Central State University
Greene County
Regular and Single Audit
For the Year Ended June 30, 2023

OHIO AUDITOR OF STATE
KEITH FABER

65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Board of Trustees
Central State University
P.O. Box 1004
1400 Brush Row Road
Wilberforce, Ohio 45384

We have reviewed the *Independent Auditor's Report* of Central State University, Greene County, prepared by Crowe LLP, 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. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

Finding for Recovery

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951) provides that expenditures made by a governmental entity should serve a public purpose. Typically, the determination of "proper public purpose" rests with the governmental entity unless such determination is arbitrary or unreasonable.

Ohio Revised Code Section 145.483 discusses the penalties and interest that accrue when an employer fails to timely remit employer contributions and employee payroll withholding submissions to the Ohio Public Employees Retirement System (OPERS).

Ohio Administrative Code Section 3307-3-05 discusses the penalties and interest that accrue when an employer fails to timely remit employer contributions and employee payroll withholding submissions to the State Teachers Retirement System of Ohio (STRS).

Under Ohio law, public officials are strictly liable for all public money received or collected by them or their subordinates under color of law. Ohio Rev. Code § 9.39; Cordray v. Internatl. Preparatory School, 128 Ohio St.3d 50 (2010).

Finding for Recovery (continued)

Central State University accrued and paid penalties and interest for delinquent employer contributions and employee payroll withholding submissions to STRS and OPERS during Fiscal Years 2021 through 2024, as follows:

	STRS	**OPERS**
2021	$ 0	$18,517.73
2022	$23,662.50	$32,347.83
2023	$10,646.41	$18,276.28
2024	$ 0	$ 1,606.35
Total:	**$34,308.91**	**$70,748.19**

The accrual of penalties and interest leads to unnecessary expenditures which do not serve a proper public purpose. These charges would have been avoided had the employer contributions and payroll withholding submissions been remitted to STRS and OPERS by the required due dates.

In accordance with the forgoing facts and pursuant to Ohio Rev. Code Chapter 117, a Finding for Recovery for public monies illegally expended is hereby issued against Curtis Pettis, former CFO and Vice President of Finance and Administration and his insurance company, United Educators, jointly and severally, in the amount of $105,057.10 and in favor of the University's General Fund.

Auditor of State Conclusion for the Central State University Foundation Responses in the Schedule of Findings:

In addition to the communications from the Foundation's auditor throughout the process, the Auditor of State also communicated with the Foundation on multiple occasions throughout the audit to assist the auditor in getting the required records for the audit to no avail. Even after issuing a subpoena for the records, nothing further was provided by the Foundation. The Foundation has noted the University has all records pursuant to a memorandum of understanding; however, the University has confirmed no further records are available for audit. The Foundation did not ask for an extension of time until the final report was being put together, and therefore, the extension was not granted.

The Auditor of State is conducting an investigation, which is on-going as of the date of this report. Dependent on the outcome of the investigation, results may be reported on at a later date.

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. Central State University is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L Ridenbaugh

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

July 09, 2026

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CENTRAL STATE UNIVERSITY
Wilberforce, Ohio

FINANCIAL STATEMENTS
June 30, 2023
(With comparative financial information
for the year ended June 30, 2022)

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CENTRAL STATE UNIVERSITY
Wilberforce, Ohio

FINANCIAL STATEMENTS
June 30, 2023
(With comparative financial information
for the year ended June 30, 2022)

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INDEPENDENT AUDITOR'S REPORT

Management and Board of Trustees
Central State University
Wilberforce, Ohio

Report on the Audit of the Financial Statements

Disclaimer of Opinions

We were engaged to audit the financial statements of the business-type activities and the aggregate discretely presented component units of Central State University (the "University"), a component unit of the State of Ohio, as of and for the year ended June 30, 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.

We do not express opinions on the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the University. Because of the significance of the matters described in the Basis for Disclaimer of Opinions section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for audit opinions on these financial statements.

Basis for Disclaimer of Opinions

Management of the University could not provide updated controls, or audit support for various journal entries, bank reconciliations and amounts due to and from related parties as of and for the year ended June 30, 2023, and we were unable to satisfy ourselves by performing other audit procedures. As a result of these matters, we were unable to determine whether any adjustments might have been necessary with respect to the accounts listed above, and the elements making up the statement of net position, and the related statements of revenues, expenses and changes in net position and cash flows for the University.

Management of the Central State University Foundation could not provide certain board minutes and updated controls, policies and procedures, or audit support for various journal entries, contribution revenue, artwork, endowments, restricted net assets, donated stock, payroll and benefit expenses, accounts payable, subsequent disbursements, operating expenses, going concern analysis, potential tax liabilities and functional expense classifications as of and for the year ended June 30, 2023, and we were unable to satisfy ourselves by performing other audit procedures. As a result of these matters, we were unable to determine whether any adjustments might have been necessary with respect to the accounts listed above, and the elements making up the consolidated statement of financial position, and the related consolidated statements of activities and changes in net assets (deficit), and cash flows for the Central State University Foundation. Central State University Foundation's financial activities are included in the University's basic financial statements as a discretely presented component unit and represent 88%, 79%, and 73% of the assets, net assets, and revenues, respectively, of the University's aggregate discretely presented component units. We were not provided with a signed management representation

(Continued)

letter for the fiscal year ended June 30, 2023. As a result, we were unable to obtain confirmation of management's responsibility for the preparation and fair presentation of the financial statements and related representations regarding the completeness and accuracy of information provided to us, including matters involving fraud, compliance with laws and regulations, related-party transactions, commitments and contingencies, and subsequent events. As a result of this matter, we were unable to determine whether any adjustments might have been necessary to the financial statements.

Management of the Central State University Innovation and Development Foundation could not provide certain updated controls, policies and procedures, or audit support for various journal entries, bank reconciliations, amounts due to and from the University, contribution revenue, other revenues, operating expenses and potential tax liabilities as of and for the year ended June 30, 2023, and we were unable to satisfy ourselves by performing other audit procedures. As a result of these matters, we were unable to determine whether any adjustments might have been necessary with respect to the accounts listed above, and the elements making up the statement of financial position, and the related statements of activities and changes of net assets and cash flows for the Central State University Innovation and Development Foundation. Central State University Innovation and Development Foundation's financial activities are included in the University's basic financial statements as a discretely presented component unit and represent 12%, 21%, and 27% of the assets, net assets, and revenues, respectively, of the University's aggregate discretely presented component units. We were not provided with a signed management representation letter for the fiscal year ended June 30, 2023. As a result, we were unable to obtain confirmation of management's responsibility for the preparation and fair presentation of the financial statements and related representations regarding the completeness and accuracy of information provided to us, including matters involving fraud, compliance with laws and regulations, related-party transactions, commitments and contingencies, and subsequent events. As a result of this matter, we were unable to determine whether any adjustments might have been necessary to the financial statements.

Emphasis of Matters

As discussed in Note 16 to the financial statements, Marauder Development, LLC has ceased operations as of December 20, 2023, and on November 15, 2024, the Central State University Foundation's 501(c)(3) status was revoked by the Internal Revenue Service. Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the financial statements, the University has adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* as of July 1, 2022. Our opinion is not modified with respect to this matter.

Other Matter

The Central State University Foundation's liquidity constraints have resulted in a significant shortfall of liquid assets required to comply with donor restrictions, and failures to comply with IRS reporting requirements led to the loss of the Central State University Foundation's tax-exempt status in November 2024. These conditions raise substantial doubt about the Central State University Foundation's ability to continue as a going concern. Management did not provide an analysis of the Central State University Foundation's ability to continue as a going concern or related disclosures describing the relevant conditions or management's plans. As described in the Basis for Disclaimer of Opinions paragraph, we were unable to obtain sufficient appropriate audit evidence regarding the adequacy of management's analysis or plans to mitigate the substantial doubt about the Central State University Foundation's ability to continue as a going concern.

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.

(Continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the University's financial statements in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinions section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

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

Report on Partial Comparative Information

We have previously audited the University's 2022 financial statements, and we expressed an unmodified opinion on the financial statements of the business-type activities in our report dated November 6, 2023. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

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

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated May 21, 2026 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Columbus, Ohio
May 21, 2026

CENTRAL STATE UNIVERSITY
STATEMENT OF NET POSITION
June 30, 2023
(With comparative financial information
for the year ended June 30, 2022)

	2023	2022
Current assets		
Cash and cash equivalents	$ -	$ 3,575,717
Accounts receivable - Net of allowance of approximately $20.1 million at June 30, 2023 and $15.7 million at June 30, 2022	22,800,140	21,969,625
Contributions receivable, net of allowance of $0 at June 30, 2023 and $166,081 at June 30, 2022	186,000	533,919
Due from CSU Foundation	338,880	311,554
Due from CSUID Foundation	69,573	1,035,518
Prepaid assets	370,617	1,901,310
Total current assets	23,765,210	29,327,643
Noncurrent assets		
Investments	769,166	2,657,177
Contributions receivable	150,000	3,726,038
Net OPEB asset	2,243,000	4,491,444
Depreciable/Amortizable capital assets – net	170,972,481	126,689,454
Non-depreciable/amortizable capital assets	6,246,848	6,086,382
Total noncurrent assets	180,381,495	143,650,495
Total assets	204,146,705	172,978,138
Deferred outflows of resources		
Pension	19,289,435	12,607,325
OPEB	1,956,350	725,132
Total deferred outflows of resources	21,245,785	13,332,457
Current liabilities		
Cash overdraft	606,140	-
Accounts payable	3,833,766	2,373,156
Accrued salaries, wages, and benefits	5,598,533	3,915,564
Interest payable	191,814	-
Unearned student fee revenue	1,176,407	2,220,631
Due to CSU Foundation	1,661,625	102,000
Due to CSUID Foundation	2,224,725	586,984
Current portion of long-term liabilities	3,486,166	2,113,377
Other liabilities	-	1,348,251
Other unearned revenue	29,140,479	12,364,528
Total current liabilities	47,919,463	25,024,491
Noncurrent liabilities		
Long-term debt	5,789,076	6,921,299
Long-term vendor payable	1,185,778	-
Long-term APA	37,799,561	-
Long-term leases/subscriptions	3,642,694	202,674
Long-term loans payable	1,315,174	-
Long-term liabilities	1,155,011	934,326
Other long-term liabilities	46,117,715	17,532,276
Total noncurrent liabilities	97,005,009	25,590,575
Total liabilities	144,924,472	50,615,066
Deferred inflows of resources		
Pension	2,450,787	18,429,559
OPEB	2,113,040	4,677,312
Total deferred inflows of resources	4,563,827	23,106,871
Net position		
Net investment in capital assets	126,800,824	123,538,486
Restricted expendable	2,448,307	2,772,182
Unrestricted	(53,344,940)	(13,722,010)
Total net position	$ 75,904,191	$ 112,588,658

See accompanying notes to consolidated financial statements.

CENTRAL STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year ended June 30, 2023
(With comparative financial information
for the year ended June 30, 2022)

	2023	2022
Operating revenue		
Tuition and fees	$ 39,958,643	$ 46,045,787
Less grants and scholarships	(29,476,859)	(35,553,857)
Tuition and fees, net	10,481,784	10,491,930
Federal grants and contracts	19,779,997	11,841,579
State, local, and private grants and contracts	7,721,427	6,306,649
Indirect cost recovery	-	2,120,296
Auxiliary activities	19,996,347	18,439,945
Less grants and scholarships	(14,855,588)	(14,300,905)
Auxiliary activities, net	5,140,759	4,139,040
Contributions	3,147,922	4,417,339
Other sources	3,994,852	5,254,519
Total operating revenue	50,266,741	44,571,352
Operating expenses		
Instruction	16,026,283	14,609,283
Research	6,791,867	7,643,028
Student services	6,278,397	9,129,530
Academic support	10,240,108	8,030,557
Public services	9,803,542	9,705,750
Pension and OPEB administration	4,377,511	(4,722,828)
Institutional administration	25,262,330	13,694,641
Operation and maintenance of plant	7,956,965	8,152,034
Auxiliary enterprises	18,076,745	18,476,608
Student aid	4,235,196	4,692,427
Depreciation/Amortization	10,473,860	7,472,111
Total operating expenses	119,522,804	96,883,141
Operating loss	(69,256,063)	(52,311,789)
Nonoperating revenue (expenses)		
Federal Pell Grant appropriations	11,065,488	11,810,448
Federal COVID-related funding	5,554,151	28,427,940
State appropriations	15,718,780	15,278,647
Investment income (loss)	142,167	(366,274)
Interest expense	(1,912,230)	(306,487)
Other restricted nonoperating revenue	316,459	97,503
Net nonoperating revenue	30,884,815	54,941,777
Income (Loss) - before other revenue	(38,371,248)	2,629,988
Other revenue - State capital appropriations	1,975,516	2,731,170
Increase (decrease) in net position	(36,395,732)	5,361,158
Net position - beginning of year – as previously reported	112,588,658	107,227,500
Cumulative effect of a change in accounting principle	(288,735)	-
Net position – beginning of year – as restated	112,299,923	107,227,500
Net position - end of year	$ 75,904,191	$ 112,588,658

See accompanying notes to consolidated financial statements.

CENTRAL STATE UNIVERSITY
STATEMENT OF CASH FLOWS
Year ended June 30, 2023
(With comparative financial information
for the year ended June 30, 2022)

	2023	2022
Cash flows from operating activities		
Tuition and fees	$ 46,602,725	$ 45,243,487
Grants and contracts	27,896,503	18,148,228
Payments to suppliers and employees	(106,253,049)	(107,820,463)
Auxiliary enterprise charges	(12,935,986)	(14,337,569)
Other	17,625,065	6,251,056
Net cash used in operating activities	(27,064,742)	(52,515,261)
Cash flows from noncapital financing activities		
Federal Pell grant	11,065,488	11,810,447
Federal Covid-related funding	5,554,151	28,427,940
State appropriations	15,718,780	15,278,647
Other nonoperating receipts	316,459	97,503
Proceeds from loans payable	1,424,491	-
Principal paid on loans payable	(121,943)	-
Interest paid on loans payable	(32,251)	-
Federal loan receipts	10,293,273	9,100,157
Federal loan disbursements	(10,293,273)	(9,100,157)
Net cash from noncapital financing activities	33,925,175	55,614,537
Cash flows from capital and related financing activities		
State capital appropriations	1,975,516	2,731,170
Purchase of capital assets and construction in progress	(9,976,916)	(7,504,611)
Principal paid on capital debt	(1,115,115)	(1,440,904)
Principal paid on leases and subscriptions	(1,500,011)	(988,789)
Principal paid on APA	(732,554)	-
Interest paid on capital debt	(265,804)	(306,487)
Interest paid on APA	(1,384,542)	-
Interest paid on leases and subscriptions	(123,168)	-
Net cash used in capital and related financing activities	(13,122,594)	(7,509,621)
Cash flows from investing activities		
Interest	142,167	366,274
Sale of investments	2,138,137	-
Purchase of investments	(200,000)	(803,388)
Net cash from (used) in investing activities	2,080,304	(437,114)
Net change in cash and cash equivalents	(4,181,857)	(4,847,458)
Cash and cash equivalents - beginning of year	3,575,717	8,423,175
Cash and cash equivalents - end of year	$ (606,140)	$ 3,575,717

See accompanying notes to consolidated financial statements.

CENTRAL STATE UNIVERSITY
STATEMENT OF CASH FLOWS
Year ended June 30, 2023
(With comparative financial information
for the year ended June 30, 2022)

	2023	2022
Reconciliation of net operating loss to net cash from operating activities		
Operating loss	$ (69,256,063)	$ (52,311,791)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation/Amortization expense	10,473,860	7,472,111
Changes in operating assets and liabilities which (used) provided cash:		
Accounts receivable	(830,515)	(6,306,465)
Contributions receivable	3,923,957	(1,134,239)
Prepaids and other assets	2,469,312	(38,531)
Accounts payable	691,821	558,966
Accrued salaries, wages, and benefits	2,274,221	742,437
Deferred outflows – Pension and OPEB	(7,913,328)	(7,197,074)
Deferred inflows – Pension and OPEB	(18,543,044)	12,840,553
Net Pension and OPEB liability	30,833,883	(10,366,307)
Other liabilities	3,079,427	257,396
Unearned revenue and student deposits	15,731,727	2,967,684
Net cash used in operating activities	$ (27,064,742)	$ (52,515,261)

	2023	2022
Non-cash transactions:		
Lease additions	$ 195,137	278,772
Subscription additions	4,627,744	-
APA addiitons	15,632,000	-

See accompanying notes to consolidated financial statements.

CENTRAL STATE UNIVERSITY FOUNDATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Year ended June 30, 2023

Assets	
Cash and cash equivalents	$ 589,747
Receivable from Central State University	1,661,625
Contributions receivable, net	4,800
Other receivables	13,216
Prepaid expenses	2,250
Total current assets	2,271,638
Investments	4,580,697
Restricted cash and cash equivalents	2,705,381
Capital assets, net	8,232,307
Total assets	$ 17,790,023
Liabilities	
Accounts payable	$ 80,094
Accrued interest payable	232,738
Payable to Central State University	338,880
Current portion of long-term debt	775,000
Total current liabilities	1,426,712
Long-term debt, net of unamortized financing costs of $377,865	7,793,648
Total liabilities	9,220,360
Net Assets (Deficit)	
Without donor restrictions	650,807
With donor restrictions	7,918,856
Total net assets	8,569,663
Total liabilities and net assets	$ 17,790,023

See accompanying notes to consolidated financial statements.

CENTRAL STATE UNIVERSITY FOUNDATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (DEFICIT)
Year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Rental revenue	$ 3,413,483	$ -	$ 3,413,483
Contributions	-	493,503	493,503
Other	5,259	976	6,235
Investment income	121,753	371,805	493,558
Net assets released from restrictions	38,087	(38,087)	-
Total revenue	3,578,582	828,197	4,406,779
Expenses			
Programs:			
Housing programs	2,302,583	-	2,302,583
Other expenses	29,277	-	29,277
Operating expenses	424,499	-	424,499
Fundraising expenses	102,553	-	102,553
Total expenses	2,858,912	-	2,858,912
Increase (Decrease) in net assets	719,670	828,197	1,547,867
Net Assets (Deficit) - beginning of year	(68,863)	7,090,659	7,021,796
Net Assets - end of year	$ 650,807	$ 7,918,856	$ 8,569,663

See accompanying notes to consolidated financial statements.

CENTRAL STATE UNIVERSITY FOUNDATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended June 30, 2023

Cash flows from operating activities	
Change in net assets	$ 1,547,867
Adjustments to reconcile increase (decrease) in net assets to net cash from operating activities:	
Depreciation	411,997
Amortization of issuance costs	86,802
Amortization of bond discount	13,995
Unrealized and realized loss on investments	(210,484)
Changes in operating assets and liabilities:	
Prepaid expenses	(227)
Other receivables	(976)
Accounts payable	67,502
Receivable/payable to Central State University	(1,532,299)
Accrued interest payable	(26,303)
Net cash provided by operating activities	357,874
Cash flows from investing activities	
Purchases of investments	(1,586,780)
Sale of investments	1,244,736
Net cash used in investing activities	(342,044)
Cash flows from financing activities	
Principal payment on bonds payable	(1,000,000)
Net cash used in financing activities	(1,000,000)
Net change in cash and cash equivalents	(984,170)
Cash and cash equivalents - beginning of year	4,279,298
Cash and cash equivalents - end of year	$ 3,295,128
Supplemental disclosures of cash flow information	
Cash paid during the year for interest	$ 491,778

See accompanying notes to consolidated financial statements.

CENTRAL STATE UNIVERSITY
INNOVATION AND DEVELOPMENT FOUNDATION
STATEMENT OF FINANCIAL POSITION
June 30, 2023

Assets	
Cash and cash equivalents	$ 155,919
Other receivables	2,073
Due from Central State University	2,224,725
Total current assets	$ 2,382,717
Liabilities	
Accounts payable	$ 25,230
Payable to Central State University	69,573
Total current liabilities	94,803
Net Assets	
Without donor restrictions	683,852
With donor restrictions	1,604,062
Total net assets	2,287,914
Total liabilities and net assets	$ 2,382,717

See accompanying notes to consolidated financial statements.

CENTRAL STATE UNIVERSITY
INNOVATION AND DEVELOPMENT FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Contributions	$ 321,167	$ 1,088,371	$ 1,409,538
Other	37,661	153,318	190,979
Net assets released from restrictions	537,792	(537,792)	-
Total revenue	896,620	703,897	1,600,517
Expenses			
Programs:			
Academic programs	120,521	-	120,521
Institutional programs	247,157	-	247,157
Scholarships	363,795	-	363,795
Public services	257,564	-	257,564
Student services	22,630	-	22,630
Total expenses	1,011,667	-	1,011,667
Change in net assets	(115,047)	703,897	588,850
Net assets – beginning of year	798,899	900,165	1,699,064
Net assets – end of year	$ 683,852	$ 1,604,062	$ 2,287,914

See accompanying notes to consolidated financial statements.

CENTRAL STATE UNIVERSITY
INNOVATION AND DEVELOPMENT FOUNDATION
STATEMENT OF CASH FLOWS
For the year ended June 30, 2023

Cash flows from operating activities	
Change in net assets	$ 588,850
Adjustments to reconcile increase (decrease) in net assets to net cash from operating activities:	
Changes in operating assets and liabilities:	
Due from Central State University	(1,637,741)
Other receivable	(551)
Accounts payable	25,230
Payable to Central State University	(965,945)
Net cash from operating activities	(1,990,157)
Net change in cash and cash equivalents	(1,990,157)
Cash and cash equivalents – beginning of year	2,146,076
Cash and cash equivalents – end of year	$ 155,919

See accompanying notes to consolidated financial statements.

NOTE 1 - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

(Continued)

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

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

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

Net Position is classified into three major categories:

- Net Investment in Capital Assets: Capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of debt and deferred inflows of resources related to the acquisition, construction, or improvement of those assets.

- Restricted: Owned by the University, but the use or purpose of the funds is restricted by an external source or entity. The restricted net position category is subdivided further into expendable and nonexpendable.

    - Restricted Expendable: May be spent by the institution, but only for the purpose specified by the donor, grantor, or other external entity. This category includes the unspent balance in grant funds, loan funds, debt service funds, bond funded capital projects and outstanding balances of pledged contributions.

- Unrestricted: Resources derived primarily from student tuition, fees, state appropriations, and auxiliary enterprises. They are used for the general obligations of the University and may be used at the discretion of the board of trustees for any purpose furthering the University's mission.

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

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

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

(Continued)

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

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

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

Right-to-use Assets: The right-to-use asset is the University's right to use an asset over the life of a lease or subscription. The asset is calculated as the initial amount of the liability, plus any payments made to the lessor before the commencement date, plus any initial direct costs incurred, minus any incentives received. Amortization is calculated on a straight-line basis over the shorter of its useful life or the remaining lease or subscription term.

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

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

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

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

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

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

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

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

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

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

Recently Adopted Accounting Pronouncements: During the year ended June 30, 2023, the University adopted the following statements issued by the GASB:

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

- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued March 2020. This statement improves accounting and financial reporting for arrangements where a governmental entity contracts with an operator to provide public services by conveying control of the right to operate or use nonfinancial assets, such as infrastructure or other capital assets, for a period of time in an exchange or exchange-like transaction. It requires the College to report assets and liabilities related to public-private and public-partner partnerships (PPP's) consistently and disclose important information about PPP transactions. The provisions of this statement are effective for the University's basic financial statements for fiscal year ending June 30, 2023. The implementation of this standard resulted in a reduction of the University's net position by $288,735, increased Capital Assets – Building by $25,206,671, increased the Availability Payment Arrangement payable by $23,784,648, increased Accumulated Depreciation – Building by $1,643,836 and increased Interest Payable by $82,828.

- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* issued May 2020. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Under this standard, end users in SBITAs are required to recognize a right-to-use subscription asset and a corresponding subscription liability. The provisions of this statement are effective for the University's basic financial statements for fiscal year ending June 30, 2023. The implementation of this standard resulted in Subscription Assets and Subscription Liabilities increased by $289,306.

(Continued)

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

Prior Year Information: The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the University's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

Statutes also authorize the University to invest endowment funds in the above investments, as well as commercial paper rated A-1 by Standard & Poor's bonds, common and preferred stock, mutual funds, and real estate upon specific authorization by the board of trustees. Depository funds held in the name of the University are secured by a pool of securities with a value of at least 105% of the total value of monies on deposit at the depository bank. All collateral, both specific and pooled, is held by the Federal Reserve Bank or by a designated trustee as agent for the public depositories used by the University.

Custodial Credit Risk of Bank Deposits: Custodial credit risk is the risk that in the event of a bank failure, the University's deposits may not be returned to it. The University does not have a policy restricting custodial credit risk. At June 30, 2023, University bank balances of $1,167,359 were held in excess of FDIC limits.

At June 30, 2023 the carrying amount of deposits (book balances) is as follows:

Petty Cash	$ 2,500
State Treasury Asset Reserve of Ohio	29,144
Demand deposit	(668,495)
Money market funds	30,711
	$ (606,140)

Credit Risk: Credit risk for deposits is the risk that, in the event of a bank failure, the University's deposits may not be returned to the University. As discussed above, state law limits investments to U.S., state, and municipal government obligations. The University has no investment policy that would further limit its investment choices. The University had $30,711 invested in money market mutual funds at June 30, 2023; these funds are not rated by a national rating agency due to the short-term nature of their holdings.

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

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. At June 30, 2023, the University had no material exposure to foreign currency risk. The University does not address foreign currency risk in its investment policy and asset allocation guidelines.

As required by the bond indenture, the CSU Foundation, through Marauder, maintains restricted cash balances in the following accounts as of August 31, 2023.

Debt interest account	$ 215,027
Debt principal account	711,419
Redemption fund	2,857
Repair and replacement fund	480,125
Debt reserve fund	1,295,953
Total restricted cash	$ 2,705,381

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

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

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

The following three-tier fair value hierarchy prioritizes the inputs used in measuring fair value:

Level 1 Observable inputs such as quoted prices in active markets

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

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

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

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

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

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

	Fair Value Measurement as of June 30, 2023 Using				
	Totals	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV
Investment in securities:					
State Treasury Asset Reserve of Ohio	$ 29,144	$ 29,144	$ -	$ -	$ -
Mutual funds					
Equities	361,593	361,593	-	-	-
Fixed income	363,326	363,326	-	-	-
	754,063	$ 754,063	$ -	$ -	$ -
Cash	44,247				
Total investments	$ 798,310				

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

Cash and cash equivalents	$ 29,144
Investments	769,166
Total	$ 798,310

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

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

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

Net interest and dividend income	$ 14,612
Unrealized gains/(loss)	127,555
	$ 142,167

(Continued)

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

The fair value of CSU Foundation investments at June 30, 2023 are as follows:

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2023			
Assets	Quoted Prices In Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Balance
Cash/money market accounts:				
Money market accounts	$ 73,135	$ -	$ -	$ 73,135
Subtotal	73,135	-	-	73,135
Equity investments:				
Equity mutual funds	2,877,027	-	-	2,877,027
Subtotal	2,877,027	-	-	2,877,027
Fixed-income investments:				
Bond mutual funds	1,630,535	-	-	1,630,535
Subtotal	1,630,535	-	-	1,630,535
Total investments	$ 4,580,697	$ -	$ -	$ 4,580,697

The CSU Foundation's policy is to recognize transfers between levels of the fair value hierarchy as of the beginning of the reporting period. For the year ended June 30, 2023 there were no transfers between levels of the fair value hierarchy.

NOTE 3 - RECEIVABLES

At June 30, 2023 receivables consist of the following:

Student accounts receivable	$ 24,123,332
Grant and contract receivables	7,292,713
Other (Employee Retention Credit)	11,464,430
Total	42,880,475
Less allowance for doubtful accounts	(20,080,335)
Net receivables	$ 22,800,140

NOTE 4 - CONTRIBUTIONS RECEIVABLE

At June 30, 2023, contributions receivable consists of the following:

Gross amounts due in:	
Less than one year	$ 186,000
One to five years	150,000
	336,000
Reduction for contributions due in excess of one year, at a 0.25% deduction rate	-
Allowance for doubtful accounts	-
Net contributions receivable	$ 336,000

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NOTE 5 - CAPITAL ASSETS

Capital assets activity for the University for the year ended June 30, 2023 is summarized as follows:

	(Restated) Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Depreciable/Amortizable assets:					
Buildings and improvements	$ 234,792,568	$ 17,074,510	$ -	$ 33,174	$ 251,900,252
Automobiles, machinery, and equipment	47,126,765	4,009,860	-	1,547,037	52,683,662
Intangible assets	-	3,048,480	-	-	3,048,480
Subscription assets	289,306	4,627,744	-	-	4,917,050
Assets under lease	3,237,407	195,137	-	-	3,432,544
Total depreciable/amortizable assets	285,446,046	28,955,731	-	1,580,211	315,981,988
Non depreciable/amortizable assets:					
Land improvements	533,919	-	-	-	533,919
Construction in progress	5,552,463	3,275,677	(1,535,000)	(1,580,211)	5,712,929
Total non-depreciable/amortizable assets	6,086,382	3,275,677	(1,535,000)	(1,580,211)	6,246,848
Total capital assets	291,532,428	32,231,408	(1,535,000)	-	322,228,836
Less accumulated depreciation/amortization:					
Buildings and improvements	(101,981,284)	(5,603,313)	-	-	(107,584,597)
Automobiles, machinery, and equipment	(32,229,078)	(3,225,305)	368,804	-	(35,085,579)
Intangible assets	-	(355,656)	-	-	(355,656)
Subscription assets	-	(957,234)	-	-	(957,234)
Assets under lease	(694,089)	(332,352)	-	-	(1,026,441)
Total accumulated depreciation/amortization	(134,904,451)	$ (10,473,860)	$ 368,804	$ -	(145,009,507)
Capital assets - Net	$ 156,627,977				$ 177,219,329

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

(Continued)

NOTE 5 - CAPITAL ASSETS (Continued)

Capital assets activity for the CSU Foundation for the year ended June 30, 2023 is summarized as follows:

Land	$ 140,800
Building	16,034,338
Furniture and fixtures	896,603
Total capital assets	17,071,741
Less accumulated depreciation	8,839,434
Net capital assets	$ 8,232,307

NOTE 6 - LONG-TERM LIABILITIES

Long-term liability (other than long-term debt, lease and subscription) activity for the years ended June 30, 2023 is summarized as follows:

	(Restated) Beginning Balance	Additions	Reduction	Ending Balance	Current Portion
Compensated absences	$ 1,776,613	$ 591,252	$ -	$ 2,367,865	$ 1,343,370
Other liabilities	85,982	44,534	-	130,516	-
Loans payable	-	1,736,109	(121,943)	1,614,166	298,992
Vendor payable	-	1,185,778	-	1,185,778	-
APA	23,784,648	15,632,000	(732,554)	38,684,094	884,533
Net pension liability	17,532,276	28,036,074	-	45,568,350	-
OPEB liability (asset)	(4,491,444)	2,797,809	-	(1,693,635)	-
Total	$ 38,688,075	$ 50,023,556	$ (854,497)	$ 87,857,134	$ 2,526,895

The net pension liability and OPEB liability (asset) are presented at net. Current compensated absences is included within accrued salaries, wages and benefits.

Loans payable

During the year ended June 30, 2023, the University entered into a loan agreement in the original principal amount of $639,833 for the purpose of working cash. The loan bears interest at 9.175% and requires monthly principal and interest payments through November 2027. The loan is secured by specified capital assets. As of June 30, 2023, the outstanding balance of the loan was $569,285.

During the year ended June 30, 2023, the University entered into a loan agreement in the original principal amount of $1,096,276 for the purpose of working cash. The loan bears interest at 9.175% and requires monthly principal and interest payments through February 2028. The loan is secured by specified capital assets. As of June 30, 2023, the outstanding balance of the loan was $1,044,881.

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (Continued)

Future principal and interest requirements related to the loans payable are as follows:

	Loan 1		Loan 2		
	Principal	Interest	Principal	Interest	Total
2024	$ 115,053	$ 33,508	$ 183,939	$ 86,195	$ 418,695
2025	122,733	25,828	201,543	68,591	418,695
2026	130,925	17,636	220,832	49,302	418,695
2027	139,665	8,896	241,968	28,166	418,695
2028	60,909	990	196,599	6,002	264,500
	$ 569,285	$ 86,858	$ 1,044,881	$ 238,256	$ 1,939,280

Vendor payable
During the year ended June 30, 2023, the University entered into an agreement with a vendor for payment of a commission fee that was incurred. Under the terms of the agreement, payments are to be made in monthly installments over a four year period beginning February 2025. The payable does not bear interest and is payable through February 2028. As of June 30, 2023, the outstanding balance of the long-term vendor payable was $1,185,778.

Future payment requirements related to the vendor payable are as follows:

Year End	Amount
2024	$ -
2025	150,000
2026	360,000
2027	360,000
2028	315,778
	$ 1,185,778

APA
During the year ended June 30, 2018, the University entered into an Availability Payment Arrangement (APA) with University Housing Solutions (Operator) for the design, construction and financing of the University's MPC Residence Hall & Wellness Center. Under the terms of the APA, the Operator is responsible for constructing the related infrastructure and providing oversight over the term of the agreement, which expires in 2045. In exchange, the University is required to make payments to the Operator, as defined in the agreement.

The University recorded a building asset and corresponding APA liability at the commencement of the arrangement based on the present value of projected availability payments expected to be made during the term of the agreement. As of June 30, 2023, the carrying value of the asset was $22,948,574 net of accumulated amortization of $2,258,098. The outstanding APA liability was $23,182,407. The APA liability bears interest at an implicit rate of 4.1789% and is payable in monthly installments through fiscal year 2045.

NOTE 6 - LONG-TERM LIABILITIES (Continued)

During the year ended June 30, 2021, the University entered into an Availability Payment Arrangement (APA) with University Housing Solutions (Operator) for the design, construction and financing of the University's Honors Residence Hall. Under the terms of the APA, the Operator is responsible for constructing the related infrastructure and providing oversight over the term of the agreement, which expires in 2053. In exchange, the University is required to make payments to the Operator, as defined in the agreement.

The University recorded a building asset and corresponding APA liability at the commencement of the arrangement based on the present value of projected availability payments expected to be made during the term of the agreement. As of June 30, 2023, the carrying value of the asset was $15,371,467 net of accumulated amortization of $260,533. The outstanding APA liability was $15,501,687. The APA liability bears interest at an implicit rate of 4.2837% and is payable in monthly installments through fiscal year 2053.

Future payment requirements related to the APAs are as follows:

	MPC Residence Hall & Wellness Center		
Fiscal Year	Principal	Interest	Total
2024	$ 633,793	$ 968,771	$ 1,602,564
2025	666,689	942,285	1,608,974
2026	700,985	914,425	1,615,410
2027	736,741	885,131	1,621,872
2028	774,015	854,344	1,628,359
2029-2033	4,487,013	3,753,008	8,240,021
2034-2038	5,686,796	2,719,349	8,406,145
2039-2043	7,162,754	1,412,865	8,575,619
2044-2045	2,333,621	126,575	2,460,196
Total	$ 23,182,407	$ 12,576,753	$ 35,759,160

Honors Residence Hall			
Fiscal Year	Principal	Interest	Total
2024	$250,740	$ 663,245	$ 913,985
2025	245,661	653,302	898,963
2026	259,781	642,778	902,559
2027	274,519	631,650	906,169
2028	289,903	619,891	909,794
2029-2033	1,704,890	2,898,959	4,603,849
2034-2038	2,203,786	2,492,878	4,696,664
2039-2043	2,821,130	1,970,222	4,791,352
2044-2048	3,584,601	1,303,346	4,887,947
2049-2053	3,866,676	448,740	4,315,416
Total	$ 15,501,687	$ 12,325,011	$ 27,826,698

(Continued)

NOTE 7 - LONG-TERM DEBT

Long-term debt for the University consists of the following for the year ended June 30, 2023:

	Beginning Balance	Additions	Reduction	Ending Balance	Current Portion
Direct Placement:					
Notes payable:					
Bond payable to 1st Niagara, 1.594 percent, payable in varying installments through December 1, 2022,	$ 1,036,414	$ -	$ (1,036,414)	$ -	$ -
Bond payable to 1st Niagara, 3.7 percent, payable in varying installments through December 1, 2028,	7,000,000	-	(78,701)	6,921,299	1,132,223
Total	$ 8,036,414	$ -	$ (1,115,115)	$ 6,921,299	$ 1,132,223

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

	Direct Placement Bond Series B		Payment
	Principal	Interest	Total
2024	$ 1,132,223	$ 235,142	$ 1,367,365
2025	1,140,669	193,093	1,333,762
2026	1,149,179	150,731	1,299,910
2027	1,157,751	108,053	1,265,804
2028	1,166,388	65,056	1,231,444
2029	1,175,089	21,739	1,196,828
	$ 6,921,299	$ 773,814	$ 7,695,113

The Series A bonds were dated May 3, 2013, and issued at par therefore no bond discount was recorded. The bonds mature on December 1 in various amounts ranging from $200,000 on December 1, 2013, to $1,036,414 on December 1, 2022. Interest, at 1.594%, was payable semiannually on December 1 and June 1. Interest expense related to the Series A bonds during the year ended June 30, 2023 was $8,260.

The Series B bonds were dated May 3, 2013, and issued at par therefore no bond discount was recorded. The Series B bonds mature after the Series A bonds are fully redeemed. The Series B bonds mature on December 1 in various amounts ranging from $78,701 on December 1, 2022, to $1,175,089 on December 1, 2028. Interest, at 3.7%, is payable semiannually on December 1 and June 1, beginning December 1, 2013. Interest expense related to the Series B bonds during the year ended June 30, 2023, was $257,544.

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

At June 30, 2023, the University was in compliance with all required covenants.

(Continued)

NOTE 7 - LONG-TERM DEBT (Continued)

CSU Foundation

Marauder Development, LLC has the following debt related to the financing of student dormitories. Information is for the subsidiary's year ended August 31, 2023:

	Interest Rate	Maturity	Balance September 1, 2022	Additions	Payments	Balance August 31, 2023
Revenue Bonds Series 2002	5.0%-5.625%	2028	$ 2,230,154	$ 5,216	$ (605,000)	$ 1,630,370
Revenue Bonds Series 2004	3.3%-5.1%	2035	7,702,365	8,778	(395,000)	7,316,143
Total			$ 9,932,519	$ 13,994	$ (1,000,000)	8,946,513
Less current portion						(775,000)
Less unamortized financing costs						(377,865)
Long-term portion						$ 7,793,648

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

	Series 2002 Bonds		Series 2004 Bonds		
	Principal	Interest	Principal	Interest	Total
Year ending August 31,					
2024	$ 360,000	$ 95,150	$ 415,000	$ 364,900	$ 1,235,050
2025	380,000	74,800	435,000	343,650	1,233,450
2026	400,000	53,350	455,000	321,173	1,229,523
2027	420,000	30,800	480,000	297,330	1,228,130
2028	80,000	9,625	505,000	272,213	866,838
2029 - 2033	-	-	2,940,000	936,870	3,876,870
2034 – 2036	-	-	2,145,000	167,663	2,312,663
Total	$ 1,640,000	$ 263,725	$ 7,375,000	$ 2,703,799	$ 11,982,524

During 2002, Marauder issued $8,870,000 of Student Housing Revenue Bonds, Series 2002, dated December 1, 2002, to retire commercial loans used to finance the construction of the 2002 University Housing Project. The unamortized bond discount is $9,630 at August 31, 2023, and is being amortized to interest expense on the interest method over the life of the bonds. The bonds mature on September 1 in various amounts ranging from $360,000 on September 1, 2023, to $80,000 on September 1, 2027, subject to prior mandatory sinking fund redemptions. Interest, at rates varying from 5.0 to 5.625 percent per annum, is payable semiannually on March 1 and September 1. The bonds are collateralized by the building.

During 2004, Marauder issued $12,150,000 in University Housing Revenue Bonds, Series 2004, to finance construction of the 2004 University Housing Project. The unamortized bond discount is $58,857 at August 31, 2023, and is being amortized to interest expense on the interest method over the life of the bonds. The bonds mature on September 1 in various amounts ranging from $415,000 on September 1, 2023, to $750,000 on September 1, 2035, subject to prior mandatory sinking fund redemptions. Interest, at rates varying from 3.3 to 5.1 percent per annum, is payable semiannually on March 1 and September 1. The bonds are collateralized by the building.

(Continued)

NOTE 7 - LONG-TERM DEBT (Continued)

Bond Legislation provides that Marauder Development, LLC, will charge rates sufficient for the excess of revenues over expenditures to equal not less than 120 percent of the aggregate amount of principal and interest requirements on the bonds payable during the year (coverage ratio). As of August 31, 2023, Marauder Development, LLC was in compliance with the funding requirements. During fiscal year 2023, Marauder Development, LLC was notified that they failed to provide the financial statement report as required by the loan agreement in Section 8.07(a) for the Series 2004A and 2002A bonds by the deadline, however no options against them were exercised.

NOTE 8 - LEASE AND SBITA OBLIGATIONS

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

The University has entered into various subscription-based information technology arrangements (SBITAs) for the right to use vendor-hosted applications and software, including cloud-based administrative and financial systems.

At the commencement of a SBITA, the University recognizes a subscription liability and an intangible right-to-use subscription asset in the statement of net position. Subscription liabilities are measured at the present value of subscription payments expected to be made during the subscription term. Subscription assets are amortized on a straight-line basis over the shorter of the subscription term or useful life of the underlying information technology asset.

As of June 30, 2023, the University reported total subscription assets of $3,959,816, net of accumulated amortization of $957,234, and a related subscription liability of $4,433,386.

Lease and SBITA obligations for the University consists of the following for the years ended June 30, 2023:

	(Restated) Beginning Balance	Additions	Reduction	Ending Balance	Current Portion
Lease - Field Turf	$ 922,164	$ -	$ (922,164)	$ -	$ -
Lease - Vehicles	278,772	195,137	(94,183)	379,726	110,038
SBITAs	289,306	4,627,744	(483,664)	4,433,386	1,060,380
Total	$ 1,490,242	$ 4,822,881	$ (1,500,011)	$ 4,813,112	$ 1,170,418

(Continued)

NOTE 8 - LEASE AND SBITA OBLIGATIONS (Continued)

Principal and interest payments on leases and SBITAs are as follows:

	Vehicles		SBITAs		Payment
	Principal	Interest	Principal	Interest	Total
2024	$ 110,038	$ 19,568	$ 1,060,380	$ 127,818	$ 1,317,804
2025	113,829	14,075	937,592	100,090	1,165,586
2026	87,672	8,434	787,487	74,307	957,900
2027	50,916	3,454	799,546	46,965	900,881
2028	17,271	354	848,381	24,178	890,184
	$ 379,726	$ 45,885	$ 4,433,386	$ 373,358	$ 5,232,355

NOTE 9 - COMPENSATED ABSENCES FOR VACATION AND SICK LEAVE

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

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

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

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

NOTE 10 - RETIREMENT PLANS

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

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

(Continued)

NOTE 10 - RETIREMENT PLANS (Continued)

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

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

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

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

OPERS Benefits

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

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

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

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

NOTE 10 - RETIREMENT PLANS (Continued)

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

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

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

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

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

(Continued)

NOTE 10 - RETIREMENT PLANS (Continued)

STRS Benefits

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

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

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

A Defined Benefit Plan or Combined Plan member with five or more years of credited service who is determined to be disabled (illness or injury preventing individual's ability to perform regular job duties for at least 12 months) may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least 10 years of qualifying service credit to apply for disability benefits. Disability benefits are determined in the same manner as retirement benefits. Members in the Defined Contribution Plan who become disabled are entitled only to their account balance. If a member of the Defined Contribution Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

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

NOTE 10 - RETIREMENT PLANS (Continued)

Contributions

OPERS Contributions

Employer and member contribution rates are established by the OPERS Board subject to limits per Chapter 145 of the Ohio Revised Code. Under the OPERS plans, the employee contribution rate for the year ended June 30, 2023 is 10% for all employees with the exception of law enforcement. The law enforcement employee contribution for the year ended June 30, 2023 rate was 13.0%. The employer contribution rate is 14% for all employees except for law enforcement whose rate is 18.1%. For Member-Directed Plans, for the year ended June 30, 2023, 13.23% was paid into the member's member-directed account and the remaining .77% was paid to OPERS, as required by state legislation, to cover unfunded liabilities.

The University's contributions to OPERS were $2,365,725 for the fiscal year ended June 30, 2023. The University's contribution was equal to the required contributions for the year as set by state statute.

STRS Contributions

Employer and member contribution rates are established by the STRS Board and limited by Chapter 3307 of the Ohio Revised Code. Under the STRS plans, the employee contribution rate is 14%, for the year ended June 30, 2023. Under the Combined Plan, 1% of the employee contribution is to fund the defined benefit. The employer contribution rate is 14%. Under the Defined Contribution Plan, 4.5 percent of the employer contribution is used to amortize the unfunded actuarial accrued liability of the defined benefit plan.

The University's contributions to STRS for the year ended June 30, 2023, was $1,610,654. The University's contribution was equal to the required contributions as set by state statute.

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

Please see a summary of both pensions below for the year ended June 30, 2023:

	OPERS	STRS	Total
Net Pension Liability	$ 26,310,206	$ 19,258,144	$ 45,568,350
Deferred Outflows of Resources	10,779,224	8,510,211	19,289,435
Deferred Inflows of Resources	642,403	1,808,384	2,450,787
Pension Expense	5,511,364	3,638,818	9,150,182

OPERS Pension Costs

At June 30, 2023, the University reported a liability of $26,310,206 for its proportionate share of the OPERS net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The University's proportion of the net pension liability was based on the University's long-term share of contributions to OPERS relative to the total projected long-term employer contributions received from all of OPERS' participating employers. At December 31, 2023, the University's proportion was 0.0894% representing a 0.0053% decrease in proportionate share.

NOTE 10 - RETIREMENT PLANS (Continued)

The net pension liability and asset for the Traditional Pension Plan and Combined Plan, respectively, were measured as of December 31, 2023, and the total pension liabilities were determined by an actuarial valuation as of that date.

For the year ended June 30, 2023, the University recognized pension expense of $5,511,364. At June 30, 2023, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 898,063	$ 13,552
Changes of assumptions	285,616	-
Net difference between projected and actual earnings on pension plan investments	7,564,767	-
Changes in proportion and differences between the difference between actual and proportionate share of contributions	815,372	628,851
University contributions subsequent to the measurement date	1,215,406	-
Total	$ 10,779,224	$ 642,403

At June 30, 2023, the University reported $1,215,406 as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024 Other amounts reported as deferred outflows and inflows of resources related to OPERS pensions will be recognized in pension expense as follows for the year ended June 30, 2023:

2024	$ 1,390,825
2025	1,585,475
2026	2,228,012
2027	3,703,923
2028	2,653
Thereafter	10,527

STRS Pension Costs

At June 30, 2023 the University reported a liability of $19,258,144 for its proportionate share of the STRS net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The University's proportion of the net pension liability was based on the University's long-term share of contributions to the pension plan relative to the total employer contributions from all participating STRS employers. At June 30, 2023, the University's proportion was 0.0866% representing a 0.0119% change in proportionate share.

For the year ended June 30, 2023 the University recognized pension expense of $3,638,818.

(Continued)

NOTE 10 - RETIREMENT PLANS (Continued)

At June 30, 2023, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 246,529	$ 73,668
Change in assumptions	2,304,620	1,734,716
Net difference between projected and actual earnings on pension plan investments	670,141	-
Changes in proportion and differences between the difference between actual and proportionate share of contributions	3,678,267	-
University contributions subsequent to the measurement date	1,610,654	-
Total	$ 8,510,211	$ 1,808,384

At June 30, 2023, the University reported $1,610,654 as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to STRS pensions will be recognized in pension expense as follows:

2024	$ 1,353,173
2025	1,148,131
2026	636,777
2027	1,953,087

Actuarial Assumptions

OPERS Actuarial Assumptions

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

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

For the total pension liability in the December 31, 2022 valuation, pre-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 Disables 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.

(Continued)

NOTE 10 - RETIREMENT PLANS (Continued)

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the five-year period ended December 31, 2020.

The allocation of investment assets within the Defined Benefit portfolio is approved by the OPERS Board as outlined in the annual investment plan. The long term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans.

The following table displays the Board-approved asset allocation policy for 2022 and the long-term expected real rates of return:

Asset Class Return	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	22%	2.62%
Domestic equities	22	4.60
Real estate	13	3.27
Private equities	15	7.53
International equities	21	5.51
Other investments	7	4.37
Total	100%	

STRS Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases (Average, including inflation)	8.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%
Cost of living adjustment (simple)	none

For June 30, 2022, the mortality rates were based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for a period of 5 years ended June 30, 2021.

NOTE 10 - RETIREMENT PLANS (Continued)

The 10-year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The table below is representative of estimates for the 2022 valuation year. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

Asset Class Return	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	22%	1.75%
Domestic equities	26	6.60
Real estate	10	5.75
Alternatives	19	7.38
International equities	22	6.80
Liquidity reserves	1	1.00
Total	100%	

Discount Rate: The discount rate used to measure OPERS total pension liability was 6.9% as of December 31, 2022 and as of December 31, 2021. The projection of cash flows used to determine the discount rates assumed that employee and University contributions will be made at the statutory contribution rates. Based on those assumptions, the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for both the Traditional Pension Plan and the Combined Plan was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate used to measure STRS total pension liability was 7.00% as of June 30, 2022 and June 30, 2021. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability.

(Continued)

NOTE 10 - RETIREMENT PLANS (Continued)

Sensitivity of the University's proportionate share of the net pension liability to changes in the discount rate: The following presents the University's proportionate share of the OPERS pension plans net pension liability calculated using the discount rate of 6.9% at December 31, 2022 as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
University's proportionate share of the net pension liability	$ 39,508,874	$ 26,310,206	$ 15,333,187

The following presents the University's proportionate share of the STRS pension plans net pension liability calculated using the discount rate of 7.00% at June 30, 2023, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
University's proportionate share of the net pension liability	$ 29,092,029	$ 19,258,133	$ 10,941,703

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS

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

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional and Combined Plans was 0% in 2023. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The portion of the University's fiscal year 2023, 2022 and 2021 contributions required and made to OPERS used to fund post-retirement benefits was $0 in all three years.

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

Under Ohio Law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contribution rate, 1% of the covered payroll was allocated to post-employment health care for the year ended June 30, 2014. Effective July 1, 2014, 0% of covered payroll was allocated to post-employment health care. The portion of the University's fiscal years 2023, 2022 and 2021 contributions required and made to STRS Ohio used to fund post-employment benefits was $0 in all three years.

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

Please see a summary of both OPEB plans below for the year ended June 30, 2023:

	OPERS	STRS	Total
Net OPEB Liability (Asset)	$ 549,365	$ (2,243,000)	$ (1,693,635)
Deferred Outflows of Resources	1,746,072	210,278	1,956,350
Deferred Inflows of Resources	176,155	1,936,885	2,113,040
OPEB Expense	(584,071)	(387,960)	(972,031)

OPERS OPEB Costs

At June 30, 2023, the University reported a liability of $549,365 for its proportionate share of the OPERS net OPEB liability. The net OPEB liability (asset) was measured as of December 31, 2021 and the total OPEB liability (asset) used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date.

The University's proportion of the net OPEB liability (asset) was based on the University's long-term share of contributions to OPERS relative to the total projected long-term employer contributions received from all of OPERS' participating employers. At December 31, 2022, the University's proportion was 0.0871%, representing a decrease of 0.006%.

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

For the year ended June 30, 2023, the University recognized OPEB expense of $(584,071). At June 30, 2023, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 136,987
Changes of assumptions	536,399	35,294
Net difference between projected and actual earnings on OPEB plan investments	1,090,695	-
Changes in proportion and differences between the difference between actual and proportionate share of contributions	118,978	3,874
Total	$ 1,746,072	$ 176,155

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

2024	$ 304,714
2025	397,419
2026	340,114
2027	527,665

STRS OPEB Costs

At June 30, 2023, the University reported an asset of $2,243,000 for its proportionate share of the STRS net OPEB liability (asset). The net OPEB liability (asset) was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The University's proportion of the net OPEB liability (asset) was based on the University's share of contributions to the respective retirement systems relative to the contributions of all participating entities. At June 30, 2023 the University's proportion was 0.0866%, representing a 0.0119% increase in proportionate share.

For the year ended June 30, 2023, the University recognized OPEB expense of ($387,960). At June 30, 2023, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 32,518	$ 336,879
Changes of assumptions	95,551	1,590,616
Net difference between projected and actual earnings on OPEB plan investments	39,048	-
Changes in proportion and differences between the difference between actual and proportionate share of contributions	43,161	9,390
Total	$ 210,278	$ 1,936,885

(Continued)

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

2024	$ (498,173)
2025	(490,386)
2026	(238,328)
2027	(100,140)
2028	(131,349)
Thereafter	(268,231)

Actuarial Assumptions

OPERS Actuarial Assumptions

The total OPEB liability (asset) in the December 31, 2022 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Single Discount Rate	5.22%
Investment rate of return	6%
Wages inflation	2.75%
Municipal Bond Rate	4.05%
Projected Salary increases	2.75% to 10.75% (includes wage inflation at 2.75%)
Health Care Cost Trends	5.5% initial, 3.5% ultimate in 2036

For the total pension liability in the December 31, 2022 valuation, pre-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 Disables 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 y applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The actuarial assumptions used in the December 31, 2021 valuations were based on the results of an actuarial experience study for the 5-year period ending December 31, 2020. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

Asset Class Return	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	34%	2.56%
Domestic equities	26	4.60
Real estate	7	4.70
International equities	25	5.51
Other investments	8	4.37
Total	100%	

STRS Actuarial Assumptions

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022, actuarial valuation are presented below:

Inflation	2.5%
Salary increases (average, including inflation)	varies by age from 2.50% to 8.50%
Investment rate of return	7.00%, net of investment expenses, including inflation
Cost of living adjustment (simple)	0%
Blended discount rate of return	7%
Health Care Cost Trends	(68.78%) to (5.47)% initial, 3.94% ultimate

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

For June 30, 2022, the mortality rates were based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the five year period ending June 30, 2021. The long-term expected rate of return is geometric and determined using a building block method in which best estimate ranges of expected future real rates of returns are developed for each major asset class. These ranges are combined to produce the long-term expected best estimates of geometric rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class for the 2022 valuation years are summarized as follows:

Asset Class Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	26%	6.6%
International equity	22	6.8
Fixed income	22	1.75
Alternatives	19	7.38
Real estate	10	5.75
Liquidity Reserves	1	1
Total	100%	

Discount Rate

OPERS discount rate

A single discount rate of 5.22% and 6.00% was used to measure the OPEB liability (asset) on the measurement date of December 31, 2022 and 2021, respectively. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate at December 31, 2022 was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, the duration of the projection period through which projected health care payments are fully funded.

STRS discount rate

The discount rate used to measure the total OPEB liability (asset) was 7.00% as of the measurement date of June 30, 2022 and June 30, 2021. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability.

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the University's proportionate share of the OPERS net OPEB liability (asset) to changes in the discount rate and health care trend rates: The following table presents the OPEB liability (asset) calculated using the single discount rate of 5.22% at December 31, 2022 and the expected net OPEB liability (asset) if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate. Also shown is the net OPEB liability (asset) as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
Sensitivity of University's proportionate share of the net OPEB liability (asset) to changes in discount rate	$ 1,869,166	$ 549,365	$ (540,020)

	1% Decrease	Current Rate	1% Increase
Sensitivity of University's proportionate share of the net OPEB liability (asset) to changes in the health care cost trend rate	$ 514,761	$ 549,365	$ 587,925

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)

The following table represents the University's share of the STRS net OPEB liability (asset) as of June 30, 2023 calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB liability (asset) as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Sensitivity of University's proportionate share of the net OPEB liability (asset) to changes in discount rate	$ (2,073,742)	$ (2,243,000)	$ (2,388,280)

	1% Decrease	Current Rate	1% Increase
Sensitivity of University's proportionate share of the net OPEB liability (asset) to changes in the health care cost trend rate	$ (2,326,702)	$ (2,243,000)	$ (2,137,707)

(Continued)

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

Payable to the Pension Plan and OPEB Plan - At June 30, 2023, the University reported a payable of $935,974 and $0 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2023.

Changes in Benefit Terms and Assumptions – Amounts reported for the STRS Ohio plan year ended June 30, 2022 reflect the following changes in assumptions:

- Salary increases changed from 2.5% - 12.5% to 2.5% - 8.5%
- Health care cost trend rate changed -16.18% to 29.98% initial, 4.0% ultimate to -68.78% to -5.47% initial, 3.94% ultimate
- Experience study date changed from a period of 5 years ended June 30, 2016 to 5 years ended June 30, 2021
- Mortality basis made many changes including changing from using annuitant and disabled mortality table RP-2014 to Pub-2010 and MP-2020

Amounts reported for the OPERS plan year ended December 31, 2022 reflect the following changes in assumptions:

- Discount rate decreased from 6.0% to 5.22% for measurement of the OPEB liability (asset)
- Mortality basis made many changes including changing from using annuitant and disabled mortality table RP-2014 to Pub-2010 and MP-2020

NOTE 12 - GRANTS AND CONTRACTS

The University receives grants and contracts from certain federal, state, and local agencies to fund research and other activities. The costs, both direct and indirect, that have been charged to their grants or contracts are subject to examination and approval by the granting agency. It is the opinion of the University administration that any potential disallowance or adjustment of such costs would not have a material effect on the accompanying financial statements.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Commitments: The University has encumbered $25,755,064 of funds as of June 30, 2023, respectively. These encumbrances represent purchase orders and other commitments for materials or services not received as of fiscal year end. These are not included as liabilities in the statement of net position.

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

(Continued)

NOTE 14 - RELATED ORGANIZATIONS

The University is the sole beneficiary of the Central State University Foundation (the “CSU Foundation”), a separate, not-for-profit entity governed by a separate board of trustees, organized for the purpose of promoting educational and research activities. Amounts received by the University from the CSU Foundation in the form of private gifts, grants, and contracts amounted to $0 for the year ended June 30, 2023.

The CSU Foundation established and owns Marauder Development, LLC, which owns two residence halls (Foundation I and Foundation II) located on the University’s campus. The University receives an annual management fee and the reimbursement of operating expenses from Marauder Development, LLC. These fees and reimbursement amounted to $1,322,745 for the year ended June 30, 2023. The University paid Marauder Development, LLC $3,413,483 for the year ended June 30, 2023. These payments were primarily student residence hall fees.

The net amount of these transactions resulted in the University owing the CSU Foundation $1,322,745 at June 30, 2023.

Details of the CSU Foundation’s restricted net assets at June 30, 2023 are as follows:

	Total Restricted Net Assets
Academic	$ 1,763,161
Scholarship	2,138,607
Other general funds	4,017,088
Total restricted net assets	$ 7,918,856

Net assets released from restrictions totaled $38,087 in the fiscal year ended June 30, 2023.

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

Details of the CSU Innovation and Development Foundation’s restricted net assets at June 30, 2023 are as follows:

	Total Restricted Net Assets
Academic	$ 76,630
Scholarship	881,125
Other general funds	646,307
Total restricted net assets	$ 1,604,062

The University provides certain administrative, accounting, accounts payable, and payroll services on behalf of the CSU Innovation and Development Foundation. The CSU Innovation and Development Foundation operates exclusively for the benefit of the University and reimburses the University for costs incurred. The Foundation owed the University $69,573 related to these expenses at June 30, 2023.

(Continued)

NOTE 14 - RELATED ORGANIZATIONS (Continued)

The University collected donations on behalf of the CSU Innovation and Development Foundation that were not transferred over to the CSU Innovation and Development Foundation cash accounts during the year. As of June 30, 2023 the University owed the Foundation $2,224,725 for these revenues.

NOTE 15 - RISK MANAGEMENT

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

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

NOTE 16 - SUBSEQUENT EVENTS

On December 20, 2023 Marauder Development, LLC, sold the buildings and related equipment to UHS-CSU IV, LLC in the amount of $11,253,899. This transaction paid off the outstanding bonds, paid closing costs and resulted in a net payment to Central State University in the amount of $3,170,000. Additionally, a net payment of $1,500,000 was made to Central State University Foundation. This transaction released Marauder Development, LLC from all related restrictions, agreements and requirements.

On November 15, 2024 the Central State University Foundation's 501(c) (3) was revoked by the Internal Revenue Service for failure to file their annual Form 990 for three consecutive years.

On October 25, 2024, the University was placed in fiscal watch status by the Ohio Department of Higher Education as a result of financial condition indicators. The fiscal watch designation launches increased university financial reporting requirements, board of trustee engagement, and evaluation by the Auditor of State, among other measures designed to stabilize and improve the financial outlook of the university. University management is currently evaluating operational and financial strategies to address the matters identified and to improve the University's financial position.

After being placed in fiscal watch status the Ohio Auditor of State issued a written report to the Board of Trustees outlining the nature of the financial accounting and reporting problems of the University and recommendations for actions.

On January 24, 2023, the University entered into an Availability Payment Arrangement (APA) with University Housing Solutions (Operator) for the design, construction and financing of the University's Shorter Road Apartments. As of June 30, 2023, the construction was not yet completed and payments began on October 1, 2023. The total amount to be paid is $19,271,725 in monthly installments until fiscal year 2054.

(Continued)

NOTE 16 - SUBSEQUENT EVENTS (Continued)

On December 20, 2023, the University entered into an APA with University Housing Solutions (Operator) for the design, construction and financing of the renovation of the University's Foundation Hall. As of June 30, 2023, the construction was not yet completed and payments began on August 1, 2023. The total amount to be paid is $105,900,820 in monthly installments until fiscal year 2054.

On July 15, 2023, the University entered into a loan agreement for a cash advance of $1,242,810. The interest rate on the loan is 8.85% and the payments are monthly for $25,520 through June 15, 2028. The loan is secured by equipment that is owned by the University.

On January 15, 2024, the University entered into a loan agreement for a cash advance of $2,453,018. The interest rate on the loan is 11.080% and the payments are monthly for $52,944 through December 15, 2028. The loan is secured by equipment that is owned by the University.

On January 15, 2026, the University received a Program Review Report from the U.S. Department of Education related to its administration of Title IV federal student aid programs. The report identified several compliance and internal control deficiencies and may result in future liabilities or required corrective actions. Management is in the process of responding to the report and implementing corrective actions.

On April 27, 2026 the Ohio Controlling Board approved $5,000,000 to pay all outstanding and past due invoices and $2,000,000 to cover financial liabilities related to ongoing settlements and leave payouts for the University. The funds were transferred to the Ohio Department of Higher Education and will be requested from the Ohio Department of Higher Education as needed.

REQUIRED SUPPLEMENTARY INFORMATION

CENTRAL STATE UNIVERSITY
SCHEDULES OF UNIVERSITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
Year ended June 30, 2023

OPERS

	2023	2022	2021	2020	2019	2018	2017	2016	2015
University's proportion of the collective net pension liability (asset) - Traditional	0.08940%	0.09474%	0.07380%	0.06966%	0.07181%	0.69300%	0.06209%	0.06153%	0.06570%
University's proportion of the collective net pension liability (asset) -Combined	0.04024%	0.06139%	0.02870%	0.03509%	0.04385%	0.03965%	0.04439%	0.05127%	0.04948%
University's proportionate share of the collective net pension liability (asset)	$26,310,206	$ 7,986,657	$10,834,701	$13,695,552	$19,618,242	$10,822,136	$14,074,575	$10,633,211	$ 7,905,345
University's covered payroll	$14,366,590	$15,856,588	$12,183,267	$10,298,616	$12,350,529	$ 9,743,188	$ 8,946,079	$ 7,925,689	$ 8,232,618
University's proportionate share of the collective net pension liability (asset) as a percentage of the employer's covered payroll	183.13%	50.37%	88.93%	132.98%	158.85%	111.07%	157.33%	134.16%	96.02%
Plan fiduciary net position as a percentage of the total pension liability	113.45%	198.54%	112.45%	75.20%	62.95%	90.03%	63.56%	74.54%	104.14%

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

STRS Ohio

	2023	2022	2021	2020	2019	2018	2017	2016	2015
University's proportion of the collective net pension liability (asset)	0.08660%	0.07465%	0.06168%	0.06053%	0.05807%	0.05560%	0.05790%	0.05861%	0.06772%
University's proportionate share of the collective net pension liability (asset)	$19,258,144	$ 9,545,619	$14,924,549	$13,386,461	$12,767,555	$13,207,184	$19,372,697	$16,198,930	$16,471,015
University's covered payroll	$11,262,415	$10,789,805	$ 8,651,751	$ 6,978,995	$ 9,124,956	$ 6,046,086	$ 5,757,345	$ 5,668,086	$ 5,700,090
University's proportionate share of the collective net pension liability (asset) as a percentage of the employer's covered payroll	170.99%	88.47%	172.50%	191.81%	139.92%	218.44%	336.49%	285.79%	288.96%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	113.03%	57.97%	52.13%	71.47%	45.78%	29.72%	34.99%	34.61%

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

OPERS

	2023	2022	2021	2020	2019	2018
University's proportion of the collective OPEB liability (asset) - Traditional	0.87100%	0.08913%	0.06880%	0.06260%	0.06520%	0.06623%
University's proportion of the collective OPEB liability (asset) -Combined	0.04024%	0.00400%	0.00430%	0.04390%	0.03920%	0.00402%
University's proportionate share of the collective OPEB liability (asset)	$ 549,365	$ (2,917,444)	$ (1,268,111)	$ 9,252,645	$ 9,012,659	$ 7,194,282
University's covered payroll	$14,366,590	$15,856,588	$12,183,267	$10,298,616	$12,350,529	$ 9,743,188
University's proportionate share of the collective OPEB liability (asset) as a percentage of the employer's covered payroll	3.82%	-18.40%	-10.41%	89.84%	72.97%	73.84%
Plan fiduciary net position as a percentage of the total OPEB liability	94.78%	5.44%	96.07%	47.80%	74.91%	84.85%

STRS Ohio

	2023	2022	2021	2020	2019	2018
University's proportion of the collective OPEB liability (asset)	8.66000%	0.07465%	0.06168%	0.06053%	0.05807%	0.05560%
University's proportionate share of the collective OPEB liability (asset)	$ (2,243,000)	$ (1,574,000)	$ (1,084,000)	$ (1,003,000)	$ (933,000)	$ 2,169,189
University's covered payroll	$11,262,415	$10,789,805	$ 8,651,751	$ 6,978,995	$ 9,124,956	$ 6,046,086
University's proportionate share of the collective OPEB liability (asset) as a percentage of the employer's covered payroll	-19.92%	-14.59%	-12.53%	-14.37%	-10.22%	35.88%
Plan fiduciary net position as a percentage of the total OPEB liability	230.73%	6.86%	7.98%	174.70%	176.00%	47.11%

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

CENTRAL STATE UNIVERSITY
SCHEDULES OF UNIVERSITY PENSION CONTRIBUTIONS
Year ended June 30, 2023

OPERS

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 2,365,725	$ 2,237,811	$ 1,719,775	$ 1,416,839	$ 1,403,744	$ 1,313,611	$ 1,273,018	$ 1,132,212	$ 1,174,454
Contributions in relation to the statuorily required contribution	2,365,725	2,237,811	1,719,775	1,416,839	1,403,744	1,313,611	1,273,018	1,132,212	1,174,454
Annual contribution deficiency	-	-	-	-	-	-	-	-	-
University's covered payroll	$ 14,366,590	$ 15,856,588	$ 12,183,267	$ 10,298,616	$ 12,350,529	$ 9,743,188	$ 8,946,079	$ 7,925,689	$ 8,232,618
Contributions recognized by the pension plan in relation to the statutorily required employer contribution as a percent of the employer's covered payroll	16.47%	14.11%	14.12%	13.76%	11.37%	13.48%	14.23%	14.29%	14.27%

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

STRS Ohio

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 1,610,654	$ 1,576,838	$ 1,208,221	$ 972,776	$ 928,228	$ 855,709	$ 852,547	$ 794,080	$ 799,062
Contributions in relation to the statuorily required contribution	1,610,654	1,576,838	1,208,221	972,776	928,228	855,709	852,547	794,080	799,062
Annual contribution deficiency	-	-	-	-	-	-	-	-	-
University's covered payroll	$ 11,262,415	$ 10,789,805	$ 8,651,751	$ 6,978,995	$ 9,124,956	$ 6,046,086	$ 5,757,345	$ 5,668,086	$ 5,700,090
Contributions recognized by the pension plan in relation to the statutorily required employer contribution as a percent of the employer's covered payroll	14.30%	14.61%	13.97%	13.94%	10.17%	14.15%	14.81%	14.01%	14.02%

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

CENTRAL STATE UNIVERSITY
SCHEDULES OF UNIVERSITY OPEB CONTRIBUTIONS
Year ended June 30, 2023

OPERS

	2023	2022	2021	2020	2019	2018
Statutorily required contribution	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the statuorily required contribution	-	-	-	-	-	-
Annual contribution deficiency	-	-	-	-	-	-
University's covered payroll	$ 14,366,590	$ 15,856,588	$ 12,183,267	$ 10,298,616	$ 12,350,529	$ 9,743,188
Contributions recognized by the OPEB plan in relation to the statutorily required employer contribution as a percent of the employer's covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

STRS Ohio

	2023	2022	2021	2020	2019	2018
Statutorily required contribution	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the statuorily required contribution	-	-	-	-	-	-
Annual contribution deficiency	-	-	-	-	-	-
University's covered payroll	$ 11,262,415	$ 10,789,805	$ 8,651,751	$ 6,978,995	$ 9,124,956	$ 6,046,086
Contributions recognized by the OPEB plan in relation to the statutorily required employer contribution as a percent of the employer's covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

SUPPLEMENTARY INFORMATION

CENTRAL STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2023

Federal Grant/Pass-through Grant Program Title	AL Number	Award Number	Federal Expenditures	Subrecipient Amounts
STUDENT FINANCIAL ASSISTANCE CLUSTER:				
U.S. Department of Education:				
SEOG 17-18	84.007		$ (946,332)	$ -
SEOG 2020-2021	84.007		592,500	-
SEOG 2021-2022	84.007		1,000	-
SEOG 2022-2023	84.007		960,870	-
Total ALN 84.007			608,038	-
Direct Loan Subsidized 2019-2020	84.268		(9,153)	-
Direct Loan Unsubsidized 2019-2020	84.268		(1,147)	-
Direct Loan Subsidized 2020-2021	84.268		(4,744)	-
Direct Loan Unsubsidized 2020-2021	84.268		(3,158)	-
Direct Loan Subsidized 2021-2022	84.268		(690)	-
Direct Loan Unsubsidized 2021-2022	84.268		(11,184)	-
Direct Loan Plus 2021-2022	84.268		(659)	-
Direct Loan Subsidized 2022-2023	84.268		4,255,964	-
Direct Loan Unsubsidized 2022-2023	84.268		4,173,627	-
Direct Loan Plus 2022-2023	84.268		1,885,526	-
Total ALN 84.268			10,284,382	-
Pell 2020-2021	84.063		(24)	-
Pell 2021-2022	84.063		188,068	-
Pell 2022-2023	84.063		10,669,877	-
Total ALN 84.063			10,857,921	-
FWS 2021-2022	84.033		5,686	-
FWS 2022-2023	84.033		286,700	-
Total ALN 84.033			292,386	-
TEACH 2022-2023	84.379		39,135	-
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER			22,081,862	-
RESEARCH AND DEVELOPMENT CLUSTER:				
National Aeronautics and Space Administration:				
Ohio Space Grant	43.001		18,300	-
Total National Aeronautics and Space Administration			18,300	-
National Science Foundation:				
Improving Pathways for STEM	47.076		91,792	-
USE4WRM	47.076		725	-
Search for the Epigenomic Mechanism	47.076		27,252	15,804
Spectra of Composition Operators	47.076		59,094	-
Strengthening Undergraduate STEM Programs	47.076		14,691	-
Pass through the Ohio State University				
LSAMP 2018-2023	47.076	HRD-1817314	32,438	-
Total ALN 47.076			225,992	15,804

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

CENTRAL STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2023

Federal Grant/Pass-through Grant Program Title	AL Number	Award Number	Federal Expenditures	Subrecipient Amounts
Global STEM Appropriaate Technology in Development	47.041		$ 63,466	$ -
ERI: Yakubovsky Calculations for Six Nucleon Bound States	47.049		67,201	-
Pass through Bowling Green State University				
Integrating Spatial Literacy into Geoscience	47.050		8,569	-
Total National Science Foundation			365,228	15,804
U.S. Department of Agriculture				
Strengthening Agricultural Geospatial Education and Research at Central State Univeristy	10.216		2,042	-
All In One Organic Weed and Crop Disease Management Using Directed Energy and Convolutional Neural Networks	10.216		52,207	-
Marauder Agricultural Scholarship Program Workforce	10.216		206,827	74,130
Investigate the Biotic and Abiotic Stresses in Honey Bees and Pollinators	10.216		32,972	-
Sweet Potato Production in Northern Climates	10.216		52,264	27,024
Develop of a Holistic Nano Photocatalytic Approach for Controlling Agriculturally-Induced Algal Blooms and Assoc Cyanotoxins in Lake	10.216		81,873	31,513
Introducing Ergonomics Safety in Agiculture Production through Use of a Movement Studies Lab	10.216		51,459	-
Pass through from Kentucky State University				
Developing an Electronic Platform	10.216	2019-38821-29032	1,300	-
Total ALN 10.216			480,944	132,667
Genetics and Breeding of Mite Biting	10.310		13,736	-
Sustainable Aquaculture Production of High Omega3 Containing Fish Using a Novel Feed Additive	10.310		1,084,808	591,985
Total ALN 10.310			1,098,544	591,985
Pass through from Purdue University				
Filling the Pipeline: Transforming Agricultural Drainage Education to Meet 21st Century Water Management Needs	10.217	2018-70003-27661	13,340	-
Pass through from the Regents of the University of Minnesota				
A Sustainable Approach to Control Varroa Mites - Improving the Quality of Queens using Local Resources	10.215	2021-38640-34714	48,445	6,749
Evans Allen Administration 2019-2021	10.205		(3,464)	-
CESTA Communications 2019-2021	10.205		3,785	-
Evans Allen Research 2019-2021	10.205		142,958	-
Natural Resources and Environmental 2019-2021	10.205		17,033	-
Plant Systems and Ecology 2019-2021	10.205		238,365	-
Advanced Agricfuture Technology 2019-2021	10.205		16,999	-
Food, Nutrition & Health 2019-2021	10.205		37,482	-
Research Administration 2020-2022	10.205		403,217	-
CESTA Communications 2020-2022	10.205		27,331	-
Evans Allen Research	10.205		37,158	-
Natural Resources and Environmental 2020-2022	10.205		195,145	-
Plant Systems and Ecology 2020-2022	10.205		331,569	-
Advanced Agricfuture Technology 2020-2022	10.205		268,334	-
Food, Nutrition, and Health Resources 2020-2022	10.205		118,576	-
Pollinator Research	10.205		233,073	-
Research Administration 2023-2025	10.205		233,255	-
Plant Systems and Ecology 2022-2024	10.205		37,248	-
Research Administration 2023-2024	10.205		116,774	-
CESTA Communications 2023-2024	10.205		40,618	-

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

CENTRAL STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2023

Federal Grant/Pass-through Grant Program Title	AL Number	Award Number	Federal Expenditures	Subrecipient Amounts
Evans Allen Research 2023-2024	10.205		$ 106,517	$ -
Natural Resources and Environmental Systems 2023-2024	10.205		61,548	-
Plant System and Ecology 2023-2024	10.205		85,604	-
Advanced Agriculture Technology 2023-2024	10.205		37,003	-
Food, Nutrition and Health 2023-2024	10.205		83,825	-
Pollinator Research 2023-2024	10.205		15,542	-
1890 Climate Change Resiliance 2023-2024	10.205		2,836	-
Total ALN 10.205			2,888,331	-
McIntire Sennis Forestry Research 2019-2021	10.202		45,689	-
McIntire Sennis Forestry Research 2020-2022	10.202		42,700	-
Total ALN 10.202			88,389	-
Pass through the Ohio Department of Agriculture				
Developing a Low-Cost Raspberry Drip Robot	10.170	21SCBPOH1033	46,661	-
Assessing Soil Health Water Quality and Yield Benefits of Applying Dairy Manure to Hemp	10.912		14,747	-
Total U.S. Department of Agriculture			4,679,401	731,401
U.S. Department of Defense:				
Pass through the Ohio State University				
Effect of Heat Treatment on Mechanical Properties of Additive Manufactured Parts	12.800	FA8650-20-2-5853	17,413	-
Synthetic Hyperspectral Imagery	12.800	FA8650-20-2-5853	56,615	-
Total ALN 12.800			74,028	-
Integrated Instrumental System for Research and Education in Anlytical Chemistry	12.360		13,423	-
Pass through from the University of Dayton				
Retrogressive Approach to Determine Fungal Biodegradation Responses and Mechanisms to Polyurethane-based Coatings	UNK.001	W912HQ-20-C-0010	50,500	-
Total U.S. Department of Defense			137,951	-
U.S. Department of Transportation:				
Pass through Ohio Department of Transportation				
USDOT Center for Connected Automated Transportation (CCAT) - Region 5 UTC	20.701	69A3551747105	55,768	-
Total U.S. Department of Transportation			55,768	-
U.S. Department of Health and Human Services				
Pass through Ohio Department of Health				
22-23 Dormitory Wastewater Monitoring	93.323	6 NU50CK000543-02-13	59,334	-
Characterization of Chemical Constituents from Smokable Hemp Flower and E-cigarette	UNK.002		205,692	-
Total U.S. Department of Health and Human Services			265,026	-
TOTAL RESEARCH AND DEVLEOPMENT CLUSTER			5,521,674	747,205

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

Federal Grant/Pass-through Grant Program Title	AL Number	Award Number	Federal Expenditures	Subrecipient Amounts
TRIO CLUSTER:				
U.S. Department of Education:				
TRIO: Student Support Services 2020-2025	84.042		$ 445,263	$ -
TRIO: Upward Bound Program 2017-2022	84.047		4,038	-
TRIO: Upward Bound Program 2022-2027	84.047		305,853	-
Total ALN 84.047			309,891	-
TOTAL TRIO CLUSTER			755,154	-
OTHER FEDERAL PROGRAMS:				
U.S. Department of Education:				
HIGHER EDUCATION - INSTITUTIONAL AID:				
SAFRA: Theatre Arts 2018-2019	84.031B		1,617	-
Title III: Counseling Center 2019-2020	84.031B		1,048	-
Title III: Academic Planning and Assessment 2019-2020	84.031B		8,412	-
Title III: Honors Program	84.031B		(203)	-
Title III: University Student Success 2020-2021	84.031B		48,353	-
Title III: Counseling Center 2020-2021	84.031B		1,655	-
Title III: Academic Planning and Assessment 2020-2021	84.031B		20,625	-
Title III: Professional Development for Health 2020-2021	84.031B		999	-
Title III: Maintenance Plan 2020-2021	84.031B		45,633	-
SAFRA: Center for Global Education 2020-2021	84.031B		(52)	-
SAFRA: Enhancement of Online Learning 2020-2021	84.031B		2,660	-
Title III: Program Administration 2021-2022	84.031B		42,684	-
Title III: University Student Success Center 2021-2022	84.031B		78,261	-
Title III: Counseling Services 2021-2022	84.031B		191,784	-
Title III: Academic Planning and Assessment	84.031B		394,792	-
Title III: Professional Development for Health and Legal Profession	84.031B		58,286	-
Title III: TEAP-C 2021-2022	84.031B		94,439	-
Title III: Cynthia Jackson Hammond Endowment 2021-2022	84.031B		100,000	-
Title III: Maintenance Plan 2021-2022	84.031B		1,121,727	-
Title III: Honors Program	84.031B		76,556	-
SAFRA: Center for Global Education 2021-2022	84.031B		49,747	-
SAFRA: Enhancement of Online Learning 2021-2022	84.031B		169,448	-
SAFRA: Theatre Arts 2021-2022	84.031B		26,526	-
SAFRA: Library Enhancements 2021-2022	84.031B		33,330	-
Title III: Strengthening Operation OER 2021-2022	84.031B		143,068	-
Title III: Program Administration 2022-2023	84.031B		172,782	-
Title III: University Studetn Success Center 2022-2023	84.031B		365,455	-
Title III: Counseling Services 2022-2023	84.031B		195,067	-
Title III: Academic Planning and Assessment 2022-2023	84.031B		349,443	-
Title III: Graduate School Prep Program 2022-2023	84.031B		196,916	-
Title III: TEAP C 2022-2023	84.031B		208,343	-
Title III: Jack Thomas Endowment 2022-2023	84.031B		100,000	-

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

CENTRAL STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2023

Federal Grant/Pass-through Grant Program Title	AL Number	Award Number	Federal Expenditures	Subrecipient Amounts
Title III: Maintenance Plan for Fiscal Stability 2022-2023	84.031B		$ 467,440	$ -
Title III: Honors Program 2022-2023	84.031B		228,249	-
Title III: Academic Success through Mentoring 2022-2023	84.031B		5,330	-
Title III: Retention 2022-2023	84.031B		7,650	-
SAFRA: Center for Global Education 2022-2023	84.031B		144,668	-
SAFRA: Enhancement of Online Learning 2022-2023	84.031B		454,333	-
SAFRA: Theatre Arts 2022-2023	84.031B		118,194	-
SAFRA: Library Enhancements 2022-2023	84.031B		88,559	-
TOTAL HIGHER EDUCATION - INSTITUTIONAL AID			5,813,824	-
MINORITY SCIENCE IMPROVEMENT GRANT:				
STEM Success Center	84.120		135,023	-
Improving Mathematics Instruction for STEAM Students	84.120		210,439	-
TOTAL MINORITY SCIENCE IMPROVEMENT GRANT			345,462	-
CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT (CARES Act)				
COVID-19: Student Funding	84.425E		688,020	-
COVID-19: HBCU Funding	84.425J		4,048,815	-
COVID-19: Institutional Funding	84.425F		676,663	-
Pass through from the Ohio Department of Education				
COVID-19: GEER Fund for Ohio Higher Ed Mental Health Support	84.425C	S425C200040	119	-
Pass through from Wright State University				
I Educate Dayton Region	84.425U	S425U210035	39,975	-
TOTAL CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT (CARES Act)			5,453,592	-
OTHER				
Pass through from Ascendium				
Paid Internships	84.027		77,702	-
Pass through from Wright State University				
I Educate Montgomery County FY23	84.027	H027A21011	17,621	-
I Educate Montgomery County	84.027	H027A21011	15,712	-
TOTAL OTHER			111,035	-
TOTAL U.S. DEPARTMENT OF EDUCATION			11,723,913	-
U.S. Department of Agriculture				
Scholarships to Increase Graduates in Agriculture	10.524		6,349	-
Scholarships to Increase Graduates in Agriculture 45	10.524		379,626	-
Scholarships to Increase Graduates in Agriculture 44	10.524		209,138	-
Total ALN 10.524			595,113	-

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

Federal Grant/Pass-through Grant Program Title	AL Number	Award Number	Federal Expenditures	Subrecipient Amounts
Budding Communication: Ohio cut flower supply chain	10.215		$ 7,842	$ -
USDA/1890 National Scholars Program	10.001		10,950	-
USDA/1890 National Scholars Program	10.001		19,447	-
USDA/NRCS National Scholars Program	10.001		26,478	-
Total ALN 10.001			56,875	-
Pass through from 1890s Universities Foundation				
EXCITE	10.229	2021-77041-34831	22,903	-
EXCITE:Extension Collaborative on Immunization, Teaching & Engagement	10.229	2021-77041-34831	9,357	-
Total ALN 10.229			32,260	-
Increase Student Enrollment in College of Science and Engineering	10.216		360,023	-
Growing Communities	10.216		43,802	-
Total ALN 10.216			403,825	-
Building Viability of Socially Disadvantaged Farms in Ohio Using Outreach, Technical Assistance, and USDA Programs	10.443		67,180	-
CESTA Faciltities Grant	10.500		176,330	-
Smith Lever Act, Expanded Food and Nutrition Education Program (EFNEP) 2016-2021	10.500		(211)	-
Smith Lever Act, Expanded Food and Nutrition Education Program (EFNEP) 2017-2022	10.500		3,164	-
Central State University Seed to Bloom 4-H STEAM Afterschool Sustaintable Community Project	10.500		232,792	-
Total ALN 10.500			412,075	-
Climate Smart Agriculture Center	10.902		4,278	-
CREW	10.902		39,500	-
Total ALN 10.902			43,778	-
Georgia PYD	10.960		25,998	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2017-2019 - Cooperative Extension	10.512		(15,150)	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2019-2021 - Cooperative Extension	10.512		87,776	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2019-2021 - LG Communications	10.512		30,686	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2019-2021 - Cooperative Extension Administration	10.512		115,899	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2019-2021 - 4H Youth Development	10.512		34,930	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2019-2021 - Agriculture & Natural Resources	10.512		40,002	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2019-2021 - Community and Economic Development	10.512		20,961	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2019-2021 - Family and Consumer Science	10.512		75,347	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2019-2021 - Seed to Bloom	10.512		14,733	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2020-2025 - Cooperative Extension Administration	10.512		162,665	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2020-2025 - LG Communications	10.512		68,230	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2020-2025 - Cooperative Extension Program Administration	10.512		712,714	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2020-2025 - 4H Youth Development	10.512		201,891	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2020-2025 - Agriculture Natural Resources	10.512		303,531	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2020-2025 - Community Economic Development	10.512		105,429	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2020-2025 - Family Consumer Science	10.512		304,728	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2020-2025 - Seed to Bloom	10.512		24,395	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2022-2026 - Extension Administration	10.512		2,857	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2022-2026 - LG Communications	10.512		1,527	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2022-2026 - LG Extension Program Administration	10.512		7,224	-

CENTRAL STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2023

Federal Grant/Pass-through Grant Program Title	AL Number	Award Number	Federal Expenditures	Subrecipient Amounts
Section 1444 Extension Programs for 1890 Land Grant Colleges 2022-2026 - 4H Youth Development	10.512		$ 6,312	$ -
Section 1444 Extension Programs for 1890 Land Grant Colleges 2022-2026 - Agriculture and Natural Resources	10.512		22,192	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2022-2026 - Community and Economic Development	10.512		1,107	-
Section 1444 Extension Programs for 1890 Land Grant Colleges 2022-2026 - Family and Consumer Science	10.512		18,198	-
Total ALN 10.512			2,348,184	-
Smith Lever Act, Expanded Food and Nutrition Education Program (EFNEP) 2018-2023	10.514		6,560	-
Smith Lever Act, Expanded Food and Nutrition Education Program (EFNEP) 2019-2024	10.514		76,186	-
Smith Lever Act, Expanded Food and Nutrition Education Program (EFNEP) 2020-2025	10.514		6,945	-
Total ALN 10.514			89,691	-
Renewable Resources Extension 2020-2025	10.515		11,493	-
Renewable Resources Extension 2022-2024	10.515		21,422	-
Renewable Resources Extension 2023-2024	10.515		2,835	-
Total ALN 10.515			35,750	-
A Training Program for Socially Disadvantaged and Military Veteran Beginning Famers	10.311		106,627	39,226
STEM Research Workforce Academy	10.523		45,164	-
Pass through from 1890s Universities Foundation				
Advancing Education and Training in Hemp Production, Processing and Value-Added Product Development for Minority and Underrepresented Student Populations	10.523	2021-38427-34837	27,890	-
Total ALN 10.523			73,054	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			4,298,252	39,226
U.S. Department of Commerce				
CSU Workforce and Business Development Center -Economic Development Cluster	11.307		750,713	-
Central State's Student and Communities Project	11.028		184,858	-
TOTAL U.S. DEPARTMENT OF COMMERCE			935,571	-
U.S. Department of Defense				
Pass through from Research Triangle Institute				
CSU STEM Academy	12.560	W911NF1920007	269,704	-
TOTAL U.S. DEPARTMENT OF DEFENSE			269,704	-
U.S. Department of Health and Human Services				
Pass through from Ohio Department of Job and Family Services				
Creation of Social Work Position Overseeing Child PlacementWelfare	93.658	2201OHFOST	76,504	-
Pass through the Ohio State University through ODH through CDC				
SARS COV-2 Wastewater	93.323		(2,352)	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			74,152	-

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

Federal Grant/Pass-through Grant Program Title	AL Number	Award Number	Federal Expenditures	Subrecipient Amounts
U.S. Department of Interior				
Youth Stewardship and Engagement Program	15.954		$ 30,961	$ -
Youth Stewardship and Engagement Program 2022-2027	15.954		4,627	-
TOTAL U.S. DEPARTMENT OF INTERIOR			35,588	-
U.S. Department of State Bureau of Educational and Cultural				
Pass through from World Learning, Inc.				
Increase & Diversity Education Abroad for US Students	19.009	SECAGD21CA3052	7,960	-
TOTAL U.S. DEPARTMENT OF STATE BUREAU OF EDUCATIONAL AND CULTURAL			7,960	-
National Endowment for the Humanities				
Pass through from Ohio Humanities Council				
Hanif Abdurraqib Presents: A Celebration of Black Performance	45.129	SO-276940-21	2,000	-
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES			2,000	-
Association of American Geographers				
COVID19 Digital Divide Grant	UNK.003		7,458	-
TOTAL ASSOCIATION OF AMERICAN GEOGRAPHERS			7,458	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 45,713,288	$ 786,431

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

NOTE 1 - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

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

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

Federal Grant/Pass-through Grant Program Title	AL Number	Indirect Cost Rate
Improving Pathways for STEM	47.076	45% Modified Total Direct Costs
USE4WRM	47.076	45% Modified Total Direct Costs
Search for the Epigenomic Mechanism	47.076	45% Modified Total Direct Costs
Global STEM Appropriaate Technology in Development	47.041	45% Modified Total Direct Costs
Spectra of Composition Operators	47.076	45% Modified Total Direct Costs
ERI: Yakubovsky Calculations for Six Nucleon Bound States	47.049	45% Modified Total Direct Costs
Strengthening Undergraduate STEM Programs	47.076	45% Modified Total Direct Costs
Integrating Spatial Literacy into Geoscience	47.050	45% Modified Total Direct Costs
Filling the Pipeline: Transforming Agricultural Drainage Education to Meet 21st Century Water Management Needs	10.217	30% Total Direct Costs
Developing an Electronic Platform	10.216	30% Total Direct Costs
Genetics and Breeding of Mite Biting	10.310	45% Modified Total Direct Costs
Strengthening Agricultural Geospatial Education and Research at Central State Univeristy	10.216	42.857% Modified Total Direct Costs
All In One Organic Weed and Crop Disease Management Using Directed Energy and Convolutional Neural Networks	10.216	42.857% Total Direct Costs
Marauder Agricultural Scholarship Program Workforce	10.216	45% Modified Total Direct Costs
Investigate the Biotic and Abiotic Stresses in Honey Bees and Pollinators	10.216	42.857% Total Direct Costs
Sweet Potato Production in Northern Climates	10.216	45% Modified Total Direct Costs
Sustainable Aquaculture Production of High Omega3 Containing Fish Using a Novel Feed Additive	10.310	45% Modified Total Direct Costs
A Sustainable Approach to Control Varroa Mites - Improving the Quality of Queens using Local Resources	10.215	10% Total Direct Costs
Development of a Holistic Nano Photocatalytic Approach for Controlling Agriculturally-Induced Algal Blooms and Associated Cyanotoxins in Lake	10.216	45% Modified Total Direct Costs
Introducing Ergonomics Safety in Agiculture Production through Use of a Movement Studies Lab	10.216	30% Total Direct Costs
Assessing Soil Health Water Quality and Yield Benefits of Applying Dairy Manure to Hemp	10.912	45% Modified Total Direct Costs
Effect of Heat Treatment on Mechanical Properties of Additive Manufactured Parts	12.800	45% Modified Total Direct Costs
Synthetic Hyperspectral Imagery	12.800	45% Modified Total Direct Costs
Integrated Instrumental System for Research and Education in Anlytical Chemistry	12.360	45% Modified Total Direct Costs
Retrogressive Approach to Determine Fungal Biodegradation Responses and Mechanisms to Polyurethane-based Coatings	NA	45% of Modified Total Direct Costs
USDOT Center for Connected Automated Transportation (CCAT) - Region 5 UTC	20.701	45% Modified Total Direct Costs
Characterization of Chemical Constituents from Smokable Hemp Flower and E-cigarette	NA	45% Modified Total Direct Costs
22-23 Dormitory Wastewater Monitoring	93.323	25% Total Direct Costs
TRIO: Student Support Services 2020-2025	84.042	8% Total Direct Costs minus Scholarships
TRIO: Upward Bound Program 2017-2022	84.047	8% Total Direct Costs minus Stipends and Room and Board
TRIO: Upward Bound Program 2022-2027	84.047	8% Total Direct Costs minus Stipends and Room and Board
STEM Success Center	84.120	8% Modified Total Direct Costs
Improving Mathematics Instruction for STEAM Students	84.120	8% Total Direct Costs
CSU Institutional CARES ACT	84.425F	45% Modified Total Direct Costs
I Educate Montgomery County FY23	84.027	8% Total Direct Costs
I Educatate Montgomery County	84.027	8% Total Direct Costs

(Continued)

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

Federal Grant/Pass-through Grant Program Title	AL Number	Indirect Cost Rate
Budding Communication: Ohio cut flower supply chain	10.215	10% Total Direct Costs
EXCITE	10.229	10% Total Direct Costs
EXCITE:Extension Collaborative on Immunization, Teaching & Engagement	10.229	45% Modified Total Direct Costs
Increase Student Enrollment in College of Science and Engineering	10.216	30% of Total Direct Costs
CREW	10.902	45% of Modified Total Direct Costs
Growing Communities: Establishing incubator farms and farmer`s markets to increase health and economic viability for socially disadvantaged populations	10.216	45% Modified Total Direct Costs
Building Viability of Socially Disadvantaged Farms in Ohio Using Outreach, Technical Assistance, and USDA Programs	10.443	10% Total Direct Costs
Georgia PYD	10.960	10% Total Direct Costs
Climate Smart Agriculture Center	10.902	45% Modified Total Direct Costs
A Training Program for Socially Disadvantaged and Military Veteran Beginning Famers	10.311	10% Total Direct Costs
STEM Research Workforce Academy	10.523	15% Modified Total Direct Costs
Advancing Education and Training in Hemp Production, Processing and Value-Added Product Development for Minority and Underrepresented Student Populations	10.523	15% Total Direct Costs
CSU Workforce and Business Development Center	11.307	45% of Modified Total Direct Costs
Central State's Student and Communities Project	11.028	45% of Modified Total Direct Costs
CSU STEM Academy	12.560	45% of Modified Total Direct Costs
SARS COV-2 Wastewater	93.323	25% of Salaries and Wages and Benefits
Creation of Social Work Position Overseeing Child PlacementWelfare	93.658	10% Modified Total Direct Costs
Youth Stewardship and Engagement Program	15.954	45% of Modified Total Direct Costs
Youth Stewardship and Engagement Program 2022-2027	15.954	45% Modified Total Direct Costs
Increase & Diversity Education Abroad for US Students	19.009	10% Modified Total Direct Costs

Crowe LLP
Independent Member Crowe Global

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

Management and Board of Trustees
Central State University
Wilberforce, Ohio

We were engaged to audit, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of Central State University (the "University"), a component unit of the State of Ohio, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated May 21, 2026. We did not express opinions on the financial statements of the University. As described in our Basis for Disclaimer of Opinions section of our audit report, management could not provide supporting documentation as of and for the year ended June 30, 2023, and we were unable to satisfy ourselves by performing other audit procedures.

Report on Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses as items 2023-001, 2023-002, 2023-003, 2023-004, 2023-005, 2023-007, 2023-008, 2023-009, 2023-010, 2023-011, 2023-012, 2023-013, 2023-014, 2023-015, 2023-016 and 2023-017.

(Continued)

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency as item 2023-006.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Central State University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-003, 2023-009, 2023-012 and 2023-017.

University's Response to Findings

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

Purpose of this Report

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

Crowe LLP

Crowe LLP

Columbus, Ohio
May 21, 2026

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

Management and Board of Trustees
Central State University
Wilberforce, Ohio

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

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

Qualified Opinion on Student Financial Aid Cluster and Title III

In our opinion, except for the possible effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, Central State University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Student Financial Aid Cluster and Title III for the year ended June 30, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Central State University's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2023.

Basis for Qualified and Unmodified Opinions

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

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

(Continued)

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

As described in the accompanying schedule of findings and questioned costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of Central State University with Student Financial Aid Cluster as described in finding number 2023-019 for Special Tests and Provisions and 2023-021 for Reporting; and Assistance Listing Number 84.031B Title III as described in finding 2023-018 for Matching, Level of Effort and Earmarking and 2023-023 for Allowable Costs, consequently we were unable to determine whether Central State University complied with those requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Central State University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of Central State University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Central State University's internal control over compliance. Accordingly, no such opinion is expressed.

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

(Continued)

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-020, 2023-022 and 2023-024. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-018, 2023-019, 2023-021 and 2023-023 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-020, 2023-022 and 2023-024 to be significant deficiencies.

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

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

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

(Continued)

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

We were engaged to audit the financial statements Central State University as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Central State University's basic financial statements. We issued our report thereon dated May 21, 2026. However, the scope of our audit of the financial statements was not sufficient to enable us to express an opinion as described in our Basis for Disclaimer of Opinions section of our audit report and accordingly we did not express an opinion on such financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Because of the significance of the matter described above, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

Crowe LLP

Crowe LLP

Columbus, Ohio
May 21, 2026

PART I: SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Federal Awards

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

Identification of major federal program:

Name of Major Program Identified	AL Number
Student Financial Aid Cluster:	
Federal Pell Grant Program	84.063
Federal Work-Study Program	84.033
Federal Supplemental Educational Opportunity Grants	84.007
Federal Direct Loan Program	84.268
TEACH Grant	84.379
Title III	84.031B
Land Grant	10.512
COVID 19 – Education Stabilization Fund	84.425E, 84.425J, 84.425F, 84.425C, 84.425U

Dollar threshold used to distinguish between Type A and Type B programs: $1,371,399

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

PART 2: FINANCIAL STATEMENT FINDINGS

FINDING 2023-001 – FINANCIAL STATEMENT REPORTING CONTROLS

Criteria: The University should have internal controls over the financial reporting process designed to ensure that the financial statements are presented in accordance with accounting principles generally accepted in the United States of America. In addition, the University's reporting and closing process should include timely reconciliations, and schedules that support the amounts recorded in the financial statements and the schedule of expenditures of federal awards.

Condition: Internal controls over financial reporting were not established by the University to ensure that complete and accurate financial statements were prepared.

Context: Material adjusting and reclassification entries were necessary as a result of audit procedures. Additionally, the financial statement draft provided by management did not include all required disclosures. Other control issues identified were:

- Lack of documented board approval over material transactions.
- Lack of employee handbook with policies and procedures included.
- Related party (inter-entity accounts) reconciliations were not prepared and reviewed.
- Bank reconciliations for cash and investment accounts were not prepared and reviewed.
- Reconciliations for assets and liabilities were not prepared and reviewed.
- Journal entries did not contain proper support and were not reviewed.
- Revenues were not deposited into the correct entity bank accounts.
- Revenues were recorded as revenue that had not yet been earned.
- Lack of approvals related to contracts at the Board level

Effect: The financial statements required audit adjustments and reclassifications and additional footnote disclosures to be added. Without reconciliations being completed timely, errors can occur and may not be identified. Additionally, expenses can be recorded or approved incorrectly without proper invoicing and without the proper approval process being documented.

Cause: The University did not establish internal controls over financial reporting.

Repeat Finding: Yes

Recommendation: We recommend the University establish internal controls over financial reporting to ensure financial statements and the schedule of expenditures of federal awards prepared by management are complete and accurate. We recommend that monthly reconciliations for related parties, cash, assets, liabilities and all journal entries contain the proper support and approvals.

FINDING 2023-001 – FINANCIAL STATEMENT REPORTING CONTROLS (Continued)

Response:	The University acknowledges this finding. To address the matter, the University is in the process of engaging an external firm to assist with the preparation of the FY 2024 and FY 2025 financial statements for both the University and the Foundation. It is anticipated that this third-party engagement will be finalized within the coming months, with a target completion date of December 31, 2026, for the compilation of the financial statements.

FINDING 2023-002 – CONTROLS OVER CASH RECONCILIATIONS

Criteria:	The University should have internal controls over financial reporting designed to ensure that bank reconciliations are completed accurately, in a timely manner, and reviewed by an individual independent of the preparation process.
Condition:	Bank reconciliations were not completed in a timely manner and were not reviewed by an individual independent of the preparation process during the fiscal year. As a result, the cash amounts in the financial statements were not supported.
Context:	If a bank reconciliation was prepared, it was by one individual but a subsequent review of the completed reconciliation was not completed by an individual independent of the process. Reconciliations were not completed for the main account and other investment accounts as well.
Effect:	The condition noted above increases the risk that errors or misstatements may not be identified and corrected in a timely manner.
Cause:	Personnel changes within the University and lack of established timelines and review controls over the reconciliation process.
Repeat Finding:	Yes
Recommendation:	We recommend the University establish formal timelines requiring all bank reconciliations to be completed on a monthly basis within a defined period after month-end. Additionally, reconciliations should be reviewed and approved by an individual independent of the preparation process, with evidence of review documented.
Response:	The University acknowledges this finding. To address the matter, the University is in the process of engaging an external firm to assist with the preparation of bank reconciliations and to develop procedures to ensure that future reconciliations are completed in a timely manner. The University anticipates completing this effort by September 30, 2026.

FINDING 2023-003 – CONTROLS OVER INVESTMENT ENDOWMENTS

Criteria:	The University should have internal controls over investments that are endowments to ensure that the funds are utilized for the restricted purposes outlined in the endowment agreements. Also, all endowment receipts should be directly deposited into the endowment investment account.
Condition:	During the fiscal year, transfers from the investment endowment funds to the operating cash account occurred to fund operating expenses. Additionally, there was a contribution for an endowment fund that was not deposited to the endowment investment account.
Context:	A total of $2,785,439 was transferred out from five different investment endowment accounts to the operating cash account to fund operating expenses. During the fiscal year, one repayment in the amount of $450,000 to one of the endowment accounts occurred. At year end, there was a net amount owed to investment endowment accounts of $2,335,439. A contribution for $100,000 for an endowment was received during the fiscal year but was not deposited into the endowment investment account. During September 2023 a repayment of $510,502 was made to the endowment accounts and the balance of $1,824,937 was repaid in April 2024.
Effect:	The University was not in compliance with endowment agreements.
Cause:	Funds were transferred to assist with low operating cash amounts.
Repeat Finding:	No
Recommendation:	We recommend the University does not transfer funds from the investment endowment accounts to the operating account unless the conditions meet the endowment agreement requirements. All endowment contributions should be directly deposited into the investment account.
Response:	The University acknowledges this finding and recognizes the importance of maintaining the accuracy and integrity of endowment funds. To address the matter, the University plans to engage an external firm to provide accounting services related to foundation contributions. In addition, the University will develop and implement a repayment plan to restore endowment funds to the appropriate accounts.

FINDING 2023-004 – INTERNAL CONTROLS OVER FINANCIAL STATEMENTS

Criteria:	Auditing standards require that entities have internal controls in place to prepare financial statements.
Condition:	Documentation related to the following areas were not available during the audit: updated controls, journal entries, bank reconciliations and amounts due to and from related parties.
Context:	We were unable to perform audit procedures over the areas identified.
Effect:	Without supporting documentation, we were unable to perform audit procedures and a disclaimer of opinion for the financial statements was issued.
Cause:	The University was unable to find the original documentation supporting the areas identified and bank reconciliations were not completed.
Repeat Finding:	No
Recommendation:	We recommend that supporting documentation be maintained for all areas and bank reconciliations are completed.
Response:	The University acknowledges this finding. To address the matter, the University is in the process of engaging an external firm to assist with the compilation of the FY 2024 and FY 2025 financial statements on behalf of the University and the Foundation. The University expects to finalize this engagement within the coming months, with an anticipated completion date of December 31, 2026. The external firm will also be responsible for preparing and maintaining documentation to support the balances reported in the financial statements.

FINDING 2023-005 – FAILURE TO RECORD AVAILABILITY PAYMENT ARRANGEMENT

Criteria:	Under GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, the University is required to evaluate contractual arrangements to determine whether they meet the definition of an Availability Payment Arrangement (APA). For arrangements that qualify, the University must recognize a liability for future payments and a corresponding right-to-use asset at the commencement of the arrangement.
Condition:	The University did not identify certain agreements with United Housing Solutions (UHS) as APAs under GASB 94. As a result, the related liabilities and right-to-use assets were not recorded in the financial statements.
Context:	During the audit, agreements with UHS were evaluated and determined to meet the definition of APAs under GASB 94, as the University is obligated to make payments in exchange for the right to use assets provided through the arrangement. However, management did not identify these agreements as APAs during the financial reporting process and did not record the associated assets and liabilities. This resulted in a material misstatement that required correction through a material journal entry.
Effect:	Failure to properly identify and account for APAs resulted in the understatement of assets and liabilities in the financial statements and noncompliance with GASB 94.
Cause:	There was a lack of processes and controls to evaluate contracts under GASB 94, including insufficient understanding of APA criteria and inadequate review of agreements during the financial reporting process.
Repeat Finding:	No
Recommendation:	We recommend that management implement procedures to identify and evaluate all contractual agreements for applicability under GASB 94, including APAs.
Response:	The University acknowledges this finding. During the preparation of the 2023 financial statements, processes and supporting documentation were developed to ensure that these transactions are recorded accurately in accordance with the requirements of GASB 94.

FINDING 2023-006 – LATE SUBMISSION OF RETIREMENT CONTRIBUTIONS

Criteria:	Retirement contributions are required to be submitted timely to public pension funds.
Condition:	During our testing of the retirement contributions, it was noted: • For the State Teachers Retirement System of Ohio (STRS), three of the monthly contributions were remitted late. • For the Ohio Public Employees Retirement System (OPERS), 7 of the 12 monthly contributions were remitted late.
Context:	STRS requires contributions to be remitted within 5 days of the payroll date. OPERS requires contributions to be remitted within one month of the last day of the payroll period.
Effect:	The University incurred penalty and interest charges that were required to be paid on the contributions that were not paid timely.
Cause:	Personnel changes within the University.
Repeat Finding:	Yes
Recommendation:	We recommend the University develop and implement formal procedures for remitting payments to STRS and OPERS in a timely manner.
Response:	The University acknowledges this finding. Procedures have been implemented to ensure that the University is now current in remitting payments to STRS and OPERS.

FINDING 2023-007 – LACK OF CONTROLS OVER TUITION AND FEE CHARGES

Criteria: Tuition, fee and auxiliary revenues should be recorded accurately and in accordance with established fee schedules, student enrollment status (e.g., full-time vs. part-time, in-state vs. out-of-state), and institutional policies. Controls should ensure that amounts charged to student accounts are properly calculated, recorded and classified in the financial statements.

Condition: During testing of tuition, fee and auxiliary revenue transactions, errors were identified in the calculation and/or recording of certain student charges.

Context: Testing of tuition, fee and auxiliary revenue transactions identified the following errors:

- 37 of 82 students were charged a part-time tuition rate instead of a full-time tuition rate as they had more than 12 credit hours in the semester. A total of $54,260 was identified as the amount that was over-charged to students.
- 11 of 82 students were charged a fee amount that was not supported by the established fee schedules. A net total of $666 was identified as the amount that was over-charged to students.
- 23 of 82 students were charged a part-time tuition rate correctly, however the amount of hours they were charged for did not match their transcripts. A net total of $23,869 was identified as the amount that was under-charged to students.
- 3 of 82 students were charged for a semester and their transcript did not have any classes listed. A total of $5,350 was identified as the amount that was over-charged to students.
- 3 of 42 students were charged an auxiliary fee amount that did not match the established fee schedules. A net total of $31 was identified as the amount that was under-charged to students.

Effect: Errors in tuition, fee and auxiliary revenue calculations may result in misstatements of revenue and student account balances. Additionally, such errors could lead to improper billing of students and reduce the reliability of financial reporting.

Cause: A review of the tuition and fee charges within the system as well as a review of student accounts was not completed.

Repeat Finding: No

Recommendation: We recommend the University develop and implement formal procedures for tuition, fee and auxiliary revenue transactions by implementing review procedures to verify the accuracy of tuition and fee calculations, ensure fee schedules and student classifications are properly maintained and applied in the system and performing periodic reconciliations and review of student account balances to identify and resolve discrepancies in a timely manner.

FINDING 2023-007 – LACK OF CONTROLS OVER TUITION AND FEE CHARGES (Continued)

Response: The University acknowledges this finding. The Controller's Office, in collaboration with the contracted Information Technology vendor, is reviewing and updating the Banner system to ensure the accuracy of the tuition schedule and to confirm that students are charged the correct tuition rates. This effort includes establishing periodic reconciliation procedures, validating tuition assessments, and coordinating with relevant departments to ensure student classifications are consistently maintained within the system.

FINDING 2023-008 – LACK OF MONITORING OF RECEIVABLES

Criteria: Management is responsible for establishing and maintaining policies and procedures to ensure receivables are reported at their collectible value. This includes developing a methodology for estimating an allowance for doubtful accounts and implementing collection procedures to purse outstanding balances.

Condition: The University does not have a formal policy for estimating and recording an allowance for doubtful accounts. Additionally, no collection efforts were performed during the fiscal year and outstanding receivables were not actively monitored or pursued.

Context: Accounts receivable represent a significant balance; however, there is no documented methodology for evaluating collectability or determining an appropriate allowance. Further, aging of receivables was not consistently reviewed, and no evidence of collection activities (e.g., follow-up notices, payment plans, or referrals) was identified during the year. Material journal entries were posted to present the year-end balance.

Effect: Without an established allowance methodology and active collection efforts, receivables may be overstated and not presented at net collectible value. This increases the risk that reported revenue and receivables are materially misstated and may not be collectible. Additionally, lack of collection activity may result in increased write-offs and reduced cash inflows.

Cause: Lack of formal policies and procedures and personnel to complete the collection efforts.

Repeat Finding: No

Recommendation: We recommend the University:

- Develop and implement a formal policy for estimating an allowance for doubtful accounts, including consideration of historical collection experience, aging of receivables, and specific account analysis.
- Establish and document collection procedures, including regular review of receivable aging, follow-up on delinquent accounts, and escalation processes for significantly past-due balances.
- Perform periodic reviews of receivables to ensure they are stated at net collectible value and adjust the allowance as necessary.

Response: The University acknowledges this finding. The Finance Department, in collaboration with an external vendor, will establish a formal methodology for estimating the allowance for doubtful accounts and strengthening collection procedures. In addition, Finance and the external vendor will conduct a comprehensive review of all outstanding receivables to assess their collectability.

FINDING 2023-009 – INTERNAL CONTROLS OVER FOUNDATION FINANCIAL REPORTING

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

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

Context: The University pursuant to a management agreement in place during the fiscal year with Central State University Foundation (Foundation) was required to promptly deposit the total gross receipts into an account at US Bank.

Testing of the students on the rent rolls related to the Fall 2022 and Spring 2023 semester for the Foundation I and II halls identified the following errors.

- Cash received related to rent payments were not transferred timely. 35 students had additional payments that were not transferred timely from the University to the Marauder accounts and was not recorded in revenue. An adjustment to increase revenue by $805,181 was made for this error.
- 33 students were included on rent rolls that did not live in the applicable halls. An adjustment to decrease revenue by $102,960 was made for this error.
- 6 students were charged for a double room but were actually listed as being in a single room. Rent was understated by $1,200 as a result of this error.
- 3 students had rent charges reversed twice on their account, resulting in credit balances at the end of the year. Rent was understated by $9,000 as a result of this error.
- 7 students were charged twice on their account for rent resulting in duplicate charges. Rent was overstated by $21,120 as a result of this error.
- 8 students were charged various incorrect amounts to their accounts. Rent was overstated by $943 as a result of these errors.

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

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

Repeat Finding: Yes

FINDING 2023-009 – INTERNAL CONTROLS OVER FOUNDATION FINANCIAL REPORTING (Continued)

Recommendation:	We recommend that rent information be reviewed and recalculated with the resulting amount of revenues related to the housing be transferred upon receipt as directed by the Trust Indenture and Loan Agreement.
Response:	The Foundation agrees that pursuant to a management agreement entered into with the University, the University was responsible for depositing said funds and failed to do so without the Foundation's knowledge or agreement.

FINDING 2023-010 – FOUNDATION INTERNAL CONTROLS OVER FINANCIAL STATEMENTS

Criteria:	Auditing standards require that entities have internal controls in place to prepare financial statements for the Central State University Foundation (Foundation).
Condition:	Foundation documentation related to the following areas was not available during the audit: board minutes, updated controls, policies and procedures, journal entries, contribution revenue, artwork, endowments, restricted net assets, donated stock, payroll and benefit expenses, accounts payable, subsequent disbursements, operating expenses, going concern analysis and review of financial statements.
Context:	We were unable to perform Foundation audit procedures over the areas identified.
Effect:	Without supporting documentation, we were unable to perform audit procedures and a disclaimer of opinion for the Foundation financial statements was issued.
Cause:	The Foundation was unable to find the original documentation supporting the areas identified.
Repeat Finding:	Repeated from prior year with additional items
Recommendation:	We recommend that supporting documentation be maintained for all areas.
Response:	The Foundation was well aware that the original documentation was at the University and under the University's control. At all times during this applicable period, the records of the Foundation were under the exclusive control and management of the University pursuant to a legally binding Memorandum of Understanding executed by the two entities. When the Foundation was finally informed by Crowe that the University did not provide the Auditor with all the requested documentation, the Foundation requested the Ohio Auditor for additional time to provide documentation. The Ohio Auditor's Office refused to provide the Foundation with additional time to provide the information.

FINDING 2023-011 – LACK OF FOUNDATION DOCUMENTED REVIEWS AND RECONCILIATIONS

Criteria: Auditing standards require that the Central State University Foundation's (Foundation) internal controls over financial reporting be considered when planning and performing the audit.

Condition: We noted the following deficiencies in Foundation controls during the year:

- Interfund transactions between the Foundation and the University were not reconciled timely or on a consistent basis.
- Approval for expenses were not clearly identified on invoices.
- Investment statements were not reconciled to the trial balance monthly, including the proper segregation of duties.
- Bank reconciliations were not completed and were not prepared or reviewed by separate individuals.
- The Foundation did not provide a listing of individuals that were able to make journal entries or how they were reviewed and approved.
- Beginning net assets was not properly reconciled to the prior year audit report
- Credit card transactions were not properly recorded and reconciled.

Context: Adjustments to the Foundation financial statements were recorded to report balances related to various accounts.

Effect: Errors in financial reports may occur and remain undetected resulting in management decisions being based on inaccurate reports.

Cause: The Foundation did not have formal procedures in place.

Repeat Finding: Repeated from prior year with additional items

Recommendation: We recommend the Foundation develop and implement formal procedures for interfund transactions, expenses, investments, cash, journal entries, beginning net assets and credit card transactions.

Response: The Foundation did have formal procedures in place when the records were under its control. As pursuant to the legally binding Memorandum of Understanding (MOU) between the parties, the records were transferred to the University and the University was responsible for performing these functions and represented to the Foundation that these functions were being performed. At all times during this applicable period, the records of the Foundation were under the exclusive control and management of the University pursuant the MOU executed by the two entities. When the Foundation was finally informed by Crowe that the University did not provide the Auditor with all the requested documentation, the Foundation requested the Ohio Auditor for additional time to provide documentation. The Ohio Auditor's Office refused to provide the Foundation with additional time to provide documentation.

FINDING 2023-012 – FOUNDATION FILINGS WITH THE INTERNAL REVENUE SERVICE

Criteria:	26 CFR 1.6033-2(a)(2) provides, in part, that every organization exempt from taxation shall file its annual return with the Internal Revenue Service (IRS) on Form 990. 26 CFR 1.6033-2(e) provides that an annual return shall be filed on or before the 15th day of the fifth month following the close of the period for which the return is required to be filed. 26 CFR 6081(b) provides, in part, that an extension of 6 months for the filing of the return of income taxes shall be allowed if filed on the form prescribed. 26 CFR 6033(j)(1)(b) provides, in part, that if an organization fails to file an annual return for 3 consecutive years, such organization's status as an organization exempt from tax shall be considered revoked on and after the date set for the filing of the third annual return.
Condition:	We noted the Central State University Foundation (Foundation) did not file its required filings with the Internal Revenue Service (IRS) for tax years 2022 and 2023.
Context:	The Foundation's fiscal year ends on June 30. Based on this year end, the Foundation is required to file the IRS Form 990 by November 15th each fiscal year or file an IRS Form 8868 to request an automatic 6-month extension of time to file.
Effect:	Failure to file the required returns enables the IRS to assess additional penalties and interest and to revoke the Foundation's status as a tax-exempt organization.
Cause:	The Foundation did not have personnel that were qualified to complete and file the returns.
Repeat Finding:	No
Recommendation:	The Foundation should take the necessary steps to file the IRS Form 990s that are outstanding for tax years 2022 and 2023. The Foundation should implement policies and procedures to verify that the IRS Form 990 is filed by the required due date each tax year.
Response:	When the Foundation had control of its records, the Foundation had personnel who were qualified to complete and file the 990s. Pursuant to the MOU, the University was required to complete and file the 990s. The Foundation was informed by University officials that they had prepared and filed the 2022 and 2023 990s pursuant to their obligation to do so under the Memorandum of Understanding between the parties. The Foundation had no reason to believe that the University did not file the 990s. The Foundation did not find out that the 990s were not filed until the IRS issued an automatic revocation of the Foundation's 501c3 which was sent to the Foundation by a representative from the Ohio Auditor's office and not the University who received the notice. The Foundation additionally disputes the language under Cause as the cause of the Finding is the University intentionally did not file the 990s and misrepresented to the Foundation that the 990s were filed.

FINDING 2023-012 – FOUNDATION FILINGS WITH THE INTERNAL REVENUE SERVICE (Continued)

Please note that for purposes of this report and financial statements, Central State University (University should be considered as management as they agreed to perform the duties identified throughout the report pursuant to a legally binding Memorandum of Understanding (MOU) between the University and Central State University Foundation (Foundation). The University was responsible for operating the Foundation and managing its day-to-day operations. Also, pursuant to the MOU all of the Foundation's records were transferred to the University. Please further note that University officials never advised or contacted Foundation officials to request any information on contributions, expenses or any information related to the audit or financial statements, contrary to the representations made by University officials to the Auditor.

When the Foundation board members were finally advised by the Auditor (not the University) that they needed additional documentation to complete the audit, the Foundation's request to the Ohio Auditor's representatives for additional time to provide the documentation, was denied by the Ohio auditor's office.

The Foundation cannot verify any of the financial information included in the financial statements that was provided by the University as the University had all the Foundation's records. The University provided the auditor with all the information for the audit without any input from Foundation representatives. Additionally, the Foundation has concerns that any work product performed by a certain University representative who is a former employee of the Foundation who was terminated by the Foundation due to incompetence, is unreliable.

The Foundation will not and can not sign the management representation letter as the Foundation did not provide any financial information included in the financial statements. As the University provided the information, they should sign the management representation letter

FINDING 2023-013 – INTERNAL CONTROLS OVER INNOVATION AND DEVELOPMENT FOUNDATION FINANCIAL REPORTING

Criteria: The Central State University Innovation and Development Foundation (Innovation Foundation) should have internal controls over the financial reporting process designed to ensure that the financial statements are presented in accordance with accounting principles generally accepted in the United States of America.

Condition: Internal controls over financial reporting were not established by the Innovation Foundation to ensure that complete and accurate financial statements were prepared.

Context: Material adjusting and reclassification entries were necessary as a result of audit procedures. Additionally, the Innovation Foundation financial statement draft provided by management did not include all required disclosures. Other control issues identified were:

- Lack of documented board meetings.
- Related party (inter-entity accounts) reconciliations were not prepared and reviewed.
- Bank reconciliations were not prepared and reviewed.
- Accounts payable reconciliations were not prepared and reviewed.
- No documented procedures on approvers for expenses for each fund was identified.
- Expense documentation was not addressed to the Foundation.
- Journal entries did not contain proper support and were not reviewed.
- Revenues were not deposited into the correct entity bank accounts.

Effect: The Innovation Foundation financial statements required audit adjustments and reclassifications and additional footnote disclosures to be added. Without reconciliations being completed timely, errors can occur and may not be identified. Additionally, expenses can be recorded or approved incorrectly without proper invoicing and without the proper approval process being documented.

Cause: The Innovation Foundation did not establish internal controls over financial reporting.

Repeat Finding: Yes

Recommendation: We recommend the Innovation Foundation establish internal controls over financial reporting to ensure financial statements prepared by management are complete and accurate. Board meetings should be held at least quarterly. We recommend that monthly reconciliations for related parties, cash and accounts payable be performed and all journal entries contain the proper support and approvals. Also, we recommend that procedures identifying the proper approver for expenses for each fund be developed and that all expenses be addressed to the Innovation Foundation.

FINDING 2023-013 – INTERNAL CONTROLS OVER INNOVATION AND DEVELOPMENT FOUNDATION FINANCIAL REPORTING (Continued)

Response:

The Innovation Foundation acknowledges and agrees with this finding related to internal controls over financial reporting for the FY23 audit. The Innovation Foundation operates as a separate nonprofit entity governed by its Board of Trustees and relies on Central State University administrative offices for financial management and accounting support.

During FY23, financial and administrative support functions for the Innovation Foundation were provided through Central State University administrative offices. Certain procedures, reconciliations, and documentation were not formalized or maintained in centralized Foundation records during that period.

Since that time, University and Innovation Foundation leadership have taken steps to strengthen governance and financial oversight. These actions include:

- Re-establishing regular Innovation Foundation Board meetings and documentation of board activity
- Strengthening coordination between Advancement and University Administration & Finance regarding Innovation Foundation-related financial activity and documentation improving internal tracking and documentation of gift-related activity within Advancement
- Hiring an Annual Giving and Stewardship Director with significant experience in gift processing and advancement services to strengthen gift documentation, stewardship, and operational support

The Innovation Foundation will continue working with University Administration & Finance to improve documentation, reconciliation support, and financial processes related to Innovation Foundation activity going forward.

FINDING 2023-014 – INNOVATION AND DEVELOPMENT FOUNDATION INTERNAL CONTROLS OVER CONTRIBUTIONS/OTHER REVENUE

Criteria: The Central State University Innovation and Development Foundation (Innovation Foundation) should have internal controls over the contribution and other revenue process designed to ensure that contributions are recorded when earned.

Condition: Internal controls over contributions and other revenues were not established by the Innovation Foundation to ensure that complete and accurate financial statements were prepared.

Context: The following control issues related to contributions and other revenues were identified for the Innovation Foundation:

- 57 of the 77 contributions were not recorded in the general ledger within 15 days of receipt.
- Reviews of contributions were not documented.
- Contribution documentation was not addressed to the Foundation.
- 5 of the 77 contributions were not recorded in the correct fiscal year.
- 8 of the 77 contributions were posted to the Foundation that should have been recorded to the Central State University Foundation.
- 2 of the 77 contributions were posted to Contributions but should have been posted to Other Revenue.
- 7 of the 77 contributions did not maintain the proper support for recording as restricted.
- 8 of the 77 contributions were recorded as unrestricted but should have been recorded as restricted.
- 2 of the 77 contributions did not have supporting documentation.
- 5 of the 18 other revenue transactions were posted to Other Revenue but should have been posted to Contributions.
- 8 of the 18 other revenue transactions tested were not recorded in the general ledger within 15 days of receipt.
- 4 of the 18 other revenue transactions did not have supporting documentation.
- Investment revenues related to endowments from the University were recorded in the Foundation revenues.

Effect: Revenues could be recorded incorrectly without proper reviews, without being addressed to the Innovation Foundation and without being recorded timely in the general ledger.

Cause: The Innovation Foundation did not establish internal controls over contributions.

Repeat Finding: Yes

Recommendation: We recommend the Innovation Foundation establish internal controls over contributions and other revenues. We recommend that contributions and other revenues be recorded within 15 days of receipt in the general ledger, monthly reconciliations on receipts be performed, all contributions and other revenues be addressed to the Innovation Foundation, and that two independent individuals prepare and review the recording and support for contributions and other revenues.

FINDING 2023-014 – INNOVATION AND DEVELOPMENT FOUNDATION INTERNAL CONTROLS OVER CONTRIBUTIONS/OTHER REVENUE (Continued)

Response:

The Innovation Foundation acknowledges the issues identified regarding the recording and documentation of contributions and other revenue during FY23.

During the audit period, contributions and other financial activity associated with the Innovation Foundation were processed through a combination of Institutional Advancement and University administrative processes. At that time, procedures related to the documentation, review, and recording of contributions were not fully formalized.

Additionally, certain transactions identified during the audit reflected activity related to University-held endowments and accounts that were historically recorded within Innovation Foundation financial records. These items are being reviewed in coordination with University Administration & Finance to ensure that activity is reflected within the appropriate entity.

Since FY23, Institutional Advancement has taken steps to strengthen documentation and internal tracking related to contributions and other revenue associated with the Innovation Foundation. These efforts include improving internal documentation of gift designations, strengthening coordination with Administration & Finance regarding gift processing, and enhancing internal tracking of gift activity within Advancement.

Management will continue working with University Administration & Finance to support accurate recording and documentation of contributions and related activity going forward.

FINDING 2023-015 – INNOVATION AND DEVELOPMENT FOUNDATION INTERNAL CONTROLS OVER NET ASSETS

Criteria:	The Central State University Innovation and Development Foundation (Innovation Foundation) should have internal controls over net assets designed to ensure that restricted and unrestricted net assets are tracked and monitored compliance with restrictions.
Condition:	Internal controls over net assets were not established by the Innovation Foundation to ensure that complete and accurate financial statements were prepared.
Context:	The following control issues related to net assets were identified: • Net assets were not tracked or reviewed during the fiscal year to determine which funds had available restricted balances when expenses were recorded. • The general ledger does not track the funds for the Innovation Foundation separately from activity before the Innovation Foundation was established. • Approvals for spending were based on cumulative receipts and expenses from funds inception, not based on activity within the Innovation Foundation accounts from establishment. • Restrictions were not identified properly upon receipt of revenues or upon payment of expenses.
Effect:	Transactions recorded in net assets could be inaccurate without proper reviews, without using the proper time period of activity and without understanding the balance within the restricted funds.
Cause:	The Innovation Foundation did not establish internal controls over net assets.
Repeat Finding:	No
Recommendation:	We recommend the Innovation Foundation establish internal controls over net assets. We recommend separate funds be established to accurately track the restricted and unrestricted net asset balances.
Response:	The Innovation Foundation agrees with this finding and recognizes the necessity of accurate tracking of restricted and unrestricted net assets. The Innovation Foundation acknowledges the issues identified regarding the tracking and monitoring of restricted and unrestricted net assets during FY23 At the time of the audit period, the accounting structure did not fully distinguish activity occurring within the Innovation Foundation from historical activity associated with certain previous Central State University Foundation funds and accounts. As a result, certain restricted balances and approvals were tracked based on cumulative activity rather than activity specific to current Innovation Foundation accounts.

FINDING 2023-015 – INNOVATION AND DEVELOPMENT FOUNDATION INTERNAL CONTROLS OVER NET ASSETS (Continued)

Response (Continued):

Since that time, management has been working with University Administration & Finance to clarify the appropriate treatment of restricted funds and to ensure that activity associated with the Innovation Foundation is tracked appropriately.

Additionally, Institutional Advancement has hired an Annual Giving and Stewardship Director with experience in gift processing and advancement services. This role will support improved documentation of donor intent, internal tracking of restricted funds, and coordination with University Administration & Finance regarding gift processing and fund designations.

Management will continue working with University Administration & Finance to ensure that Innovation Foundation activity is appropriately documented and that restricted and unrestricted net assets are identified and monitored going forward.

FINDING 2023-016 – INNOVATION AND DEVELOPMENT FOUNDATION INTERNAL CONTROLS OVER FINANCIAL STATEMENTS

Criteria:	Auditing standards require that entities have internal controls in place to prepare financial statements.
Condition:	For the Central State University Innovation and Development Foundation (Innovation Foundation) documentation related to the following areas was not available during the audit: updated controls, policies and procedures, journal entries, bank reconciliations, amounts due to and from the University, contribution revenue, other revenues and operating expenses.
Context:	We were unable to perform audit procedures over the Innovation Foundation areas identified.
Effect:	Without supporting documentation, we were unable to perform audit procedures and a disclaimer of opinion for the Innovation Foundation financial statements was issued.
Cause:	The Innovation Foundation was unable to find the original documentation supporting the areas identified and bank reconciliations were not completed.
Repeat Finding:	No.
Recommendation:	We recommend that supporting documentation be maintained for all areas and bank reconciliations are completed for the Innovation Foundation.
Response:	The Innovation Foundation acknowledges this finding. The challenges identified during the audit related to the availability of supporting documentation for certain financial transactions and reconciliations during FY23. During the audit period, financial records and supporting documentation related to Innovation Foundation activity were maintained across multiple University administrative offices. As a result, certain documentation supporting financial activity was not readily available during the audit process. Since that time, University and Innovation Foundation leadership have taken steps to improve documentation and record retention practices. Management is working with Administration & Finance to ensure that financial documentation, reconciliations, and supporting records related to Foundation activity are maintained in an organized and accessible manner. The Innovation Foundation remains committed to strengthening its financial management processes and ensuring that appropriate documentation is maintained to support future audits.

FINDING 2023-017 – INNOVATION AND DEVELOPMENT FOUNDATION FILINGS WITH THE INTERNAL REVENUE SERVICE

Criteria:	26 CFR 1.6033-2(a)(2) provides, in part, that every organization exempt from taxation shall file its annual return with the Internal Revenue Service (IRS) on Form 990. 26 CFR 1.6033-2(e) provides that an annual return shall be filed on or before the 15th day of the fifth month following the close of the period for which the return is required to be filed. 26 CFR 6081(b) provides, in part, that an extension of 6 months for the filing of the return of income taxes shall be allowed if filed on the form prescribed. 26 CFR 6033(j)(1)(b) provides, in part, that if an organization fails to file an annual return for 3 consecutive years, such organization's status as an organization exempt from tax shall be considered revoked on and after the date set for the filing of the third annual return.
Condition:	We noted the Central State University Innovation and Development Foundation (Innovation Foundation) did not file its required filings with the Internal Revenue Service (IRS) for tax year 2023.
Context:	The Innovation Foundation's fiscal year ends on June 30. Based on this year end, the Innovation Foundation is required to file the IRS Form 990 by November 15th each fiscal year or file an IRS Form 8868 to request an automatic 6-month extension of time to file.
Effect:	Failure to file the required returns enables the IRS to assess additional penalties and interest and to revoke the Innovation Foundation's status as a tax-exempt organization.
Cause:	The Innovation Foundation did not have personnel that were qualified to complete and file the returns.
Repeat Finding:	No
Recommendation:	The Innovation Foundation should take the necessary steps to file the IRS Form 990s that are outstanding for tax year 2023. The Innovation Foundation should implement policies and procedures to verify that the IRS Form 990 is filed by the required due date each tax year.
Response:	The Innovation Foundation acknowledges the issues identified regarding the timing of IRS Form 990 filings. The Innovation Foundation relies on Central State University Administration & Finance and external advisors for the preparation of financial information necessary to support completion of the annual IRS Form 990 filings. During the period under audit, the financial statements required to complete the FY23 Form 990 were not finalized within the expected timeframe, which contributed to the delay in filing the return. The Innovation Foundation is currently working with University Administration & Finance and external advisors to complete any outstanding filings and bring the organization into compliance with IRS reporting requirements. Procedures are also being reviewed to ensure that required filings are prepared and submitted in accordance with IRS deadlines going forward.

PART 3: FEDERAL AWARD FINDINGS

FINDING 2023-018 – MATCHING FOR ENDOWMENTS FROM GRANTS

Federal Program Information:	Title III, ALN #84.031B
Criteria:	The Title III grant requires a match for endowment funding.
Condition:	The required match did not occur during the fiscal year.
Context:	During the fiscal year 2021 a contribution was recorded to the endowment for $200,000. This was an allowable expenditure under the grant agreement. However, a match of $200,000 was required, and the match was not made during fiscal year 2021, 2022 or 2023. During the current year, there was no match made to the endowment. In addition, there were transfers made from the endowment investment account in the amount of $1,107,619 that was not for purposes outlined within the endowment agreement. The $1,107,619 was repaid to the account in April 2024.
Questioned Cost:	$1,307,619
Effect:	The University was not in compliance with the grant agreement.
Cause:	The University did not follow up and make the transfer from local funds and inappropriately transferred funds from the investment endowment account.
Repeat Finding:	Yes, modified from the prior year.
Recommendation:	We recommend that when the original grant expenditure is recorded, that the grant match occurs at the same time. Additionally, we recommend that the University not transfer any funds from the investment endowment accounts unless the conditions meet the endowment agreement requirements.
Response:	The University acknowledges this finding and the importance of maintaining the accuracy and integrity of grant funds. The University will review the status of the matching funds and coordinate with the U.S. Department of Education if any adjustments are required. The questioned cost was resolved after June 30, 2023.

FINDING 2023-019 – RETURN OF TITLE IV FUNDS

Federal Program Information: Federal Direct Loan Program, ALN #84.268, Federal Pell Grant Program, ALN #84.063, Federal Supplemental Educational Opportunity Grants, ALN #84.007

Criteria: 34 CFR 668.22 outlines when a recipient of the loan program withdraws during the year, the University must determine the amount of the loan that the student earned as of the student's withdrawal date for a Return of Title IV Funds.

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

Context: During testing of the Return of Title IV) population, a sample of student records was selected to evaluate compliance with federal requirements. The following exceptions were identified within the sample tested:

- For 19 students the University did not return Title IV funds within the required 45-day timeframe. The range was from 50 days to 453 days.
- For 4 students where the calculations were performed correctly; the actual amounts returned differed from the calculated amounts by more than $10. The amount of the over-return was $1,149.
- For 1 student where 100% of Title IV aid was returned, as management determined the student did not attend and assigned a withdrawal date of the first day of the term. Aid was disbursed in August and September 2022 and it was not returned until January 2023, exceeding the required timeframe.
- For 4 students the Registrar did not maintain an Official Withdrawal Form or other supporting documentation to substantiate the withdrawal date used in the calculation.

Questioned Cost: Unknown

Effect: Aid was not returned timely, support was not maintained and incorrect amounts were returned.

Cause: The Student Financial Aid office experienced turnover and the process to review the calculations was not completed.

Repeat Finding: Yes

Recommendation: We recommend that the University review and update its policies and procedures in place over processing and review of Return of Title IV Aid Calculations.

Response: The University is actively reviewing and updating policies and procedures regarding Return to Title IV aid calculations. Data challenges are being addressed, and additional controls are now in place to ensure this is not a repeat finding moving forward. These include new personnel, additional training and system upgrades that ensure accurate and timely R2T4 processing. In addition, the University is recalculating R2T4 calculations covering this audit period as part of a separate engagement.

FINDING 2023-020 – STUDENT FINANCIAL AID DISBURSEMENTS

Federal Program Information:	Federal Direct Loan Program, ALN #84.268
Criteria:	34 CFR 685.203, Loan Limits
Condition:	Federal Direct Loans were incorrectly awarded and disbursed to students.
Context:	Five students incorrectly received unsubsidized loans that was above their eligibility amount.
Questioned Cost:	$3,754
Effect:	Students were incorrectly awarded and disbursed student financial aid.
Cause:	Errors in management's packaging of the student financial aid resulted in inaccurate awards and disbursements to students.
Repeat Finding:	Yes
Recommendation:	We recommend implementing procedures that appropriately determines student financial aid to students and ensures the proper disbursements.
Response:	The University is actively reviewing and updating policies and procedures regarding eligibility and disbursement controls. The University has implemented various new reports for monitoring and correcting over/under award situations.

FINDING 2023-021 – STUDENT FINANCIAL AID REPORTING

Federal Program Information: Federal Direct Loan Program, ALN #84.268, Federal Pell Grant Program, ALN #84.063, Federal Supplemental Educational Opportunity Grants, ALN #84.007

Criteria: Institutions participating in Title IV programs are required to submit accurate and complete reports to the U.S. Department of Education, including the Fiscal Operations Report and Application to Participate (FISAP) and Common Origination and Disbursement (COD) records. Per federal requirements, data reported must be supported by underlying records, reconciled to institutional systems, and reviewed for accuracy prior to submission.

Condition: The University did not ensure the accuracy and completeness of information reported in the FISAP and COD systems.

Context: Errors or lack of support related to the FISAP include:

- The number of undergraduate and graduate students.
- The total tuition and fees for undergraduate, graduate, and professional students.
- The total number of students was misstated by 100 students for dependent undergraduate students.
- The total number of students was misstated by 292 students for independent undergraduate students.
- Areas missing support were the following sections: Fiscal Operations Report, Fiscal Operations Report Federal Supplemental Educational Opportunity Grant Program and Program Summary for Award Year.

Errors related to the COD include:

- The academic start date was incorrect for all students tested:
  - Fall term dates were off by 7 days
  - Spring term dates were off by 1 day
- For 1 student, the cost of attendance reported did not agree to the student file.

Questioned Cost: None

Effect: Inaccurate and unsupported reporting may result in noncompliance with federal reporting requirements and reduced reliability of information used by the U.S. Department of Education.

Cause: Inadequate internal controls over the preparation and review of FISAP and COD reporting.

Repeat Finding: No

Recommendation: We recommend the University establish a formal review and approval process for FISAP and COD submissions.

FINDING 2023-021 – STUDENT FINANCIAL AID REPORTING (Continued)

Response:

The University recognizes the importance of submitting an accurate FISAP and maintaining supporting documentation. Data challenges are being addressed, and additional controls are now in place to ensure this is not a repeat finding moving forward. These include new personnel, additional training and system upgrades that ensure accurate reporting.

The University recognizes the importance of submitting accurate COD information. Data challenges are being addressed, and additional controls are now in place to ensure this is not a repeat finding moving forward. These include new personnel, additional training and system upgrades that ensure accurate reporting.

FINDING 2023-022 – ALLOWABLE COSTS FOR LAND GRANT

Federal Program Information:	Land Grant Program, ALN #10.512
Criteria:	Costs charged to the grant need to relate to activities occurring within the applicable fiscal year and be supported by adequate documentation.
Condition:	The University recorded and claimed certain expenses in the current fiscal year even though the related service period extended beyond year-end. In addition, supporting documentation for certain expenses could not be provided.
Context:	Of 62 expenses tested, 2 related to periods subsequent to the fiscal year-end; however, the full invoice amounts were recorded and claimed in the current year rather than allocating the prepaid portion to the subsequent fiscal year. Additionally, supporting documentation for 2 of 62 expense invoices could not be located.
Questioned Cost:	$34,794
Effect:	Current-year grant expenses were overstated, and the lack of supporting documentation increases the risk that unallowable or unsupported costs could be charged to the program.
Cause:	The University did not adjust grant expenses for an adjustment to prepaid amounts and due to turnover invoices could not be located.
Repeat Finding:	No
Recommendation:	We recommend that expenses be reviewed for recording in the proper period when the invoice is received and all invoices be maintained.
Response:	The University acknowledges this finding and recognizes the importance of reviewing and recording expenses in the proper period. To address the matter, the University will implement procedures to ensure expenses are charged to the correct program in a timely manner and all documentation is maintained.

FINDING 2023-023 – ALLOWABLE COSTS FOR TITLE III

Federal Program Information:	Title III, ALN #84.031B
Criteria:	Costs charged to the grant need to relate to activities occurring within the applicable fiscal year and endowment transfers should occur timely.
Condition:	The University recorded and claimed certain expenses in the current fiscal year even though the related service period extended beyond year-end. In addition, contributions to endowments did not occur when recorded as an expense.
Context:	Of 60 expenses tested, 4 related to periods subsequent to the fiscal year-end; however, the full invoice amounts were recorded and claimed in the current year rather than allocating the prepaid portion to the subsequent fiscal year. Additionally, there was 1 of 60 expense invoices for an endowment contribution that was recorded as an expense but not transferred to the endowment.
Questioned Cost:	$159,367 related to prepaid expenses and $100,000 related to endowments.
Effect:	Current-year grant expenses were overstated, and the lack of timely transferring of endowment contributions increases the risk that unallowable or unsupported costs could be charged to the program.
Cause:	The University did not adjust grant expenses for an adjustment to prepaid amounts and did not timely transfer endowment contributions.
Repeat Finding:	Yes
Recommendation:	We recommend that expenses be reviewed for recording in the proper period when the invoice is received and all endowment contributions be deposited upon expense.
Response:	The University acknowledges this finding and recognizes the importance of adjusting grant expenses and timely transferring endowment contributions. To address the matter, the University will implement procedures to ensure grant expenses are properly adjusted and endowment contributions are transferred in a timely manner.

FINDING 2023-024 – ALLOWABLE COSTS FOR CARES ACT

Federal Program Information:	Coronavirus Aid, Relief and Economic Security (Cares) Act, ALN #84.425J
Criteria:	Costs charged to the grant need to be supported by adequate documentation.
Condition:	The University recorded and claimed certain expenses in the current fiscal year, however, supporting documentation for certain expenses could not be provided.
Context:	Supporting documentation for 3 of 61 expense invoices could not be located.
Questioned Cost:	$187,185
Effect:	Current-year grant expenses were overstated, and the lack of supporting documentation increases the risk that unallowable or unsupported costs could be charged to the program.
Cause:	Due to turnover invoices could not be located.
Repeat Finding:	No
Recommendation:	We recommend that all invoices be maintained.
Response:	The University agrees with this finding and recognizes the importance of ensuring all invoices can be located. To address the matter, the University will continue to strengthen documentation and retention procedures and internal controls to ensure invoices are properly maintained and readily accessible.

Finding 2022-001

Condition: Material journal entries were made during the audit.

Status: Not corrected, see finding 2023-001.

Finding 2022-002

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

Status: Not corrected, see finding 2023-002.

Finding 2022-003

Condition: Errors were identified in the recording of rent gross receipts and transfers for Central State University Foundation (Foundation)

Status: Not corrected, see finding 2023-009.

Finding 2022-004

Condition: Documentation related to the Foundation financial statements was not available to support the financial statements.

Status: Not corrected, see finding 2023-010.

Finding 2022-005

Condition: Documentation related to the Central State University Innovation and Development Foundation related party transactions, approvals and investments was not complete.

Status: Not corrected, see finding 2023-013.

Finding 2022-006

Condition: Retirement contributions were not submitted timely to the public pension funds.

Status: Not corrected, see finding 2023-006.

Finding 2022-007

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

Status: Not corrected, see finding 2023-018.

Finding 2022-008

Condition: Costs claimed as expenses did not have the underlying activity in the fiscal year for Title III, ALN 84.031B.

Status: Not corrected, see finding 2023-023.

(Continued)

Finding 2022-009

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

Status: Not corrected, see finding 2023-019.

Finding 2022-010

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

Status: Not corrected, see finding 2023-020.

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OHIO AUDITOR OF STATE
KEITH FABER

CENTRAL STATE UNIVERSITY

GREENE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 7/16/2026

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