	NSF Office of Intl Science & Eng	1953468	-	119,987
I-Corps: Enhanced Radiation Curing From Plant Derived Ma	47.084	NSF Mathematics and Physical Sciences	-	-	12,150
<b>Total National Science Foundation</b>				716,903	3,506,600
<b>Department of Energy</b>					
<b>Office of Science Financial Assistance Program:</b>					
Solution-Processed Photovoltaic Devices Utilizing Semiconductor Excitonic Nanoshells (SENS)	81.049	DOE Office of Scienc	DE-SC0016872	-	156,373
Fundamental Understanding of Transport Under Reactor Extremes (FUTURE)	81.049	Triad National Security	Agr 519137 Sub 520120	-	114,400
Fundamental Understanding of Transport Under Reactor Extremes (FUTURE)	81.049	Triad National Security	23995	-	14,222
Center for Thermal Energy Transport Under Irradiation	81.049	Battelle Energy Alliance, LLC	279108; 519137; 520120	-	1,172
<b>Renewable Energy Research and Development:</b>					
LOS - Voltage Determination in CdTe Devices using COMSOL	81.RD	National Renewable Energy Laboratory	SUB-2022-10012; DE-AC36-08G02838	-	42,523
<b>Total Department of Energy</b>				-	328,690
<b>U.S. Department of Education</b>					
<b>Child Care Access Means Parents in School</b>					
More than Just Safety: School Security Measures and Acad	84.305A	University of Wisconsin-Madison	0000002692	-	117,796
<b>Total Department of Education</b>				-	117,796
<b>Social Security Administration</b>					
<b>Social Security Research and Demonstration</b>					
Social Security Beneficiary Status and Repartnering afte	96.007	University of Wisconsin-Madison	0000002858	-	21,318
<b>Total Social Security Administration</b>				-	21,318
<b>U.S. Department of Health and Human Services</b>					
<b>Healthy Marriage Promotion and Responsible Fatherhood Grants</b>					
Marriage Strengthening Research & Dissemination Center	93.086	Child Trends, Inc	Proj 829	51,106	158,204
<b>Environmental Health</b>					
Lake Erie Center for the Great Lakes and Human Health	93.113	HHS NIH NIEHS	P01ES028939	276,127	358,900
<b>Injury Prevention and Control Research and State and Community Based Programs</b>					
Exposure to Violence and Subsequent Weapons Use: Integrative Data Analysis across Two Urban High-Risk Comr	93.136	University of Michigan	SBK00013040; PO3006268942	-	17,668
Evaluation of CCOED	93.136	ProMedica	100313	-	14,769
SAFER: Securing Access for Emergency Recovery	93.136	ProMedica	1002105-3348_234; 1202201	-	22,730
<b>Occupational Safety and Health Program:</b>					
Work Stress, Poor Recovery, and Burnout in Nurses	93.262	University of Cincinnati	013704-00037 PO4600015210	-	4,140
Contextual Determinants of Sexual Minority Health in the	93.307	University of Texas at San Antonio	1000004975 (1000004964)	-	39,977
<b>Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)</b>					
COVID-19 - COVID: OH Wastewater SARS-CoV-2 Surveillance Project	93.323	Ohio State University Research Fndn	GR124410 / SPC-1000005259	-	(767.00)
The Impact of Life Discharge from Hospice on Patients	93.361	Saint Louis University	R21NR017978; 14609-01213	-	7,096.00
<b>Integrated Naloxone Access and Infrastructure:</b>					
Project PAIN: ProMedica Prescribing Alternatives Instead	93.788	ProMedica	1002105-3240-196; 1202101	-	22,298
PEND Y4: Evaluation of ProMedica Emergency Dept Naloxone	93.788	ProMedica	1002105-3287-203; 1202101	-	2,475
Project PAIN: ProMedica Prescribing Alternatives Instead	93.788	ProMedica	1002105-3347-231; 1202202	-	34,697
<b>Biomedical Research and Research Training:</b>					
Long-term and Mediated NO-Release Silicone Polymers for	93.837	HHS NIH NHLBI	1R15HL168693-01	-	279
Computational Design of Highly Fluorescent Rhodopsins	93.859	HHS NIH NIGMS	1R15GM126627-01	-	(190.00)
Integrated Resource for Nucleic Acid Structures	93.859	HHS NIH NIGMS	2R01GM085328-09A1	243,100	451,021
Determinants of SINE Mobilization in the Domestic Dog	93.859	HHS NIH NIGMS	1R15GM139146-01	-	124,621
Genetic Basis of Metabolite Production Against Clinica	93.859	HHS NIH NIGMS	2R15GM124585-02	924	87,449
<b>Child Health and Human Development Extramural Research:</b>					
Center for Family and Demographic Research	93.865	HHS NIH NICHD	P2CHD050959	-	136,557
CFDR carryover	93.865	HHS NIH NICHD	R24HD050959	-	3,645
Archiving Contemporary County and State Natality Data	93.865	HHS NIH NICHD	1R03HD10383	-	37,982
Consistency of Retrospectively Reported Individual Fertility Data Across Time	93.865	HHS NIH NICHD	1R03HD104885-01	3,334	36,964
Mechanisms Underlying Sexual Minority Health Disparities in the United States	93.865	University of Minnesota	H008512502	-	79,692
U.S. Fertility and the Pandemic: Changing Fertility Plans in an Era of Uncertainty and Stress	93.865	HHS NIH NICHD	R03HD105848	-	62,906
Unequal Parenthoods: Population Perspectives on Gender, Race and Sexual Minority Disparities in Family Stress a	93.865	University of Minnesota	A009471601; U101HD108779-01	-	73,884
Data Archiving A Longitudinal Cohort: Toledo Adolescent	93.865	HHS NIH NICHD	1R03HD109404-01	-	14,320
Archiving Nuptiality Pandemic Data	93.865	HHS NIH NICHD	1R03HD110593-01	-	9,972
<b>Aging Research:</b>					
Health and Well-Being Effects on Later-Life Divorce and Subsequent Repartnering	93.866	HHS NIH NIA	2R15AG047588-02	-	50,836
Health and Well-being Effects on Later-life Divorce and	93.866	HHS NIH NIA	R15AG047588	-	10,540
Children's Help to Aging Parents in the Face of Health a	93.866	Syracuse University	32119-06022-S01	-	50,645
Older Adult Dementia Risk and Offspring Education in the	93.866	HHS NIH NIA	1R15AG074050-01A1	15,804	84,481
Tracing the Health Consequences of Family Support during	93.866	Syracuse University	U01; 32872-06364-S01	-	38,982
Rural Communities Opioid Response Program-Planning:					

<i>Federal Agency/Pass-through Agency/Program Title</i>	<i>Assistance Listing Number</i>	<i>Pass-through Entity</i>	<i>Federal Pass-through Entity Identifying Number</i>	<i>Total Amount Provided to Subrecipients</i>	<i>Federal Expenditures</i>
RCORP Implementation - Lenawee Opioid Response Project	93.912	ProMedica	1002105-3111-162; 80163	\$ -	\$ 26,084
Preventive Health and Health Services Block Grant:					
Child Injury Prevention Program (CIPP) Y4	93.991	ProMedica	1002105-3286-201; 1202101	-	4,881
Older Adult Falls Program (OAFP) Y4	93.991	ProMedica	1002105-3285-202; 1202101	-	4,346
Child Injury Prevention Program (CIPP) Y5	93.991	ProMedica	1002105-3358-232; 1202202	-	16,912
Older Adult Falls Program (OAFP) Y5	93.991	ProMedica	1002105-3359-238; 1202204	-	9,646
<b>Total U.S. Department of Health and Human Services</b>				<u>590,395</u>	<u>2,098,642</u>
<b>TOTAL RESEARCH &amp; DEVELOPMENT CLUSTER</b>				<u>1,633,580</u>	<u>7,191,305</u>
<b>TRIO CLUSTER</b>					
<b>U.S. Department of Education</b>					
Student Support Services	84.042	ED OPE TRIO Programs	P042A201444	-	669,404
Educational Talent Search Program	84.044	ED OPE TRIO Programs	P044A210637	-	421,259
Upward Bound Program	84.047	ED OPE TRIO Programs	P047A170206	-	163,706
McNair Program	84.217	ED Postsecondary Education	P217A170157	-	185,535
Bowling Green State University McNair Program	84.217	ED Postsecondary Education	P217A220276; GRANT 1360332	-	130,263
Upward Bound Program	84.047A	ED OPE TRIO Programs	P047A221526	-	198,102
<b>TOTAL TRIO CLUSTER</b>				-	<u>1,768,269</u>
<b>ECONOMIC DEVELOPMENT CLUSTER</b>					
<b>U.S. Department of Commerce</b>					
Economic Adjustment Assistance:					
COVID-19 - COVID- University Center CARES Act Project	11.307	DOC Economic Development Administration	ED20CHI3070038	70,328	65,399
COVID-19 - COVID- Northwest Ohio Workforce Development Strategy and Recovery Plan	11.307	DOC Economic Development Administration	06-69-06289 URL115864	110,616	303,798
COVID-19 - COVID- North Central Ohio/U.S. 30 Corridor CEDS	11.307	DOC Economic Development Administration	06-69-06274	-	5,115
<b>TOTAL ECONOMIC DEVELOPMENT CLUSTER</b>				<u>180,944</u>	<u>374,312</u>
<b>HIGHWAY SAFETY CLUSTER</b>					
<b>U.S. Department of Transportation</b>					
State and Community Highway Safety:					
Safe Communities FY 2022	20.600	Ohio Department of Public Safety	SC-2022-BGSUUnive-00030	-	10,085
Safe Communities FY 2022	20.600	Ohio Department of Public Safety	SC-2023-BGSUUnive-00019	-	31,856
Comparison of Active vs Passive Methods of Oral Fluid Collection	20.616	Ohio Department of Public Safety	69A3752GG-2022-BGSU-00001	-	38,753
<b>TOTAL HIGHWAY SAFETY CLUSTER</b>				-	<u>80,694</u>
<b>SPECIAL EDUCATION CLUSTER (IDEA)</b>					
<b>U.S. Department of Education</b>					
Special Education-Grants to States					
Project EDUCATE (Educators of Diversity: Unified and Collaborative to Aspire Teacher Education)	84.027A	University of Cincinnati	013684-00002	-	46,819
Project EDUCATE (Educators of Diversity: Unified and Collaborative to Aspire Teacher Education)	84.027A	University of Cincinnati	014548-00002	-	135,612
<b>TOTAL SPECIAL EDUCATION CLUSTER (IDEA)</b>				-	<u>182,431</u>
<b>CHILD CARE DEVELOPMENT BLOCK FUND CLUSTER</b>					
<b>U.S. Department of Health and Human Services</b>					
Child Care Development Block Grant					
Ohio Ready to Learn	93.575	Ohio Educational Television Stations	G-2223-17-0438	-	59,618
<b>TOTAL CHILD CARE DEVELOPMENT BLOCK FUND CLUSTER</b>				-	<u>59,618</u>
<b>MEDICAID CLUSTER</b>					
<b>U.S. Department of Health and Human Services</b>					
Medical Assistance Program:					
2023 Ohio Medicaid Assessment Survey (OMAS)	93.778	Ohio State University Research Foundation	SPC-1000006938 GR128639	-	7,595
<b>TOTAL MEDICAID CLUSTER</b>				-	<u>7,595</u>
<b>OTHER GRANTS AND CONTRACTS</b>					
<b>U.S. Department of Agriculture</b>					
Rural Development Cooperative Agreement Program					
The Reimagining Rural Regions (R3) Initiative	10.890	USDA	FED22CHI3020029	-	127,299
<b>Total U.S. Department of Agriculture</b>				-	<u>127,299</u>
<b>U.S. Department of Commerce</b>					
Seneca and Sandusky County Comprehensive Economic Develo	11.302	DOC Economic Development Administration	ED22CHI3020029	-	26,038
<b>Total U.S. Department of Agriculture</b>				-	<u>26,038</u>
<b>U.S. Department of Defense</b>					
Basic, Applied and Advanced Research in Science and Engineering:					
Falcon BEST Robotics	12.330	DOD Missile Defense Agency	HQ0860-22-1-0001	-	12,000
USACE BAA: Rapid, Portable and Multiplexed Detection of Freshwater Harmful Algal Bloom- Forming Genera	12.630	DOD Army Corps of Engineers	W912HZ2020044	170,548	245,418
<b>Total U.S. Department of Defense</b>				<u>170,548</u>	<u>257,418</u>
<b>U.S. Department of the Interior</b>					
National Cooperative Geologic Mapping:					
StateView Program Development and Operations for the State of Ohio	15.810	AmericaView	AV18-OH-01	-	25,536
<b>Total U.S. Department of the Interior</b>				-	<u>25,536</u>
<b>U.S. Department of Justice</b>					
STOP School Violence					
BGSU Multi-Agency Radio Communication System (MARCS) Pro	16.738	Ohio Office of Criminal Justice Services	2019-JG-LLE-V5001	-	50,000
LEAD WELL: Leadership for School Safety and Well-being	16.839	DOJ	2020-YS-BX-0057	11,731	226,521
<b>Total U.S. Department of Justice</b>				<u>11,731</u>	<u>276,521</u>



<i>Federal Agency/Pass-through Agency/Program Title</i>	<i>Assistance Listing Number</i>	<i>Pass-through Entity</i>	<i>Federal Pass-through Entity Identifying Number</i>	<i>Total Amount Provided to Subrecipients</i>	<i>Federal Expenditures</i>
<b>National Endowment for the Humanities</b>					
Promotion of the Humanities Federal/State Partnership					
Trailblazing Women in Ohio Politics	45.129	Ohio Humanities Council	MO21-073; 3396	\$ -	\$ -
Visible Man: Art and Black Male Subjectivity	45.129	Ohio Humanities Council	QU21-100; 3425	-	(3,150)
Music in Arab America	45.129	Ohio Humanities Council	QU22-005	-	517
Promotion of the Humanities Division of Preservation and Access					
Street & Smith Dame Novel Digitization Project	45.149	Northern Illinois University	G2B66828-4	-	2,265
Dora E. Giffen Papers Digitization	45.310	State Library of Ohio	MetaData	-	4,292
<b>Total National Endowment for the Humanities</b>				-	<b>3,924</b>
<b>U.S. Department of Education</b>					
Vocational Education Basic Grants:					
FY 2021-2022 CTE Teacher Education Program	84.048	Ohio Department of Education	EDUF2021	-	982
FY 2022-2023 CTE Teacher Education Program	84.048	Ohio Department of Education		-	120,160
Twenty-First Century Community Learnings Centers:					
Evaluation of Leipsic 21st Century Grant	84.287	Putnam County Educational Service Center	S287C170035	-	2,422
Evaluation of Leipsic 21st Century Grant - Yr 4	84.287	Putnam County Educational Service Center	Evaluation of Leipsic 21s	-	7,162
Child Care Access Means Parents in School					
BGSU CCAMPIS Student Parent Program	84.335	ED Postsecondary Education	P335A210075	-	84,133
Teacher Quality Partnership Grants:					
Project IMPACT: Improving Motivation, Pedagogy, Assessme	84.336	ED Innovation & Improvement	U336S180041	-	566,349
Economic Stabilization Fund:					
COVID-19 - GEER: Ohio Wellness Campus Collaboratives (OWCC)	84.425C	Ohio Department of Higher Education	S425C200040	-	10,753
COVID-19 - GEER Mental Health Grant	84.425C	Ohio Department of Higher Education	S425C200040	-	50,528
COVID-19 - Project TRIAD: Teacher Renewal Initiative through Altern	84.425U	Ohio Department of Education	EDUFAR21	-	215,745
COVID-19 - Ohio Learns 360	84.425U	Ohio Department of Education	EDUFAR21	-	175,029
COVID-19 - BGSU Math and Literacy Tutoring Program	84.425U	Ohio Department of Education	EDUFAR21	-	176,338
<b>Total U.S. Department of Education</b>				-	<b>1,409,601</b>
<b>U.S. Department of Health and Human Services</b>					
Substance Abuse & Mental Health Services Projects of Regional & Natl Significance:					
Falcons Flourish: Mental Health Awareness and Suicide Pr	93.243	HHS Substance Abuse & Mental Health Svcs	GRANT13606439	-	41,799
University Partnership Program (UPP)	93.645	Ohio Department of Job and Family Svcs	G-2223-06-1133	-	72,315
Mental and Behavioral Health Education and Training Grants					
Opioid-Impacted Family Support Program	93.732	Mercy College of Ohio	T26HP39449	-	23,284
Primary Care Training and Enhancement					
Evaluation of PCTE-CPMH	93.884	ProMedica	1002105-32-42-189; 120210	-	1,201
Evaluation of PCTE-CPMH - Yr 2	93.884	ProMedica	1002105-3357-224; 1202201	-	30,177
Block Grants for Community Mental Health Services					
ENGAGE/Evaluation of MRSS	93.958	Ohio Dept of Mental Health/Addiction Srv	Order no: PO00027944	-	240,207
<b>Total U.S. Department of Health and Human Services</b>				-	<b>408,983</b>
<b>Corporation for National and Community Service</b>					
AmeriCorps					
Toledo Partners for Student Success (TOPSS)	94.006	Partners in Education	21AC235774	-	(24,326)
<b>Total U.S.</b>				-	<b>(24,326)</b>
TOTAL OTHER GRANTS AND CONTRACTS				182,279	2,510,994
TOTAL FEDERAL EXPENDITURES				<b>\$ 1,996,803</b>	<b>\$ 131,492,703</b>

**Notes to Schedule of Expenditures of Federal Awards**

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**Year Ended June 30, 2022**

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Bowling Green State University (the "University") under programs of the federal government for the year ended June 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net position, or cash flows of the University.

**Note 2 - Summary of Significant Accounting Policies**

Expenditures reported in the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. 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. The pass-through entity identifying numbers are presented where available.

**Note 3 - Indirect Costs**

The University recovers indirect costs by means of provisional fixed indirect cost rates. The provisional 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 42 percent of modified total direct costs, and the off-campus predetermined rate is 21 percent of modified total direct costs effective July 1, 2019 through June 30, 2023.

The University has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

**Note 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, 2023 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 and the Federal Nursing Loans at June 30, 2023 are \$1,612,552 and \$744,436, respectively.

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## Schedule of Findings and Questioned Costs

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**Schedule of Findings and Questioned Costs**

**Year Ended June 30, 2023**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?            Yes   X   None reported

**Federal Awards**

Internal control over major programs:

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

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

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

Identification of major programs:

<u>Assistance Listing Number</u>	Name of Federal Program or Cluster
Various	Student Financial Aid Cluster
Various	TRIO Cluster

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

Auditee qualified as low-risk auditee?   X   Yes            No

**Schedule of Findings and Questioned Costs (Continued)**

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**Year Ended June 30, 2023**

**Section II - Financial Statement Audit Findings**

Current Year None

**Section III - Federal Program Audit Findings**

Current Year None

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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 11/28/2023**

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

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