

**Bowling Green State University**  
**(a component unit of the State of Ohio)**

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**Financial Report**  
**with Supplemental Information**  
**June 30, 2021**



OHIO AUDITOR OF STATE  
KEITH FABER



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Bowling Green State University  
1851 Research Drive  
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We have reviewed the *Independent Auditor's Report* of the Bowling Green State University, Wood County, prepared by Plante & Moran, PLLC, for the audit period July 1, 2020 through June 30, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

November 02, 2021

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## **Independent Auditor's Report**

To the Board of Trustees  
Bowling Green State University

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Bowling Green State University (the "University"), a component unit of the State of Ohio, and its discretely presented component units as of and for the years ended June 30, 2021 and 2020 and the related notes to the financial statements, which collectively comprise Bowling Green State University's basic financial statements, as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of Bowling Green State University Foundation, Inc. and Subsidiary (the "Foundation"), which represents 95 percent, 99 percent, and 99 percent of the assets, net position, and revenue, respectively, of the discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and, our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors. We conducted our audits in accordance with 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Opinions***

In our opinion, based on our audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Bowling Green State University and its discretely presented component units as of June 30, 2021 and 2020 and the changes in their financial position and, where applicable, cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Trustees  
Bowling Green State University

**Emphasis of Matter**

As described in Note 1 to the financial statements, the COVID-19 pandemic has impacted the operations of Bowling Green State University. Our opinion is not modified with respect to this matter.

**Required Supplemental Information**

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

**Other Information**

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise Bowling Green State University and its discretely presented component units' basic financial statements. The other supplemental information, the schedule of expenditures of federal awards, is presented for the purpose of additional analysis, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The other supplemental information, the schedule of expenditures of federal awards, 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information, the schedule of expenditures of federal awards, is fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2021 on our consideration of Bowling Green State University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bowling Green State University's internal control over financial reporting and compliance.



October 14, 2021



# Bowling Green State University

## Management's Discussion and Analysis

### **Overview of the Financial Statements and Financial Analysis**

This section of Bowling Green State University's (the "University") annual financial report presents management's discussion and analysis of the financial performance of the University during the fiscal years ended June 30, 2021, 2020 and 2019. This discussion provides an overview of the University's financial activities and should be read in conjunction with the accompanying financial statements and footnotes.

### **Using the Annual Financial Statements**

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

Under the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, the Bowling Green State University Foundation, Inc. and Subsidiary (the "Foundation") and Centennial Falcon Properties, Inc. and Subsidiaries (the "Corporation") have been determined to be component units of the University. Accordingly, the Foundation and the Corporation are discretely presented in the University's financial statements. The Foundation and the Corporation are excluded from management's discussion and analysis. Complete financial statements for the Foundation can be obtained from the vice president for university advancement at Mileti Alumni Center, Bowling Green, Ohio 43403. Complete financial statements for the Corporation can be obtained from the vice president, 230 McFall Center, Bowling Green, Ohio 43403.

### **Noteworthy Financial Activity**

During a challenging academic year, the University's financial position remained strong at June 30, 2021, with total assets of \$961.8 million, net deferred inflows of \$29.1 million, and total liabilities of \$544.7 million, for a total net position of \$388.1 million. Net position increased by \$95.8 million from \$292.3 million at June 30, 2020.

# Bowling Green State University

## Management's Discussion and Analysis (continued)

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

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

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

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

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

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

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

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

# Bowling Green State University

## Management's Discussion and Analysis (continued)

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

In March 2020, the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus was declared a pandemic by the World Health Organization, and a national emergency by the President of the United States. In response, federal and state governments have implemented measures to combat the outbreak which have impacted business operations worldwide. Effective March 16, 2020, the University cancelled all in-person classes for the remainder of the spring semester and remote instruction began for all classes on March 23, 2020. For the remainder of fiscal year 2020 and throughout all of fiscal year 2021, the University reduced the scope of its on-site operations and certain courses were converted to hybrid or online delivery. Where possible, certain employees teleworked from their homes or minimized their presence on campus. The University received funding from the Higher Education Emergency Relief Fund (“HEERF”) via the Federal Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), the Coronavirus Response and Relief Supplemental Appropriations Act (“CRRSAA”) and the American Rescue Plan (“ARP”). The University also received funds from the State of Ohio, as a passthrough of the State’s Coronavirus Relief Fund (“CRF”) award under the CARES Act. These grant funds offset a portion of costs associated with mitigating the economic consequences of health and safety protocols necessary to operate during the pandemic as well as provide direct emergency relief aid to students. The University has largely repopulated campus and returned to in-person classes for fall 2021, and will continue to implement safety and health initiatives to combat new variants of COVID-19.

# Bowling Green State University

## Management's Discussion and Analysis (continued)

### Statement of Net Position

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

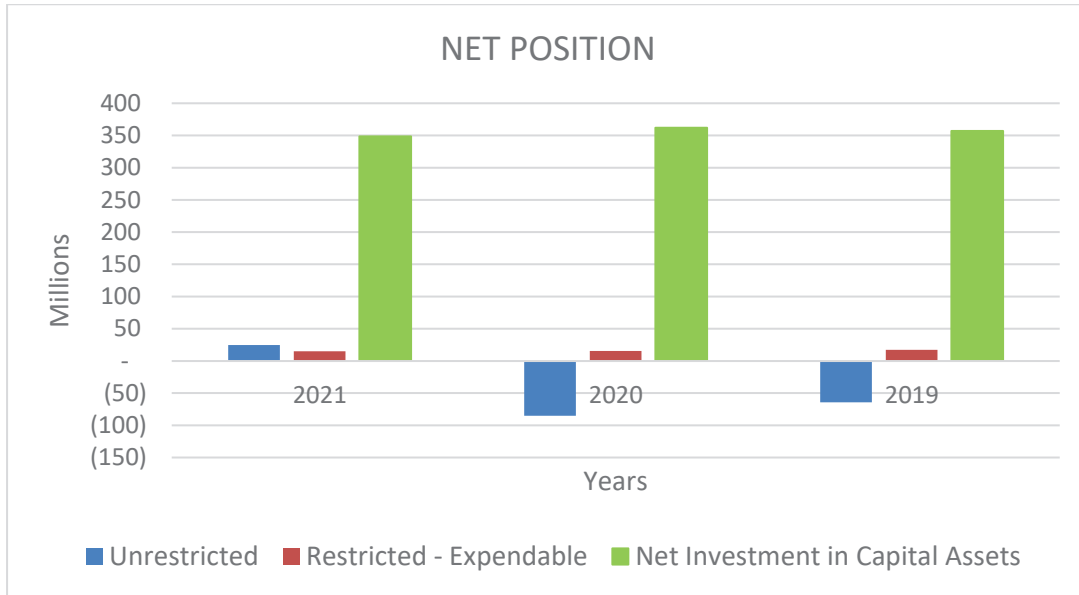
### Bowling Green State University Condensed Statement of Net Position as of June 30, 2021, 2020 and 2019 (in thousands)

	2021	2020	2019
<b>Assets</b>			
Current assets	\$ 321,609	\$ 243,152	\$ 254,000
Non-current assets:			
Capital assets	591,547	600,359	600,383
Other	48,701	50,846	40,883
Total non-current assets	640,248	651,205	641,266
Total assets	961,857	894,357	895,266
<b>Deferred outflows</b>	32,715	41,468	66,508
<b>Liabilities</b>			
Current liabilities	69,801	54,242	64,545
Non-current liabilities	474,893	543,320	561,485
Total liabilities	544,694	597,562	626,030
<b>Deferred inflows</b>	61,788	46,010	25,893
<b>Net position</b>			
Net investment in capital assets	348,605	361,997	357,096
Restricted, expendable	14,901	15,528	17,123
Unrestricted	24,584	(85,272)	(64,368)
Total net position	\$ 388,090	\$ 292,253	\$ 309,851

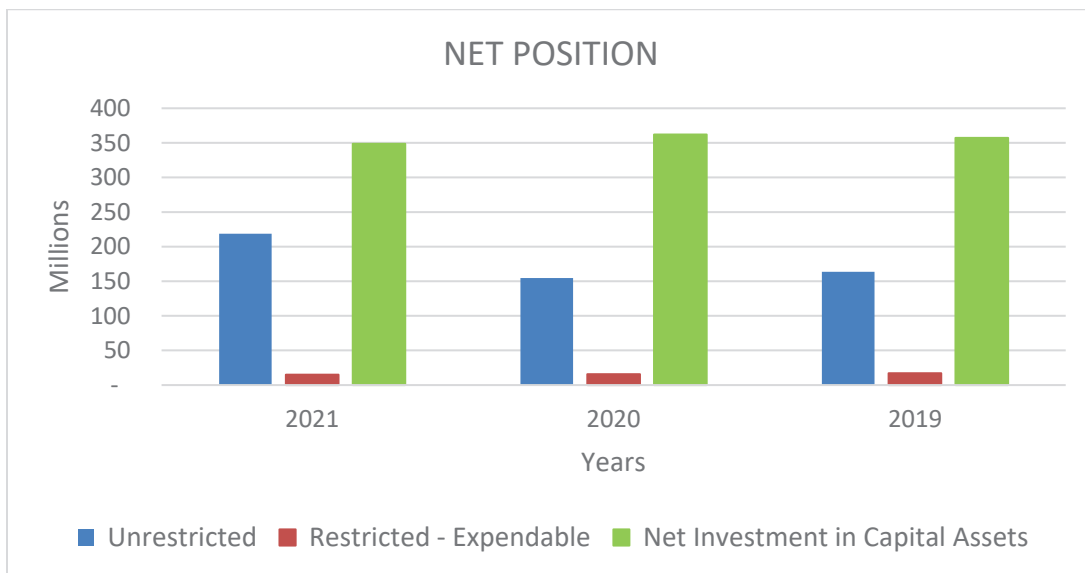
# Bowling Green State University

## Management's Discussion and Analysis (continued)

The following chart provides a graphical breakdown of net position by category for the fiscal years ended June 30, 2021, 2020 and 2019 – *with* the impact of GASB Statement No. 68 and GASB Statement No. 75 adoption:



The following chart provides a graphical breakdown of net position by category for the fiscal years ended June 30, 2021, 2020 and 2019 – *without* the impact of GASB Statement No. 68 and GASB Statement No. 75 adoption:



# Bowling Green State University

## Management's Discussion and Analysis (continued)

### **2021 Versus 2020**

University assets totaled \$961.9 million at June 30, 2021, compared to \$894.4 million at June 30, 2020, reflecting an increase of \$67.5 million.

- In fiscal year 2021, the University's current assets of \$321.6 million were sufficient to cover current liabilities of \$69.8 million (current ratio of 4.6).
- Accounts receivable, net of allowance for doubtful accounts were \$42.4 million at June 30, 2021, reflecting an overall increase of \$32.7 million from the prior year. This increase is related to Federal COVID relief grant dollars that will be drawn in fiscal year 2022.
- Current investments were \$264.2 million, or 27.5 percent of total assets at June 30, 2021, and increased by \$45.2 million over 2020. Net investment income of \$39.2 million was recorded during the year.
- Cash and cash equivalents were \$9.5 million at June 30, 2021 and decreased \$0.8 million over 2020 primarily due to the timing of transfers between the investment pool and the operating cash account at the fiscal year end.
- Restricted assets are funds held by trustees from long-term debt issues. At June 30, 2021, restricted investments were \$22.5 million and decreased by \$7.9 million over 2020, related to bond drawdowns throughout the year.
- Capital assets (net of depreciation) were \$591.5 million (61.5 percent of total assets) at June 30, 2021 compared to \$600.4 million (67.1 percent of total assets) at June 30, 2020, reflecting a decrease of \$8.9 million from the prior year. This reflects the slowing of construction as the University nears completion of its 2011 master plan.
- The University reported net deferred inflows of \$29.1 million at June 30, 2021 related to GASB Statement No. 68 and GASB Statement No. 75. Certain amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and post-retirement benefits are subject to amortization and will be expensed through recognition of annual amortization amounts in subsequent years' pension and OPEB expense. Employer contributions subsequent to the measurement date are recognized as a reduction in the net pension and OPEB liability balances in the following year.

# Bowling Green State University

## Management's Discussion and Analysis (continued)

University liabilities totaled \$544.7 million at June 30, 2021 compared to \$597.6 million at June 30, 2020.

- Total current liabilities at June 30, 2021 of \$69.8 million reflect an increase over June 30, 2020 current liabilities of \$54.2 million primarily due to a large increase in unearned revenue related to federal grants that will not be recognized as earned until certain spending requirements have been met.
- Long-term debt and other obligations decreased in 2021 by \$5.8 million due to debt payments made throughout the year.
- Net pension and OPEB assets (obligations) at June 30, 2021 were \$165.1 million compared to \$235.1 million at June 30, 2020. The decrease of \$70.0 million is the result of the change in the net pension and OPEB assets (liabilities) directly related to GASB Statement No. 68 and GASB Statement No. 75.

The University's total net position at June 30, 2021 is \$388.1 million, compared to the prior year of \$292.3 million, an increase of \$95.8 million. This increase is attributable to a number of factors including:

- Operating revenues for 2021 were affected by the COVID-19 pandemic that began in March of 2020. As a result of reducing the number of students living on campus, in an effort to limit the spread of COVID-19, decreases in auxiliary enterprise net revenue of \$11.8 million were seen in 2021. This was offset by an increase of approximately \$5.6 million in tuition and fees.
- Operating expenses decreased by \$57.1 million in 2021 compared to 2020. Approximately \$56.7 million of this decrease is directly related to GASB Statement No. 68 and GASB Statement No. 75 pension and OPEB expense (2021 results include expense reduction of \$45.5 million related to GASB 68/75 while 2020 includes additional expense of \$11.2 million). Auxiliary expenses decreased by \$9.5 million in 2021 due to reduced operations on campus during the fall 2020 and spring 2021 semesters as a result of the University's response to implement health and safety protocols related to the COVID-19 outbreak. Public service expense increased by \$14.2 million and student aid expense increased by \$5.5 million, primarily related to COVID relief grants expenditures funded via the CARES Act, CRRSAA, ARP, and CRF grants. Operations and maintenance of plant expenses decreased \$1.7 million, offset by an increase in depreciation and amortization of \$1.1 million.

# Bowling Green State University

## Management's Discussion and Analysis (continued)

- An increase in state appropriations of approximately \$5.0 million.
- A \$28.7 million increase in net investment earnings due to market performance in 2021.

Of the total net assets, \$363.5 million is invested in capital assets or is restricted. The remaining \$24.6 million in unrestricted net assets has been designated or allocated for specific academic, research and support purposes, reserves, and quasi-endowments.

### **2020 Versus 2019**

University assets totaled \$894.3 million at June 30, 2020, compared to \$895.3 million at June 30, 2019, reflecting a decrease of \$1.0 million.

- In fiscal year 2020, the University's current assets of \$243.2 million were sufficient to cover current liabilities of \$54.2 million (current ratio of 4.5).
- Accounts receivable, net of allowance for doubtful accounts were \$9.7 million at June 30, 2020, reflecting an overall increase of \$0.7 million from the prior year.
- University investments were \$219.0 million, or 24.7 percent of total assets at June 30, 2020, and decreased by \$11.2 million over 2019. Net investment income of \$10.5 million was recorded during the year.
- Cash and cash equivalents were \$10.2 million at June 30, 2020 and increased \$1.6 million over 2019 primarily due to the timing of transfers between the investment pool and the operating cash account at the fiscal year end.
- Restricted assets are funds held by trustees from long-term debt issues. At June 30, 2020, restricted investments were \$30.4 million and increased by \$9.9 million over 2019, related to bonds issued during the year.
- Capital assets (net of depreciation) were \$600.4 million (67.8 percent of total assets) at June 30, 2020 compared to \$600.4 million (67.7 percent of total assets) at June 30, 2019, reflecting no change from the prior year. This reflects the slowing of construction as the University nears completion of its 2011 master plan.



# Bowling Green State University

## Management's Discussion and Analysis (continued)

- The University reported net deferred inflows of \$4.5 million at June 30, 2020 related to GASB Statement No. 68 and GASB Statement No. 75. Certain amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and post-retirement benefits are subject to amortization and will be expensed through recognition of annual amortization amounts in subsequent years' pension and OPEB expense. Employer contributions subsequent to the measurement date are recognized as a reduction in the net pension and OPEB liability balances in the following year.

University liabilities totaled \$597.6 million at June 30, 2020 compared to \$626.0 million at June 30, 2019.

- Total current liabilities at June 30, 2020 of \$54.2 million reflect a decrease over June 30, 2019 current liabilities of \$64.5 million primarily due to a large bond (balloon) payment that was due in 2020.
- Long-term debt and other obligations increased in 2020 by \$15.7 million due to new bonds that were issued in 2020.
- Net pension and OPEB obligations (asset) at June 30, 2020 were \$235.1 million compared to \$269.1 million at June 30, 2019. The decrease of \$34.0 million is the result of the change in the net pension and OPEB liabilities directly related to GASB Statement No. 68 and GASB Statement No. 75.

The University's total net position at June 30, 2020 is \$292.3 million, compared to the prior year of \$309.9 million, a decrease of \$17.6 million. This decrease is attributable to a number of factors including:

- The change in net position for 2020 included expense of \$11.2 million related to the current year change in net pension and OPEB liabilities related to GASB Statement No. 68 and GASB Statement No. 75.
- Operating revenues were consistent with the prior year until the national emergency declaration in response to COVID-19 in March of 2020. As a result of initiating safety and health protocols in response to COVID-19 and suspending in-person classes, BGSU issued refunds of revenues related to auxiliary operations of \$12 million. Further decreases in auxiliary enterprise net revenue were seen in a \$2.5 million reduction in facility rentals and retail sales, as well as a reduction in non-meal plan dining sales of \$3.5 million. This was offset by a \$1.1 million increase in nongovernmental grants, a \$2.3 million increase in other revenues and an increase of approximately \$4.4 million in tuition and fees.

# Bowling Green State University

## Management's Discussion and Analysis (continued)

- Operating expenses increased by \$11.6 million in 2020 compared to 2019. Approximately \$15.0 million of this increase is directly related to GASB Statement No. 68 and GASB Statement No. 75 pension and OPEB expense (2020 results include additional expense of \$11.2 million related to GASB 68/75 while 2019 includes an expense reduction of \$3.8 million). Auxiliary expenses decreased by \$6.7 million in 2020 due to reduced operations during the spring 2020 semester as a result of the University's response to implement health and safety protocols related to the COVID-19 outbreak. Student aid expense increased by \$5.1 million primarily related to emergency grants awarded to students and funded via the CARES Act. Operations and maintenance of plant expenses decreased \$1.5 million offset by an increase in depreciation and amortization of \$0.5 million.
- A decrease in state appropriations of approximately \$0.6 million.
- A \$1.8 million decrease in net investment earnings due to market performance in 2020.

Of the total net assets, \$377.5 million is invested in capital assets or is restricted. The remaining (\$85.3) million in unrestricted net assets has been designated or allocated for specific academic, research and support purposes, reserves, and quasi-endowments.

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

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

# Bowling Green State University

## Management's Discussion and Analysis (continued)

### Bowling Green State University Condensed Statement of Revenues, Expenses and Changes in Net Position For years ended June 30, 2021, 2020 and 2019 (in thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Operating revenues:</b>			
Student tuition and fees	\$ 167,432	\$ 161,804	\$ 157,388
Auxiliary enterprises	49,743	61,532	78,043
Grants and contracts	16,529	16,439	14,962
Sales and service	2,502	3,252	3,693
Other operating revenues	9,241	9,373	7,072
Total operating revenues	<u>245,447</u>	<u>252,400</u>	<u>261,158</u>
<b>Operating expenses:</b>			
Educational and general	249,413	292,983	276,493
Auxiliary enterprises	49,024	62,521	69,196
Depreciation and amortization	39,345	38,235	37,744
Other expenses	2,258	3,376	2,077
Total operating expenses	<u>340,040</u>	<u>397,115</u>	<u>385,510</u>
Operating loss	<u>(94,593)</u>	<u>(144,715)</u>	<u>(124,352)</u>
<b>Non-operating revenues:</b>			
State appropriations	82,919	77,916	78,539
Other non-operating revenues and expenses	97,057	39,180	30,891
Total non-operating revenues	<u>179,976</u>	<u>117,096</u>	<u>109,430</u>
Income (Loss) before other changes	85,383	(27,619)	(14,922)
Capital appropriations, grants and gifts	10,454	10,021	11,904
Change in net position	95,837	(17,598)	(3,018)
<b>Net position</b>			
Net position at the beginning of the year	292,253	309,851	312,869
Net position at the end of year	<u>\$ 388,090</u>	<u>\$ 292,253</u>	<u>\$ 309,851</u>

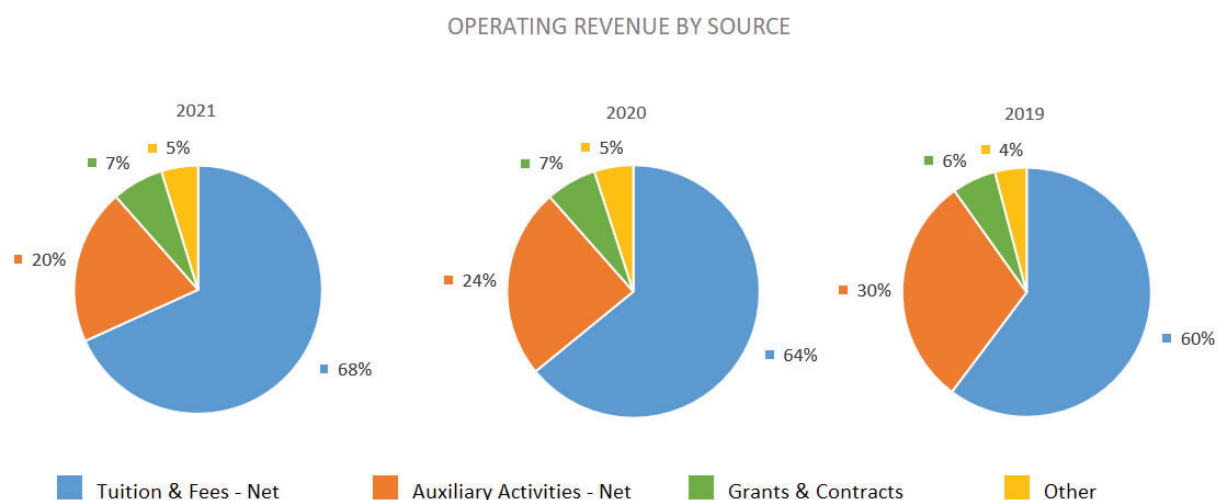
# Bowling Green State University

## Management's Discussion and Analysis (continued)

### Operating Revenues

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

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



### 2021 versus 2020

The most significant sources of operating revenues for the University are tuition and fees of \$167.4 million, which increased \$5.6 million, or 3.5 percent over 2020. Increases in student tuition and fees are due to enrollment increases in online and graduate students, which offset a decrease in undergraduate enrollment from the prior year.

Auxiliary enterprises, another significant source of University revenues, decreased from \$61.5 million in 2020 to \$49.7 million in 2021. The decline in auxiliary revenue was primarily due to reduced housing, dining and parking services in fall 2020 and spring 2021, due to the COVID-19 pandemic.

Grants and contracts revenue of \$16.5 million for the year ending June 30, 2021 reflect an increase of \$0.1 million over 2020 and is due to timing fluctuations of grant expenditures year over year, and the timing of grant end dates and the beginning dates of renewals/new grants.

# Bowling Green State University

## Management's Discussion and Analysis (continued)

### **2020 versus 2019**

The most significant sources of operating revenues for the University are tuition and fees of \$161.8 million, which increased \$4.4 million, or 2.8 percent over 2019. Increases in student tuition and fees are due to the University's Winter Session and the Falcon Tuition Guarantee (a four year program which provides a guaranteed rate of tuition and general fees), which provided for a one-time increase in tuition for the University's 2019-2020 freshman cohort (all other tuition rates and fees remained flat for fiscal year 2020). Winter Session and the Falcon Tuition Guarantee resulted in an increase of \$2.1 million in student tuition and fees. Additional increases were realized by a \$2.3 million increase in summer tuition fees, due to higher enrollment.

Auxiliary enterprises, another significant source of University revenues, decreased from \$78.0 million in 2019 to \$61.5 million in 2020. The decline in auxiliary revenue was primarily due to reduced housing, dining and parking services in spring 2020, due to the COVID-19 pandemic.

Grants and contracts revenue of \$16.4 million for the year ending June 30, 2020 reflect an increase of \$1.4 million over 2019 and is due to timing fluctuations of grant expenditures year over year, and the timing of grant end dates and the beginning dates of renewals/new grants.

# Bowling Green State University

## Management's Discussion and Analysis (continued)

### **Operating Expenses**

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

#### **2021 versus 2020**

Total operating expenditures of \$340.0 million for 2021 decreased overall by \$57.1 million, or 14.4 percent over 2020.

- Educational and general expenditures consist of instruction, research, public services, academic support, student services, institutional support, operations and maintenance of plant and student aid totaled \$249.4 million for 2021 compared to \$293.0 million for 2020, reflecting an overall decrease of \$43.6 million, of which \$56.7 million is related to pension and OPEB expense due to GASB Statement No. 68 and GASB Statement No. 75.
- In other operating expense categories, depreciation and amortization expense increased approximately \$1.1 million directly related to ongoing construction initiatives.

#### **2020 versus 2019**

Total operating expenditures of \$397.1 million at June 30, 2020 increased overall by \$11.6 million, or 3.0 percent over 2019.

- Educational and general expenditures consist of instruction, research, public services, academic support, student services, institutional support, operations and maintenance of plant and student aid totaled \$293.0 million at June 30, 2020 compared to \$276.5 million at June 30, 2019, reflecting an overall increase of \$16.5 million, of which \$13.3 million is related to pension and OPEB expense due to GASB Statement No. 68 and GASB Statement No. 75.
- In other operating expense categories, depreciation and amortization expense increased approximately \$0.5 million directly related to ongoing construction initiatives.

# Bowling Green State University

## Management's Discussion and Analysis (continued)

### **Non-operating Revenues**

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

Non-operating revenue was impacted by the following factors:

- State appropriations remain the most significant source of non-operating revenue, and totaled \$82.9 million in the current year, reflecting an increase of \$5.0 million, or 6.4 percent over 2020.
- Non-exchange grants and contracts had an overall increase of \$27.7 million in 2021, primarily due to the CARES Act, CRRSAA, ARP and CRF grants awarded to the University, of which \$7.8 million was provided to students in the form of student emergency aid.
- Net investment income of \$39.2 million reflects an increase of \$28.7 million over prior year due to market performance during fiscal year 2021.

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

At June 30, 2021, the University had \$591.5 million of capital assets (net of accumulated depreciation), compared to \$600.4 million of net capital assets for the prior fiscal year. In the current year, there was a decrease of \$8.9 million to capital assets. This is due to the slowing of construction, as the University nears completion of its 2011 master plan. The charges for depreciation and amortization included in the statement of revenues, expenses, and changes in net position were \$39.3 million for 2021 and \$38.2 million for 2020. Detailed information about the University's capital assets is presented in Note 5 to the financial statements.

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

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

More detailed information about the University's long-term debt is presented in Note 7 to the financial statements.

# Bowling Green State University

## Management's Discussion and Analysis (continued)

### Statement of Cash Flows

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

### Bowling Green State University Condensed Statement of Cash Flows For years ended June 30, 2021, 2020 and 2019 (in thousands)

	2021	2020	2019
Cash provided (used) by:			
Operating activities	\$ (119,316)	\$ (90,546)	\$ (73,463)
Non-capital financing activities	148,382	115,666	105,325
Capital financing activities	(32,143)	(34,295)	(44,019)
Investing activities	2,321	10,766	12,678
Net (decrease) increase in cash and cash equivalents	(756)	1,591	521
Cash and cash equivalents, beginning of year	10,222	8,631	8,110
Cash and cash equivalents, end of year	\$ 9,466	\$ 10,222	\$ 8,631

For the year ended June 30, 2021:

- Major sources of cash provided by operating activities included student tuition and fees of \$171.0 million, auxiliary enterprises of \$46.2 million, and research grants and contracts of \$3.1 million. Major uses of cash in operations included payments to employees and benefits of \$221.1 million, payments to vendors for supplies and services of \$100.9 million, and payments for scholarships and fellowships of \$27.5 million.
- Non-capital financing activities included cash provided from state appropriations of \$82.9 million and grants received for other than capital purposes (primarily from the CARES Act, CRRSAA, ARP, CRF grants and the Federal Pell Grant Program) of \$66.1 million.
- Primary sources of cash from capital financing activities were new debt proceeds of \$39.2 million, state capital appropriations of \$7.5 million and capital grants received of \$2.9 million. Cash used to purchase capital assets was \$27.6 million, principal paid on long-term debt was \$44.5 million, and interest paid on long-term debt was \$9.7 million.
- Investing activities included proceeds from sales and maturities of investments of \$121.9 million and investment income of \$10.1 million. Purchases of investments were \$129.7 million.



# Bowling Green State University

## Management's Discussion and Analysis (continued)

For the year ended June 30, 2020:

- Major sources of cash provided by operating activities included student tuition and fees of \$160.4 million, auxiliary enterprises of \$64.1 million, and research grants and contracts of \$16.7 million. Major uses of cash in operations included payments to employees and benefits of \$228.3 million, payments to vendors for supplies and services of \$97.5 million, and payments for scholarships and fellowships of \$22.1 million.
- Non-capital financing activities included cash provided from state appropriations of \$77.9 million and grants received for other than capital purposes (primarily from the CARES Act and the Federal Pell Grant Program) of \$38.3 million.
- Primary sources of cash from capital financing activities were new debt proceeds of \$64.5 million, state capital appropriations of \$4.4 million and capital grants received of \$5.6 million. Cash used to purchase capital assets was \$38.7 million, principal paid on long-term debt was \$59.3 million, and interest paid on long-term debt was \$10.9 million.
- Investing activities included proceeds from sales and maturities of investments of \$168.5 million and investment income of \$8.3 million. Purchases of investments were \$166.0 million.

### **Economic Factors That Will Affect the Future**

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

The economic position of the University is closely tied to the economic condition of the state, as all state universities in Ohio receive state financial support for both operations and capital improvements through appropriations by the legislature. These appropriations contribute substantially to the successful maintenance and operation of the University.

The COVID-19 pandemic has impacted Ohio's economy and, by extension, the University. However, the state has been on a path of improving economic performance since the April trough of 2020. According to the September 10, 2021 state of Ohio monthly financial report from the Office of Management and Budget, Ohio's performance on Moody's Analytics and CNN's "Back to Normal" Index (created to track the economic recovery) was a solid 97.4 – ahead of the national index of 93.1 by 4.3 percentage points.

# Bowling Green State University

## Management's Discussion and Analysis (continued)

Fall 2021 fifteen day enrollment results indicate that overall headcount enrollment is down 3.1 percent over prior year while student credit hours and full-time equivalents are down 4.6 percent.

The economic performance of the University is also impacted by population trends in Ohio and the Midwest and our ability to successfully attract, retain and timely graduate students. The University has launched several significant initiatives intended to improve freshmen-to-sophomore retention in recent years. Freshman-to-sophomore (fall to fall) retention has risen from slightly less than 70 percent in fall 2013 to 79.4 percent in fall 2020. Prior to the arrival of COVID-19, the University had set a goal and was on track to achieve an 80 percent freshmen-to-sophomore retention rate by 2020. Due in part to COVID, the fall 2020 first-time, full-time second year retention rate was 78.3%, down 1.1% from the fall 2019 cohort. The University continues to adjust our marketing, enrollment and recruitment strategies to reflect changing demographics and competition from other Ohio and Midwest public universities. In addition, the University is assessing our institutional scholarship strategy to ensure that we are offering competitive packages relative to other Ohio public universities.

The University continues to pursue enrollment growth in non-traditional aged students, online/distance programs, and professional master's programs as the traditional 18-year old population continues to decline in the Midwest. The University has also focused on creating new, or redesigning existing, academic programs to better attract targeted student populations to degrees offered in industry-specific areas with a high need for well-prepared college graduates. Enrollment growth is expected to continue in the recently created School of Nursing, while the new Doctor of Physical Therapy program and the School will be opening their door to their first cohort beginning in summer 2022.

The unexpected arrival of COVID-19 created numerous disruptions to higher education and the University. As a traditional residential campus, BGSU intentionally focused during the 2021 academic year on providing in-person experiences to students. Classes, dining halls, residence halls, and recreational experiences were all redesigned and adapted to provide adequate "social distancing" to ensure that the University would be able to successfully remain operating "in-person." Although it is too soon to know how COVID and other disruptive factors will impact the higher education industry long-term, the University reassessed our strategic plan goals and realigned some short-term priorities for fiscal years 2022 and 2023 to better focus our investments and efforts in the most effective ways. The University also recently announced a COVID vaccination requirement for all in-person faculty, staff and students by the conclusion of the 2021 fall semester.

## Bowling Green State University

## Statements of Net Position

	<b>June 30</b>	
	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 9,466,178	\$ 10,221,733
Investments	264,207,351	219,025,078
Accounts receivable, net	42,416,607	9,703,124
Inventories	609,216	641,313
Notes receivable	1,500,918	1,396,559
Prepaid and other assets	3,409,160	2,164,312
Total current assets	<u>321,609,430</u>	<u>243,152,119</u>
Noncurrent assets:		
Investments	7,168,700	7,554,800
Assets - restricted	22,450,411	30,361,137
Cash surrender value of life insurance and annuities	600,761	632,804
Notes receivable	2,582,963	3,824,180
Capital assets, net	591,546,935	600,358,719
OPEB asset	15,898,102	8,473,000
Total noncurrent assets	<u>640,247,872</u>	<u>651,204,640</u>
Total assets	<u>961,857,302</u>	<u>894,356,759</u>
<b>Deferred Outflows of Resources</b>		
Deferred outflows related to pensions	28,177,447	31,771,242
Deferred outflows related to OPEB	4,537,811	9,696,581
Total deferred outflows of resources	<u>32,715,258</u>	<u>41,467,823</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued expenses	20,554,834	23,348,541
Unearned revenue	34,811,465	15,203,352
Deposits	11,306	2,006,587
Current portion of long-term debt and other obligations	14,423,979	13,683,935
Total current liabilities	<u>69,801,584</u>	<u>54,242,415</u>
Noncurrent liabilities:		
Long-term debt and other obligations	293,889,625	299,724,428
Net pension liability	181,003,356	189,582,452
OPEB liability	—	54,013,197
Total noncurrent liabilities	<u>474,892,981</u>	<u>543,320,077</u>
Total liabilities	<u>544,694,565</u>	<u>597,562,492</u>
<b>Deferred Inflows of Resources</b>		
Deferred inflows related to pensions	29,109,289	26,998,415
Deferred inflows related to OPEB	32,678,909	19,011,620
Total deferred inflows of resources	<u>61,788,198</u>	<u>46,010,035</u>
<b>Net position</b>		
Net investment in capital assets	348,604,404	361,996,834
Restricted for expendable:		
Loans	1,533,201	2,154,835
Capital projects	13,367,719	13,372,683
Unrestricted (deficit)	24,584,473	(85,272,297)
Total net position	<u>\$ 388,089,797</u>	<u>\$ 292,252,055</u>

See accompanying notes.

# Bowling Green State University

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

	<b>Year Ended June 30</b>	
	<b>2021</b>	<b>2020</b>
<b>Revenues</b>		
Operating revenues:		
Student tuition and fees (net of scholarship allowances of \$61,353,189 for 2021 and \$65,390,107 for 2020)	\$ 167,432,333	\$ 161,804,057
Federal grants and contracts	7,435,510	6,572,025
State grants and contracts	3,776,875	3,331,129
Nongovernmental grants and contracts	5,316,945	6,536,320
Sales and services of educational departments	2,502,113	3,251,578
Auxiliary enterprises (net of scholarship allowances of \$2,576,179 for 2021 and \$2,718,299 for 2020)	49,742,616	61,532,049
Other operating revenues	9,241,084	9,372,428
<b>Total operating revenues</b>	<b>245,447,476</b>	<b>252,399,586</b>
<b>Expenses</b>		
Operating expenses:		
Educational and general:		
Instruction	115,065,242	146,415,272
Research	9,156,164	10,137,525
Public services	18,939,170	5,670,027
Academic support	20,352,939	29,404,368
Student services	13,760,993	17,387,881
Institutional support	28,478,434	41,814,537
Operations and maintenance of plant	16,127,349	20,099,212
Student aid	27,532,287	22,053,541
Auxiliary enterprises	49,024,079	62,521,518
Depreciation and amortization	39,344,819	38,235,131
Other expenses	2,257,776	3,376,143
<b>Total operating expenses</b>	<b>340,039,252</b>	<b>397,115,155</b>
Operating loss	(94,591,776)	(144,715,569)
Nonoperating revenues (expenses):		
State appropriations	82,918,915	77,915,871
Non-exchange grants and contracts	66,060,346	38,347,380
Investment income, net	39,206,830	10,520,563
Interest on capital asset-related debt	(7,613,771)	(9,091,223)
In-kind support – Centennial Falcon Properties, Inc.	(596,800)	(596,800)
<b>Net nonoperating revenues</b>	<b>179,975,520</b>	<b>117,095,791</b>
Gain (loss) before other changes	85,383,744	(27,619,778)
Other changes:		
Capital appropriations	7,541,584	4,384,755
Capital grants and gifts	2,912,414	5,636,443
<b>Total other changes</b>	<b>10,453,998</b>	<b>10,021,198</b>
<b>Change in net position</b>	<b>95,837,742</b>	<b>(17,598,580)</b>
<b>Net position</b>		
Net position at the beginning of year	292,252,055	309,850,635
<b>Net position at the end of year</b>	<b>\$ 388,089,797</b>	<b>\$ 292,252,055</b>

# Bowling Green State University

## Statements of Cash Flows

	<b>Year Ended June 30</b>	
	<b>2021</b>	<b>2020</b>
<b>Operating activities</b>		
Tuition and fees	\$ 171,034,544	\$ 160,441,645
Research grants and contracts	3,071,764	16,712,434
Payments to vendors for supplies and services	(100,883,198)	(97,526,834)
Payments to employees and benefits	(221,139,325)	(228,330,472)
Payments for scholarships and fellowships	(27,532,287)	(22,053,541)
Student loans granted, net of repayments	1,116,541	1,640,332
Auxiliary enterprises	46,244,820	64,071,393
Sales and services of educational departments	2,502,113	3,251,578
Direct lending receipts	117,741,654	126,112,523
Direct lending disbursements	(117,956,825)	(125,981,506)
Other receipts	6,484,225	11,115,903
Net cash used in operating activities	<u>(119,315,974)</u>	<u>(90,546,545)</u>
<b>Noncapital financing activities</b>		
State appropriations	82,918,915	77,915,871
Grants received for other than capital purposes	66,060,346	38,347,380
In-kind support – Centennial Falcon Properties, Inc.	(596,800)	(596,800)
Net cash provided by noncapital financing activities	<u>148,382,461</u>	<u>115,666,451</u>
<b>Capital financing activities</b>		
Proceeds from capital debt	39,245,000	64,469,180
Capital appropriations	7,541,584	4,384,755
Capital grants received	2,912,414	5,636,443
Purchases of capital assets	(27,597,599)	(38,665,015)
Principal paid on long-term debt	(44,500,000)	(59,260,000)
Interest paid on long-term debt	(9,744,822)	(10,860,514)
Net cash used in capital financing activities	<u>(32,143,423)</u>	<u>(34,295,151)</u>
<b>Investing activities</b>		
Proceeds from sales and maturities of investments	121,896,218	168,502,699
Investment income	10,113,361	8,263,635
Purchase of investments	(129,688,198)	(166,000,164)
Net cash provided by investing activities	<u>2,321,381</u>	<u>10,766,170</u>
Net (decrease) increase in cash and cash equivalents	(755,555)	1,590,925
Cash and cash equivalents at beginning of year	10,221,733	8,630,808
Cash and cash equivalents at end of year	<u>\$ 9,466,178</u>	<u>\$ 10,221,733</u>

*See accompanying notes*

Bowling Green State University  
Statements of Cash Flows (continued)

	<b>Year Ended June 30</b>	
	<b>2021</b>	<b>2020</b>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (94,591,776)	\$ (144,715,569)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	39,344,819	38,235,131
Pension and OPEB (gain) expense	(45,486,667)	11,193,423
Changes in assets and liabilities:		
Accounts receivable, net	(32,713,483)	(843,437)
Inventories	32,097	142,470
Other assets	(1,244,848)	1,820,082
Accounts payable and accrued liabilities	(2,796,084)	(596,724)
Unearned revenue	19,608,113	2,384,941
Deposits held for others	(1,995,281)	2,509
Compensated absences	(609,722)	230,007
Loans to students	1,136,858	1,600,622
Net cash used in operating activities	<u>\$ (119,315,974)</u>	<u>\$ (90,546,545)</u>

*See accompanying notes.*

The Bowling Green State University Foundation, Inc. and Subsidiary

Consolidated Statements of Financial Position

	June 30	
	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 1,671,854	\$ 1,789,753
Contributions receivable, net of allowance for uncollectible contributions of \$2,535,096 in 2021 and \$2,694,899 in 2020	<u>3,857,466</u>	<u>2,560,959</u>
Total current assets	5,529,320	4,350,712
Investments		
Fixed income funds	68,176,724	51,789,710
Mutual funds	150,988,700	117,733,078
Alternative investments	30,290,580	18,781,164
Corporate stocks	817,453	46,746
Money market funds	<u>28,402,817</u>	<u>5,854,319</u>
Total investments	278,676,274	194,205,017
Prepaid and other assets	32,479	67,498
Long-term contributions receivable, net of allowance for uncollectible contributions of \$315,284 in 2021 and \$348,597 in 2020	5,825,305	6,343,520
Beneficial interest in trust held by others	1,740,338	1,676,873
Cash value of life insurance	1,797,223	1,884,731
Total assets	<u>\$ 293,600,939</u>	<u>\$ 208,528,351</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	<u>\$ 348,546</u>	<u>\$ 185,748</u>
Total current liabilities	348,546	185,748
Annuities payable	<u>3,655,184</u>	<u>3,200,378</u>
Total liabilities	4,003,730	3,386,126
Net assets		
Without donor restrictions	28,923,225	15,743,928
With donor restrictions	<u>260,673,984</u>	<u>189,398,297</u>
Total net assets	289,597,209	205,142,225
Total liabilities and net assets	<u>\$ 293,600,939</u>	<u>\$ 208,528,351</u>

The Bowling Green State University Foundation, Inc. and Subsidiary

Consolidated Statements of Activities

Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Support, revenue, and gains</b>			
Contributions and gifts	\$ 420,899	\$ 48,046,627	\$ 48,467,526
Provision for uncollectible contributions	-	(940,155)	(940,155)
University support	4,097,300	-	4,097,300
Interest and dividends	395,368	3,727,551	4,122,919
Net realized and unrealized gains	14,252,616	36,515,431	50,768,047
Other revenue	2,275	230,124	232,399
Transfers	(321,446)	321,446	-
Net assets released from restriction	16,425,328	(16,425,328)	-
Total support, revenue, and gains	<u>35,272,340</u>	<u>71,475,696</u>	<u>106,748,036</u>
<b>Expenses</b>			
Program services	16,897,958	-	16,897,958
Fundraising	2,690,487	-	2,690,487
Management and general	2,504,598	-	2,504,598
Total expenses	<u>22,093,043</u>	<u>-</u>	<u>22,093,043</u>
Change in net assets from operations	13,179,297	71,475,696	84,654,993
Change in split interest agreements	<u>-</u>	<u>(200,009)</u>	<u>(200,009)</u>
Change in net assets	13,179,297	71,275,687	84,454,984
Net assets at beginning of year	15,743,928	189,398,297	205,142,225
Net assets at end of year	<u>\$ 28,923,225</u>	<u>\$ 260,673,984</u>	<u>\$ 289,597,209</u>



The Bowling Green State University Foundation, Inc. and Subsidiary

Consolidated Statements of Activities

Year Ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Support, revenue, and gains</b>			
Contributions and gifts	\$ 573,435	\$ 17,220,301	\$ 17,793,736
Provision for uncollectible contributions	-	(347,169)	(347,169)
University support	4,111,200	-	4,111,200
Interest and dividends	547,712	2,644,597	3,192,309
Net realized and unrealized gains	805,313	2,607,043	3,412,356
Other revenue	6,393	658,437	664,830
Transfers	(4,128)	4,128	-
Net assets released from restriction	19,257,944	(19,257,944)	-
Total support, revenue, and gains	<u>25,297,869</u>	<u>3,529,393</u>	<u>28,827,262</u>
<b>Expenses</b>			
Program services	19,581,984	-	19,581,984
Fundraising	3,047,150	-	3,047,150
Management and general	2,190,903	-	2,190,903
Total expenses	<u>24,820,037</u>	<u>-</u>	<u>24,820,037</u>
Change in net assets from operations	477,832	3,529,393	4,007,225
Change in split interest agreements	<u>-</u>	<u>(88,904)</u>	<u>(88,904)</u>
Change in net assets	477,832	3,440,489	3,918,321
Net assets at beginning of year	15,266,096	185,957,808	201,223,904
Net assets at end of year	<u>\$ 15,743,928</u>	<u>\$ 189,398,297</u>	<u>\$ 205,142,225</u>

# Centennial Falcon Properties, Inc. and Subsidiaries

## Consolidated Statements of Financial Position

	<b>June 30</b>	
	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,164,107	\$ 1,165,566
Funds held by Bowling Green State University	143,315	184,481
Total current assets	1,307,422	1,350,047
Other assets:		
Capital assets, net	13,522,343	14,205,530
Total other assets	13,522,343	14,205,530
Total assets	\$ 14,829,765	\$ 15,555,577
<b>Liabilities and net assets</b>		
Short-term liabilities:		
Accounts payable	\$ –	\$ 2,071
Construction funding payable – current portion	596,800	596,800
Total short-term liabilities	596,800	598,871
Long-term liabilities:		
Construction funding payable – net of current portion	9,957,418	10,554,218
Total long-term liabilities	9,957,418	10,554,218
Total liabilities	10,554,218	11,153,089
Net assets:		
Without donor restriction	4,275,547	4,402,488
Total liabilities and net assets	\$ 14,829,765	\$ 15,555,577

*See accompanying notes.*

## Centennial Falcon Properties, Inc. and Subsidiaries

### Consolidated Statements of Activities and Changes in Net Assets

	<b>Year Ended June 30</b>	
	<b>2021</b>	<b>2020</b>
Revenues:		
In-kind support from Bowling Green State University	\$ 6,646	\$ 6,932
Total revenues	6,646	6,932
Expenses:		
Operating and administrative	47,200	36,531
Depreciation	683,187	683,226
Total operating expenses	730,387	719,757
Operating loss	(723,741)	(712,825)
Nonoperating revenue:		
Investment income, net	–	5,226
In-kind support from Bowling Green State University	596,800	596,800
Net nonoperating revenue	596,800	602,026
Change in net assets	(126,941)	(110,799)
Net assets:		
Net assets at the beginning of year - without donor restriction	4,402,488	4,513,287
Net assets at the end of year - without donor restriction	\$ 4,275,547	\$ 4,402,488

*See accompanying notes.*

Bowling Green State University

Notes to Financial Statements

June 30, 2021 and 2020

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

**Nature of Operations**

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

**Reporting Entity**

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

The accompanying financial statements comply with the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 61, *The Financial Reporting Entity: Omnibus*, in that the financial statements include those activities and functions over which the University is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit’s board and either (1) the University’s ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the University.

**Financial Statement Presentation**

The accompanying financial statements consist of the University, Bowling Green State University Foundation, Inc. and subsidiary (collectively, the “Foundation”) and Centennial Falcon Properties, Inc. and subsidiaries (collectively, the “Corporation”). GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, requires the University to reflect the Foundation and the Corporation as discretely presented component units in the financial statements based on the significance of their respective relationships with the University. The Foundation and the Corporation are private nonprofit organizations that report under Financial Accounting Standards Board (“FASB”) standards that have been codified in Accounting Standards Codification (ASC) No. 958, *Not-for-Profit Entities*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation’s or Corporation’s financial information in the University’s financial reporting entity for these differences.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

The Foundation is a legally separate, tax-exempt component unit of the University. The Foundation acts primarily as a fundraising organization to supplement the resources that are available to the University in support of its programs. The 26-member board of the Foundation is self-perpetuating and consists of graduates and friends of the University. Although the University does not control the timing and amount of receipts from the Foundation, the majority of resources or income the Foundation holds and invests is restricted to the activities of the University by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements.

During the years ended June 30, 2021 and 2020, the Foundation distributed \$15,258,692 and \$16,837,112, respectively, to the University for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from the controller, Huntington Building, Bowling Green, Ohio 43403.

The Corporation is a legally separate component unit of the University formed in 2010 as a nonprofit corporation under the laws of the State of Ohio and determined by the Internal Revenue Service to be exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Corporation is further classified as a public charity type II supporting organization under Section 509(a)(3) of the Internal Revenue Code. The Corporation was organized for the benefit of the University for various purposes, including acquiring, developing, and maintaining property to be used for University purposes. Complete financial statements for the Corporation can be obtained from the vice president, McFall Center, Bowling Green, Ohio 43403.

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

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

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

Pursuant to an Amended and Restated Food Service Agreement, dated June 25, 2010 (the “Management Agreement”), by and between Chartwells and the University, Chartwells has provided funds for The Oaks in the amount of \$10,350,000, which is recorded as capital assets of the Corporation to be paid back to Chartwells through the construction funding payable in Note 7. The loan does not have an interest component and matures on June 30, 2039. The Corporation has provided funds of approximately \$23,000 and CFP II has provided funds of approximately \$1,125,000.

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

On March 31, 2011, CFP III entered into a funding agreement with the manager of The Oaks, Chartwells. Pursuant to an Amended and Restated Food Service Agreement dated June 25, 2010 (the “Management Agreement”), by and between Chartwells and the University, Chartwells has provided funds for the project in the amount of \$6,062,000, which are recorded as capital assets of the Corporation to be paid back to Chartwells through the construction funding payable in Note 7. The loan does not have an interest component and matures on June 30, 2039. The Corporation provided funds of approximately \$707,000, and CFP III has provided funds of approximately \$1,973,000.

The Corporation is also the sole member of CFP IV LLC (“CFP IV”). CFP IV is a nonprofit single-member limited liability company formed in 2020 under the laws of the State of Ohio. Effective June 15, 2020, CFP IV was transferred ownership of five real estate parcels previously owned by the Corporation.

The Corporation is also the sole member of CFP V LLC (“CFP V”). CFP V is a nonprofit single-member limited liability company formed in June 2020 under the laws of the State of Ohio. Effective June 15, 2020, CFP V was granted 5,691 shares of stock in Satelytics, Inc.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

**Basis of Accounting**

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

**Pensions**

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

**Other Postemployment Benefit Costs**

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

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

**Uncertainties and Risks**

In March 2020, the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus was declared a pandemic by the World Health Organization, and a national emergency by the President of the United States. In response, federal and state governments have implemented measures to combat the outbreak which have impacted business operations worldwide. Effective March 16, 2020, the University cancelled all in-person classes for the remainder of the spring semester and remote instruction began for all classes on March 23, 2020. For the remainder of fiscal year 2020 and throughout all of fiscal year 2021, the University reduced the scope of its on-site operations and certain courses were converted to hybrid or online delivery. Where possible, certain employees teleworked from their homes or minimized their presence on campus. To date, the University has been awarded funding from the Higher Education Emergency Relief Fund (“HEERF”) via the Federal Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), the Coronavirus Response and Relief Supplemental Appropriations Act (“CRRSAA”) and the American Rescue Plan (“ARP”) totaling approximately \$71.3 million, of which \$31.9 million was designated for students. The University was also awarded funds from the State of Ohio, as a passthrough of the State’s Coronavirus Relief Fund (“CRF”) award under the CARES Act totaling approximately \$16.4 million. In fiscal years 2021 and 2020, \$39.8 million and \$10.8 million, respectively, of revenue was recognized related to these grants. This revenue is included in nonexchange grants and contracts revenue on the University’s Statements of Revenue, Expenses and Changes in Net Assets. These grant funds offset a portion of costs associated with mitigating the economic consequences of health and safety protocols necessary to operate during the pandemic as well as provide direct emergency relief aid to students. The University has largely repopulated campus and returned to in-person classes for fall 2021 and will continue to implement safety and health initiatives to combat new variants of COVID-19.

No impairments were recorded as of the balance sheet date; however, due to significant uncertainty surrounding the situation, management’s judgment regarding this could change in the future. In addition, while the University’s results of operations, cash flows and financial condition could be negatively impacted, the extent of the impact cannot be reasonably estimated at this time.



Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

**Upcoming Pronouncements**

In June 2017, the GASB issued GASB Statement No. 87, *Leases*, which increases the usefulness of government entities' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The new lease standard is not expected to have a significant effect on the University's financial statements. The provisions of this statement were originally effective for the University's financial statements for the year ended June 30, 2020 but were extended to June 30, 2022 with the issuance of GASB statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, to bring a uniform guidance on how to report public-private and public-public partnership arrangements. As a result, transferors in public-private or public-public arrangements will recognize receivables for installment payments, deferred inflows of resources, and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets, and when applicable, deferred outflows of resources and liabilities for assets being transferred. This statement also provides guidance for accounting and financial reporting for availability payment arrangements, in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange of exchange-like transaction. The provisions of this statement are effective for the University's financial statements for the year ending June 30, 2023.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which 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 new SBITA standard is not expected to have a significant impact on the University's financial statements as a result of the limited prevalence of SBITAs in the University's operations. The effects on the statement of revenues, expenses, and changes in net position is not expected to be significant. The provisions of this statement are effective for the University's financial statements for the year ended June 30, 2023.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

**Cash and Cash Equivalents**

The University considers funds immediately available to be cash and cash equivalents. All investments with maturities less than 90 days are considered cash equivalents. Cash and cash equivalents totaled \$9,466,178 and \$10,221,733 at June 30, 2021 and 2020, respectively.

**Accounts Receivable**

Accounts receivable are reported at net realizable value and consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. Accounts receivable also include amounts due from the federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts.

**Inventories**

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

**Investments**

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

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

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

**Restricted Assets**

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

**Capital Assets**

Capital assets are recorded at cost at the date of acquisition or estimated acquisition value at the date of donation in the case of gifts. For equipment, the University's capitalization policy includes all items with a cost of \$3,500 or more and an estimated useful life of greater than one year. Infrastructure and improvements other than to buildings are capitalized if the cost exceeds \$100,000. Routine repairs and maintenance are charged to operating expense in the year the expense is incurred. In accordance with GASB Statement No. 89 guidelines, interest costs related to construction are expensed when incurred.

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

**Unearned Revenue**

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

**Noncurrent Liabilities**

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

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

**Pensions**

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

**Other Postemployment Benefit Costs**

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

**Deferred Outflows/Inflows of Resources**

*Deferred Inflows:* In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The University deferred inflows of resources are for certain pension-related and OPEB-related amounts, such as the difference between projected and actual earnings of the plan’s investments (see Note 8 for more details).

*Deferred Outflows:* In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a reduction of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until that time. The University reports deferred outflows of resources for certain pension-related and OPEB-related amounts, such as change in expected and actual experience, changes in assumptions, and certain contributions made to the plan subsequent to the measurement date (see Note 8 for more details).

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

**Compensated Absences**

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

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

**Scholarship Discounts and Allowances**

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

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

**Income Tax**

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

**Eliminations**

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

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

**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 reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Auxiliary Enterprises**

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

**Net Position**

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

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

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

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

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

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

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

**Revenues**

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

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

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

**Change in Accounting Policy**

Effective for the fiscal year ended June 30, 2021, the University adopted GASB Statement No. 84, *Fiduciary Activities*, ("GASB 84"). This statement establishes criteria for identifying fiduciary activities and the related reporting requirements for fiduciary activities. GASB 84 permits certain entities, such as the University, to report activities that would otherwise require separate fiduciary fund financial statements within the University's Statement of Net Position and Statement of Cash Flows as an operating activity if upon receipt, the funds are normally expected to be held for three months or less. These fiduciary activities were reclassified to the operating activities portion of the Statement of Cash Flows at June 30, 2021 and 2020, respectively.

During the current year, the University adopted GASB Statement No. 93, *Replacement of Interbank Offered Rates*. Certain requirements of the new standard were applicable for June 30, 2021, however these requirements were not applicable to the University during the year.

Bowling Green State University  
Notes to Financial Statements (Continued)  
June 30, 2021 and 2020

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

**Deposits**

Amounts available for deposit at June 30, 2021 and 2020 are as follows:

	2021	2020
Cash (carrying amounts)	\$ 9,357,083	\$ 10,060,107
Reconciling items (net) to arrive at bank balances of deposit	(377,303)	(260,105)
Total available for deposit and investment (bank balances of deposits)	\$ 8,979,780	\$ 9,800,002

The carrying amount shown above does not include \$109,095 and \$161,626 held in cash funds at June 30, 2021 and 2020, respectively.

Approximately \$284,938 and \$297,670 at June 30, 2021 and 2020, respectively, was covered by federal depository insurance and \$5,208,275 and \$5,595,684 at June 30, 2021 and 2020, respectively, was covered by collateral held by third-party trustees pursuant to paragraph 135.181 of the Ohio Revised Code in collateral pools securing all public funds on deposit with specific depository institutions; the remainder was not collateralized or insured, leaving it exposed to custodial credit risk. Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the University may not be able to recover its deposits or collateral securities. The University maintains active relationships with multiple cash equivalent accounts to reduce its exposure to custodial credit risk at any single institution.

**Investments**

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

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

The University invests in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted GASB Statement No. 79, *Accounting and Financial Reporting for Certain External Investment Pools and Pool Participants*, which establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investment at amortized cost. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price at which the investment could be sold on June 30, 2021 and 2020.



Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

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

	<u>2021</u>	<u>2020</u>
Equity mutual funds	\$ 114,656,793	\$ 78,035,631
Fixed income mutual funds	53,816,494	55,995,803
U.S. government obligations	12,359,939	20,686,429
Money market funds	23,625,050	23,289,748
Municipal bonds	7,168,700	7,554,800
Common and preferred stocks	454,479	314,213
STAR Ohio	8,007,078	1,974,578
Alternative investments:		
Collective trust funds	18,320,238	18,077,535
Hedge funds	37,086,772	34,844,351
Multi-asset credit	9,892,095	9,335,512
Limited partnerships	8,438,824	6,832,415
Total	<u>\$ 293,826,462</u>	<u>\$ 256,941,015</u>

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

	<u>2021</u>	<u>2020</u>
Interest and dividends, net	\$ 4,292,423	\$ 5,498,316
Net appreciation in market value of investments	34,914,407	5,022,247
Total	<u>\$ 39,206,830</u>	<u>\$ 10,520,563</u>

Net appreciation in the fair value of investments includes both realized and unrealized gains and losses on investments. During the years ended June 30, 2021 and 2020, the University realized a net gain from the sale of investments of \$5,820,894 and \$2,310,994, respectively. The unrealized appreciation during the years ended June 30, 2021 and 2020 was \$29,093,513 and \$2,711,253, respectively. This resulted in net appreciation in the fair value of investments during the years ended June 30, 2021 and 2020 of \$34,914,407 and \$5,022,247, respectively.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

**Interest Rate Risk**

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

As of June 30, 2021, the University had the following interest-bearing investments and maturities:

Investment Type	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	Greater Than 10 Years
U.S. government obligations	\$ 12,359,939	\$ 10,342,236	\$ 2,017,703	\$ -	\$ -
Municipal bonds	7,168,700	-	-	-	7,168,700
STAR Ohio	8,007,078	8,007,078	-	-	-
Fixed income securities	53,816,494	53,816,494	-	-	-
<b>Total</b>	<b>\$ 81,352,211</b>	<b>\$ 72,165,808</b>	<b>\$ 2,017,703</b>	<b>\$ -</b>	<b>\$ 7,168,700</b>

As of June 30, 2020, the University had the following interest-bearing investments and maturities:

Investment Type	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	Greater Than 10 Years
U.S. government obligations	\$ 20,686,429	\$ 8,236,298	\$ 12,450,131	\$ -	\$ -
Municipal bonds	7,554,800	-	-	-	7,554,800
STAR Ohio	1,974,578	1,974,578	-	-	-
Fixed income securities	55,995,803	55,995,803	-	-	-
<b>Total</b>	<b>\$ 86,211,610</b>	<b>\$ 66,206,679</b>	<b>\$ 12,450,131</b>	<b>\$ -</b>	<b>\$ 7,554,800</b>

**Credit Risk**

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

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

The credit ratings of the University's interest-bearing investments at June 30, 2021 are as follows:

Credit Rating (Standard & Poor's)	Other Investments
AAA	\$ 20,367,017
AA	7,168,700
Not rated	53,816,494
Total	\$ 81,352,211

The credit ratings of the University's interest-bearing investments at June 30, 2020 are as follows:

Credit Rating (Standard & Poor's)	Other Investments
AAA	\$ 22,661,007
AA	7,554,800
Not rated	55,995,803
Total	\$ 86,211,610

**Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The University facilitates several study abroad programs in Austria and Spain with a total cash balance of \$14,384 and \$57,977 at June 30, 2021 and 2020, respectively.

**Fair Value Measurements**

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

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

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

The University has the following recurring fair value measurements as of June 30, 2021 and 2020:

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

	Balance at June 30, 2021	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value level</b>				
International corporate stock	\$ 454,479	\$ 454,479	\$ -	\$ -
Debt securities:				
U.S. Treasury securities	12,359,939	12,359,939	-	-
Municipal bonds	<u>7,168,700</u>	<u>-</u>	<u>7,168,700</u>	<u>-</u>
Total debt securities	19,528,639	12,359,939	7,168,700	-
Equity securities:				
Mutual funds:				
Domestic	122,321,562	122,321,562	-	-
International	<u>46,151,725</u>	<u>46,151,725</u>	<u>-</u>	<u>-</u>
Total equity securities	<u>168,473,287</u>	<u>168,473,287</u>	<u>-</u>	<u>-</u>
Total investments by fair value level	<u>\$ 188,456,405</u>	<u>\$ 181,287,705</u>	<u>\$ 7,168,700</u>	<u>\$ -</u>
<b>Investments measured at the net asset value (NAV)</b>				
Multi-strategy hedge funds	37,086,772			
Multi-asset credit	9,892,095			
Limited partnerships	8,438,824			
Collective trust funds	<u>18,320,238</u>			
Total investments measured at the NAV	<u>73,737,929</u>			
Total investments measured at fair value	<u>\$ 262,194,334</u>			

Bowling Green State University  
Notes to Financial Statements (Continued)  
June 30, 2021 and 2020

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

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

	Balance at June 30, 2020	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value level</b>				
International corporate stock	\$ 314,213	\$ 314,213	\$ -	\$ -
Debt securities:				
U.S. Treasury securities	20,686,429	20,686,429	-	-
Municipal bonds	7,554,800	-	7,554,800	-
Total debt securities	<u>28,241,229</u>	<u>20,686,429</u>	<u>7,554,800</u>	<u>-</u>
Equity securities:				
Mutual funds:				
Domestic	100,945,603	100,945,603	-	-
International	33,085,828	33,085,828	-	-
Total equity securities	<u>134,031,431</u>	<u>134,031,431</u>	<u>-</u>	<u>-</u>
Total investments by fair value level	<u>\$ 162,586,873</u>	<u>\$ 155,032,073</u>	<u>\$ 7,554,800</u>	<u>\$ -</u>
<b>Investments measured at the net asset value (NAV)</b>				
Multi-strategy hedge funds	34,844,351			
Multi-asset credit	9,335,512			
Limited partnerships	6,832,415			
Collective trust funds	18,077,535			
Total investments measured at the NAV	<u>69,089,813</u>			
Total investments measured at fair value	<u>\$ 231,676,686</u>			

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

The remaining debt securities at June 30, 2021 and 2020 were determined primarily based on Level 2 inputs. The University estimates the fair value of these investments using other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Short-term investment on the statement of net position at June 30, 2021 and 2020 include investments in STAR Ohio of \$8,007,078 and \$1,974,578, respectively. The investments in STAR Ohio are measured at amortized cost; therefore, they are not included in the tables above. There are no limitations or restrictions on any STAR Ohio participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given to STAR Ohio 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transactions to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the STAR Ohio investors will be combined for these purposes.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

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

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

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

	June 30, 2021	June 30, 2020	June 30, 2021		
	Fair Value	Fair Value	Unfunded Commitments	Redemption Frequency, if	Redemption Notice Period
Multi-strategy hedge funds	\$ 37,086,772	\$ 34,844,351	\$ -	Quarterly	100 days
Multi-asset credit	9,892,095	9,335,512	-	Quarterly	60 days
Limited partnership	8,438,824	6,832,415		N/A	N/A
Collective trust funds	18,320,238	18,077,535	1,422,598	N/A	N/A
Total	<u>\$ 73,737,929</u>	<u>\$ 69,089,813</u>	<u>\$ 1,422,598</u>		

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

**Concentration Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The University held the following investments that had fair values of 5 percent or more of total investments as of June 30:

	2021	2020
Mercer hedge fund	\$ 37,086,772	\$ 34,844,351
JP Morgan core bond trust	\$ 18,320,238	\$ 18,077,535

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The University's investment in the state treasurer's investment program that is not evidenced by securities that exist in physical or book entry form was \$8,007,078 and \$1,974,578 at June 30, 2021 and 2020, respectively. The remaining investments are uninsured and unregistered with securities held by the counterparty's trust department or agent in the University's name.

The values of investments held by the Foundation at June 30, 2021 and 2020 are as follows:

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

	Balance at June 30, 2021	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value level</b>				
Cash equivalents and money market funds	\$ 28,286,733	\$ 28,286,733	\$ -	\$ -
Domestic corporate stock	817,453	817,453	-	-
Equity securities:				
Mutual funds:				
Domestic funds	110,187,710	117,456,469	-	-
International funds	37,938,232	30,669,473	-	-
Fixed income funds	65,453,753	65,453,753	-	-
Total equity securities	213,579,695	213,579,695	-	-
Split interest agreements:				
Cash equivalents and money market funds	116,084	116,084	-	-
Mutual equity funds	2,862,758	2,862,758	-	-
Fixed income funds	2,722,971	2,722,971	-	-
Beneficial interest in trust held by others	1,740,338	-	-	1,740,338
Total split interest agreements	7,442,151	5,701,813	-	1,740,338
Total investments by fair value level	\$ 250,126,032	\$ 248,385,694	\$ -	\$ 1,740,338
<b>Investments measured at the net asset level (NAV)</b>				
Hedge funds	902,121			
Private investment funds	28,766,164			
Real estate funds and other	622,295			
Total investments at the NAV	30,290,580			
Total investments at fair value	\$ 280,416,612			

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

	Balance at June 30, 2020	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value level</b>				
Cash equivalents and money market funds	\$ 5,733,808	\$ 5,733,808	\$ -	\$ -
Domestic corporate stock	46,746	46,746	-	-
Equity securities:				
Mutual funds:				
Domestic funds	90,490,004	90,490,004	-	-
International funds	24,793,838	24,793,838	-	-
Fixed income funds	49,236,392	49,236,392	-	-
Total equity securities	164,520,234	164,520,234	-	-
Split interest agreements:				
Cash equivalents and money market funds	120,511	120,511	-	-
Mutual equity funds	2,449,236	2,449,236	-	-
Fixed income funds	2,553,318	2,553,318	-	-
Beneficial interest in trust held by others	1,676,873	-	-	1,676,873
Total split interest agreements	6,799,938	5,123,065	-	1,676,873
Total investments by fair value level	<u>\$ 177,100,726</u>	<u>\$ 175,423,853</u>	<u>\$ -</u>	<u>\$ 1,676,873</u>
<b>Investments measured at the net asset level (NAV)</b>				
Hedge funds	922,190			
Private investment funds	17,207,851			
Real estate funds and other	651,123			
Total investments at the NAV	<u>18,781,164</u>			
Total investments at fair value	<u>\$ 195,881,890</u>			



Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

The following is a reconciliation of beginning and ending balances of recurring fair value measurements recognized in the Foundation balance sheet using significant observable (Level 3) inputs:

	Funds Held in Trust by Others
Beginning balance, July 1, 2020	\$ 1,676,873
Contributions	-
Total gains or losses (realized unrealized) included in earnings	51,311
Change in split interest agreements	12,154
Ending balance, June 30, 2021	<u>\$ 1,740,338</u>

	Funds Held in Trust by Others
Beginning balance, July 1, 2019	\$ 135,455
Contributions	1,432,591
Total gains or losses (realized unrealized) included in earnings	117,768
Change in split interest agreements	(8,941)
Ending balance, June 30, 2020	<u>\$ 1,676,873</u>

The Foundation realized a net gain from the sale of investment securities of \$4,785,143 and \$3,275,250 for the years ended June 30, 2021 and 2020, respectively. The net appreciation on the fair value of investments totaled \$45,982,904 and \$137,106 for the years ended June 30, 2021 and 2020, respectively.

The Foundation has outstanding commitments to invest in various alternative investments at June 30, 2021 and 2020, amounting to approximately \$18,689,000 and \$14,934,000, respectively.

Certain Foundation investment securities are held by independent custodial and management agents. Custodial and management fees paid approximated \$106,000 and \$101,000 in 2021 and 2020, respectively.

Bowling Green State University  
Notes to Financial Statements (Continued)  
June 30, 2021 and 2020

**3. Accounts Receivable**

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

	<u>2021</u>	<u>2020</u>
Student receivable for fees, room and board	\$ 8,107,359	\$ 7,541,333
Research and sponsored programs and Covid relief funding	34,851,389	2,456,151
Other	<u>957,859</u>	<u>1,205,640</u>
Subtotal	43,916,607	11,203,124
Less allowance for doubtful accounts	<u>1,500,000</u>	<u>1,500,000</u>
Totals	<u>\$ 42,416,607</u>	<u>\$ 9,703,124</u>

**4. Notes Receivable**

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

The University distributed \$100,077,097 and \$104,511,275 for student loans in 2021 and 2020, respectively, through the U.S. Department of Education federal direct lending program. These distributions and related funding sources are not included as revenues or expenses in the accompanying financial statements.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

**5. Capital Assets**

Capital assets and accumulated depreciation and amortization of the University as of June 30, 2021 are summarized as follows:

	Beginning Balance	Additions	Retirements or Transfers	Ending Balance
Land (non-depreciable)	\$ 10,166,927	\$ -	\$ -	\$ 10,166,927
Buildings	682,858,137	42,696,894	-	725,555,031
Infrastructure	242,527,269	15,691,007	-	258,218,276
Equipment	100,383,949	2,910,872	(1,570,463)	101,724,358
Library materials	23,873,717	1,826,211	(2,100,857)	23,599,071
Construction in progress (non-depreciable)	49,494,327	9,898,472	(45,304,002)	14,088,797
Capital leases	-	2,903,392	-	2,903,392
Total capital assets	1,109,304,326	75,926,848	(48,975,322)	1,136,255,852
Less accumulated depreciation and amortization	(508,945,607)	(39,344,819)	3,581,509	(544,708,917)
Net capital assets	<u>\$ 600,358,719</u>	<u>\$ 36,582,029</u>	<u>\$ (45,393,813)</u>	<u>\$ 591,546,935</u>

Capital assets and accumulated depreciation and amortization of the University as of June 30, 2020 are summarized as follows:

	Beginning Balance	Additions	Retirements or Transfers	Ending Balance
Land (non-depreciable)	\$ 10,166,927	\$ -	\$ -	\$ 10,166,927
Buildings	683,315,265	-	(457,128)	682,858,137
Infrastructure	232,607,142	6,217,179	3,702,948	242,527,269
Equipment	101,654,712	2,184,396	(3,455,159)	100,383,949
Library materials	24,405,174	1,989,620	(2,521,077)	23,873,717
Construction in progress (non-depreciable)	24,904,653	28,351,111	(3,761,437)	49,494,327
Total capital assets	1,077,053,873	38,742,306	(6,491,853)	1,109,304,326
Less accumulated depreciation and amortization	(476,670,715)	(38,235,131)	5,960,239	(508,945,607)
Net capital assets	<u>\$ 600,383,158</u>	<u>\$ 507,175</u>	<u>\$ (531,614)</u>	<u>\$ 600,358,719</u>

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

**5. Capital Assets (continued)**

The University has commitments of approximately \$13.5 million on various construction projects in progress as of June 30, 2021.

Capital assets and accumulated depreciation of the Corporation as of June 30, 2021 are summarized as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Land (non-depreciable)	\$ 1,496,148	\$ -	\$ -	\$ 1,496,148
Land improvements	428,712	-	-	428,712
Buildings	18,337,964	-	-	18,337,964
Furniture	909,767	-	-	909,767
Chartwells renovation	1,588,000	-	-	1,588,000
Total capital assets	22,760,591	-	-	22,760,591
Less accumulated depreciation and amortization	(8,555,061)	(683,187)	-	(9,238,248)
Net capital assets	<u>\$ 14,205,530</u>	<u>\$ (683,187)</u>	<u>\$ -</u>	<u>\$ 13,522,343</u>

Capital assets and accumulated depreciation of the Corporation as of June 30, 2020 are summarized as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Land (non-depreciable)	\$ 1,083,830	\$ 412,318	\$ -	\$ 1,496,148
Land improvements	405,277	23,435	-	428,712
Buildings	18,361,399	(23,435)	-	18,337,964
Furniture	909,767	-	-	909,767
Chartwells renovation	1,588,000	-	-	1,588,000
Total capital assets	22,348,273	412,318	-	22,760,591
Less accumulated depreciation and amortization	(7,871,835)	(683,226)	-	(8,555,061)
Net capital assets	<u>\$ 14,476,438</u>	<u>\$ (270,908)</u>	<u>\$ -</u>	<u>\$ 14,205,530</u>

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

**6. Accounts Payable and Accrued Expenses**

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

	<u>2021</u>	<u>2020</u>
Accounts payable	\$ 8,647,859	\$ 11,417,749
Accrued payroll and withholdings	8,702,182	8,728,376
Accrued health claims	2,400,000	2,400,000
Accrued interest on bonds	804,793	802,416
Total	<u>\$ 20,554,834</u>	<u>\$ 23,348,541</u>

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

**7. Long-Term Debt and Other Obligations**

Long-term debt and other obligations of the University for June 30, 2021 are summarized as follows:

<b>Bonds</b>	<b>Rates</b>	<b>Maturity</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due in One Year</b>
<b>Public bonds:</b>							
2016 Bond Series A	3.75-5.00	2021-2046	\$ 70,000,000	\$ -	\$ 1,425,000	\$ 68,575,000	\$ 1,485,000
2017 Bond Series B	3.00-5.00	2025-2045	68,750,000	-	1,510,000	67,240,000	1,590,000
2020 Bond Series A	3.00-5.00	2021-2050	53,685,000	-	1,535,000	52,150,000	1,545,000
Bond premium			24,244,487	-	2,133,428	22,111,059	2,029,194
<b>Direct placement bonds:</b>							
2014 General Receipts Bonds	Variable	2019-2048	39,245,000	-	39,245,000	-	-
2017 Bond Series A	1.60	2025-2050	35,000,000	-	-	35,000,000	-
2020 Bond Series B	Variable	2021-2048	-	39,245,000	785,000	38,460,000	815,000
Total bonds payable			290,924,487	39,245,000	46,633,428	283,536,059	7,464,194
<b>Other liabilities</b>							
Vacation pay			8,281,721	6,480,034	6,017,811	8,743,944	5,913,253
Sick leave			8,312,071	71,278	-	8,383,349	465,854
Capital lease			-	2,903,392	-	2,903,392	580,678
Federal student loan deposits			5,890,084	-	1,143,224	4,746,860	-
Total other liabilities			22,483,876	9,454,704	7,161,035	24,777,545	6,959,785
Total long-term liabilities			<u>\$ 313,408,363</u>	<u>\$ 48,699,704</u>	<u>\$ 53,794,463</u>	<u>\$ 308,313,604</u>	<u>\$ 14,423,979</u>

Long-term debt and other obligations of the University for June 30, 2020 are summarized as follows:

<b>Bonds</b>	<b>Rates</b>	<b>Maturity</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due in One Year</b>
<b>Public bonds:</b>							
2010 Series B Build America	4.20-6.73	2015-2039	\$ 57,065,000	\$ -	\$ 57,065,000	\$ -	\$ -
2016 Bond Series A	3.75-5.00	2021-2046	70,000,000	-	-	70,000,000	1,425,000
2017 Bond Series B	3.00-5.00	2025-2045	70,190,000	-	1,440,000	68,750,000	1,510,000
2020 Bond Series A	3.00-5.00	2021-2050	-	53,685,000	-	53,685,000	1,535,000
Bond premium			15,176,012	10,784,180	1,715,705	24,244,487	2,133,429
<b>Direct placement bonds:</b>							
2014 General Receipts Bonds	Variable	2019-2048	40,000,000	-	755,000	39,245,000	785,000
2017 Bond Series A	1.60	2025-2050	35,000,000	-	-	35,000,000	-
Total bonds payable			287,431,012	64,469,180	60,975,705	290,924,487	7,388,429
<b>Other liabilities</b>							
Vacation pay			7,720,779	6,325,420	5,764,478	8,281,721	5,837,397
Sick leave			6,471,112	1,840,959	-	8,312,071	458,109
Federal student loan deposits			8,061,977	-	2,171,893	5,890,084	-
Total other liabilities			22,253,868	8,166,379	7,936,371	22,483,876	6,295,506
Total long-term liabilities			<u>\$ 309,684,880</u>	<u>\$ 72,635,559</u>	<u>\$ 68,912,076</u>	<u>\$ 313,408,363</u>	<u>\$ 13,683,935</u>

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

The scheduled maturities and interest of the University's bonds for the five fiscal years subsequent to June 30, 2021 and subsequent periods thereafter are as follows:

	Bonds			Bonds from Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 4,620,000	\$ 8,642,613	\$ 13,262,613	\$ 815,000	\$ 1,363,476	\$ 2,178,476
2023	4,770,000	8,411,613	13,181,613	850,000	1,345,782	2,195,782
2024	4,930,000	8,173,113	13,103,113	885,000	1,327,328	2,212,328
2025	5,105,000	7,926,613	13,031,613	2,080,000	1,308,115	3,388,115
2026	5,245,000	7,708,163	12,953,163	2,135,000	1,270,625	3,405,625
2027-2031	29,415,000	34,406,563	63,821,563	11,550,000	5,752,172	17,302,172
2032-2036	41,235,000	26,310,894	67,545,894	13,200,000	4,639,333	17,839,333
2037-2041	43,985,000	16,647,200	60,632,200	15,140,000	3,351,642	18,491,642
2042-2046	43,190,000	6,309,375	49,499,375	17,430,000	1,856,555	19,286,555
2047-2050	5,470,000	416,250	5,886,250	9,375,000	295,360	9,670,360
	<u>\$ 187,965,000</u>	<u>\$ 124,952,394</u>	<u>\$ 312,917,394</u>	<u>\$ 73,460,000</u>	<u>\$ 22,510,388</u>	<u>\$ 95,970,388</u>

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

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

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

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

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

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



Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

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

On October 29, 2020, the University issued \$39,245,000 of variable rate, tax exempt General Receipts Bonds, Series 2020B. The proceeds were used to refinance the remaining Series 2014 bonds. This Series 2020B Bond has a stated maturity date of June 1, 2048 and bears interest at an adjustable rate, payable on the first business day of each month. The variable rate resets on the first of each month to 79.00 percent of LIBOR plus 116 basis points. The rate in effect at June 30, 2021 was 1.24 percent. At no time will the interest rate borne by this Series 2020B Bond feature a LIBOR rate used in calculation less than 0.50 percent or exceed a maximum interest rate of 12.00 percent per year. The interest calculation for the Series 2020B Bond included in the above table of scheduled maturities is based upon the rate in effect on July 1, 2021. This Series 2020B Bond is subject to redemption at the option of the University prior to the stated maturity date in whole or in part, at the redemption price of 100 percent of the principal amount redeemed, plus accrued interest up to the redemption date.

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

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

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

Interest expense related to long-term debt of the University for the years ended June 30, 2021 and 2020 was \$7,613,771 and \$9,091,223, respectively.

The University had unspent bond proceeds, which are classified as restricted assets, at June 30, 2021 and 2020 of \$22,450,411 and \$30,361,137, respectively.

In 2021, the University entered into a master tax-exempt lease with Hewlett-Packard Financial Services Company in the amount of \$2,903,392. This master tax-exempt lease matures in 2026 and has a 0% stated interest rate. This lease arrangement provides financing for digital telecommunication equipment.

The University's capital lease liability as of June 30, 2021 is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Master tax-exempt lease	\$ -	\$ 2,903,392	\$ -	\$ 2,903,392	\$ 580,678

Future minimum payments under the capital lease are as follows:

2022	\$ 580,678
2023	580,678
2024	580,678
2025	580,678
2026	580,680
Total future minimum lease payments	<u>2,903,392</u>
Less amount representing interest	<u>-</u>
Total obligation under capital lease	<u><u>\$ 2,903,392</u></u>

Bowling Green State University  
Notes to Financial Statements (Continued)  
June 30, 2021 and 2020

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

Long-term liabilities of the Corporation for June 30, 2021 are summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Construction funding payable	\$ 11,151,018	\$ -	\$ (596,800)	\$ 10,554,218	\$ 596,800
Total long-term liabilities	<u>\$ 11,151,018</u>	<u>\$ -</u>	<u>\$ (596,800)</u>	<u>\$ 10,554,218</u>	<u>\$ 596,800</u>

Long-term liabilities of the Corporation for June 30, 2020 are summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Construction funding payable	\$ 11,747,818	\$ -	\$ (596,800)	\$ 11,151,018	\$ 596,800
Total long-term liabilities	<u>\$ 11,747,818</u>	<u>\$ -</u>	<u>\$ (596,800)</u>	<u>\$ 11,151,018</u>	<u>\$ 596,800</u>

The construction funding payable amounts of the Corporation for the five fiscal years subsequent to June 30, 2021 and thereafter are as follows:

	The Oaks (CFP II)	Carillon (CFP III)	Total Due
2022	\$ 376,364	\$ 220,436	\$ 596,800
2023	376,364	220,436	596,800
2024	376,364	220,436	596,800
2025	376,364	220,436	596,800
2026	376,364	220,436	596,800
Thereafter	4,704,546	2,865,672	7,570,218
	<u>\$ 6,586,366</u>	<u>\$ 3,967,852</u>	<u>\$ 10,554,218</u>

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

## **8. Employee Benefit Plans**

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

STRS Ohio and OPERS offer three separate retirement plans:

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

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

Combined plan – has elements of the traditional pension plan and member-directed plan. Employee contributions are invested in self-directed investments. The employer contributions are used to fund a reduced defined benefit plan. This plan provides disability, annual cost-of-living adjustments, death benefits, and healthcare benefits. Healthcare benefits are based on years of service.

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

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

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

June 30, 2021 and 2020

## **8. Employee Benefit Plans (continued)**

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

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

Any member may retire who has (1) five years of service credit and attained age 60; (2) 25 years of service credit and attained age 55; or (3) 30 years of service credit regardless of age. Beginning on August 1, 2015, eligibility requirements for an unreduced benefit will change. The maximum annual retirement allowance, payable for life, considers years of credited service, final average salary (3-5 years), and multiplying by a factor ranging from 2.2 percent to 2.6 percent with 0.1 percent incremental increases for years greater than 30-31, depending on retirement age.

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

A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the plan. Death benefit coverage up to \$2,000 can be purchased by participants in all three of the plans. Various other benefits are available to members’ beneficiaries.

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

June 30, 2021 and 2020

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

OPERS – Plan benefits are established under Chapter 145 of the Ohio Revised Code, as amended by Substitute Senate Bill 343 in 2012. The requirements to retire depend on years of service (5 to 30 years) and from attaining the age of 48 to 62, depending on when the employee became a member. Members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. Member retirement benefits are calculated on a formula that considers years of service (5-30 years), age (48-62 years), and final average salary, using a factor ranging from 1.0 percent to 2.5 percent.

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

A death benefit of \$500 - \$2,500 is determined by the number of years of service credit of the retiree. Benefits may transfer to a beneficiary upon death with 1.5 years of service credits with the plan obtained within the last 2.5 years, except for law enforcement and public safety personnel who are eligible immediately upon employment.

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

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

Under Ohio law, postemployment healthcare benefits under STRS Ohio are permitted, but not mandated; therefore, a portion of employer contributions is set aside for funding for the postemployment health. Of the 14 percent employer contribution rate, 0 percent of covered payroll was allocated to postemployment health care for the years ended June 30, 2021 and 2020. The 14 percent employer contribution rate is the maximum rate established under Ohio law.

OPERS maintains a cost-sharing, multiple-employer healthcare plan to retirees who participated in the defined benefit or combined plan with 10 or more years of qualifying Ohio service credit. Coverage includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

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

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

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

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

The amounts on deposit with the Program’s board at June 30, 2021 and 2020 were \$29,995,867 and \$22,985,669, respectively, which represents the fair value at such dates.

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

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

Member contributions are set at the maximums authorized by the ORC. The plans' 2021 and 2020 employer and member contribution rates on covered payroll to each system are:

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

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

	<u>2021</u>		<u>2020</u>	
	<u>Pension</u>	<u>OPEB</u>	<u>Pension</u>	<u>OPEB</u>
STRS Ohio	\$ 8,555,700	\$ -	\$ 8,831,163	\$ -
OPERS	8,223,630	-	8,705,831	-
Total	<u>\$ 16,779,330</u>	<u>\$ -</u>	<u>\$ 17,536,994</u>	<u>\$ -</u>

**Net Pension Liability, Deferrals, and Pension Expense** – At June 30, 2021 and 2020, the University reported a liability for its proportionate share of the net pension liability of STRS/OPERS. For the year ended June 30, 2021, the net pension liability was measured as of June 30, 2020 for the STRS Ohio plan and December 31, 2020 for the OPERS plan. For the year ended June 30, 2020, the net pension liability was measured as of June 30, 2019 for the STRS Ohio plan and December 31, 2019 for the OPERS plan. The University's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined.

Plan	Measurement Date	<u>Net Pension Liability</u>		<u>Proportionate Share</u>		<u>Percent Change</u>	
		2021	2020	2021	2020	2020-21	2019-20
STRS Ohio	June 30	\$ 126,469,431	\$ 113,128,183	0.5227%	0.5116%	2.1653%	-1.4608%
OPERS	December 31	\$ 54,533,925	\$ 76,454,269	0.3794%	0.3914%	-3.0741%	-3.5961%



Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

For the years ended June 30, 2021 and 2020, the University recognized pension expense related the STRS Ohio and OPERS plans of \$12,003,627 and \$23,993,050, respectively. The University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30, 2021 and 2020:

June 30, 2021	University Total	
	Deferred Outflows	Deferred Inflows
	of Resources	of Resources
Differences between expected and actual experience	\$ 326,484	\$ 3,372,040
Changes of assumptions	6,866,481	-
Net difference between projected and actual earnings on pension plan investments	6,150,222	21,939,844
Changes in proportion and differences between University contributions and proportionate share of contributions	2,354,257	3,797,405
University contributions subsequent to the measurement date	12,480,003	-
Total	\$ 28,177,447	\$ 29,109,289

June 30, 2020	University Total	
	Deferred Outflows	Deferred Inflows
	of Resources	of Resources
Differences between expected and actual experience	\$ 966,028	\$ 1,676,783
Changes of assumptions	17,514,880	-
Net difference between projected and actual earnings on pension plan investments	-	21,079,951
Changes in proportion and differences between University contributions and proportionate share of contributions	771,656	4,241,681
University contributions subsequent to the measurement date	12,518,678	-
Total	\$ 31,771,242	\$ 26,998,415

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

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

Year Ended	
June 30	Amount
2022	\$ (6,922,814)
2023	(1,387,542)
2024	(5,314,689)
2025	244,021
2026	(13,101)
Thereafter	(17,720)

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

**Net OPEB (Asset)/Liability, Deferrals, and OPEB Expense** – At June 30, 2021 and 2020, the University reported a (asset)/liability for its proportionate share of the net OPEB (asset)/liability of STRS Ohio/OPERS. For the year ended June 30, 2021, the net OPEB (asset)/liability was measured as of June 30, 2020 for the STRS Ohio plan and December 31, 2020 for the OPERS plan. For the year ended June 30, 2020, the net OPEB (asset)/liability was measured as of June 30, 2019 for the STRS Ohio plan and December 31, 2019 for the OPERS plan. The total OPEB (asset)/liability used to calculate the net OPEB (asset)/liability was determined by an actuarial valuation as of those dates, except OPERS which used an actuarial valuation dated December 31, 2019 and 2018, respectively, rolled forward to the measurement date by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year for the defined benefit health care plans. Typically, the University’s proportion of the net OPEB (asset)/liability would be based on a projection of its long-term share of contributions to the benefit plan relative to the projected contributions of all participating reporting units, actuarially determined.

For plan years ending June 30, 2020 and 2019, STRS Ohio did not allocate employer contributions to the OPEB plan. Therefore, STRS Ohio’s calculation of the employers’ proportionate share is based on total contributions to the plant for both pension and OPEB.

For plan years ending December 31, 2020 and 2019, OPERS did not allocate employer contributions to the OPEB plan. Therefore, OPERS’ calculation of the employers’ proportionate share is based on total contributions to the plan for both pension and OPEB.

Bowling Green State University  
Notes to Financial Statements (Continued)  
June 30, 2021 and 2020

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

Plan	Measurement Date	Net OPEB (Asset) Liability		Proportionate Share		Percent Change	
		2021	2020	2021	2020	2020-21	2019-20
STRS Ohio	June 30	\$ (9,186,000)	\$ (8,473,000)	0.5227%	0.5116%	2.1653%	-1.4363%
OPERS	December 31	\$ (6,712,102)	\$ 54,013,197	0.3768%	0.3910%	-3.6445%	-2.9880%

For the years ended June 30, 2021 and 2020, the University recognized OPEB (income)/expense of \$(42,612,239) and \$2,804,266. The University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources at June 30, 2021 and 2020:

	University Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
June 30, 2021		
Differences between expected and actual experience	\$ 589,000	\$ 7,887,634
Changes of assumptions	3,451,746	19,600,617
Net difference between projected and actual earnings on OPEB plan investments	322,000	3,574,958
Changes in proportion and differences between University contributions and proportionate share of contributions	175,065	1,615,700
University contributions subsequent to the measurement date	-	-
Total	<u>\$ 4,537,811</u>	<u>\$ 32,678,909</u>

	University Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
June 30, 2020		
Differences between expected and actual experience	\$ 769,449	\$ 5,370,756
Changes of assumptions	8,727,714	9,289,000
Net difference between projected and actual earnings on OPEB plan investments	-	3,282,337
Changes in proportion and differences between University contributions and proportionate share of contributions	199,418	1,069,527
University contributions subsequent to the measurement date	-	-
Total	<u>\$ 9,696,581</u>	<u>\$ 19,011,620</u>

Bowling Green State University  
Notes to Financial Statements (Continued)  
June 30, 2021 and 2020

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

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

Year Ended	
June 30	Amount
2022	\$ (12,431,519)
2023	(8,834,932)
2024	(3,594,964)
2025	(2,415,424)
2026	(423,717)
Thereafter	(440,542)

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

**Actuarial Assumptions** – The total pension liability and OPEB (asset)/liability is based on the results of an actuarial valuation and were determined using the following actuarial assumptions for 2020, applied to all periods included in the measurement for fiscal year ended June 30, 2021:

	STRS Ohio	OPERS
Valuation date - Pension	June 30, 2020	December 31, 2020
Valuation date - OPEB	June 30, 2020	December 31, 2019
Actuarial cost method	Entry age normal	Individual entry age
Cost of living	None	0.50 percent - 3.00 percent
Salary increases, including inflation	2.50 percent - 12.50 percent	3.25 percent - 10.75 percent
Inflation	2.50 percent	3.25 percent
Investment rate of return - pension	7.45 percent, net of investment expenses, including inflation	7.20 percent, net of pension plan investment expense, including inflation
Investment rate of return - OPEB	7.45 percent, net of investment expenses, including inflation	6.00 percent, net of pension plan investment expenses, including inflation
Health care cost trend rates	-6.7 percent to 11.9 percent initial, 4.00 percent ultimate	8.50 percent initial, 3.50 percent ultimate in 2035
Experience study date	Period of 5 years ended June 30, 2016	Period of 5 years ended December 31, 2015
Mortality basis	RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016	RP-2014 Healthy Annuitant Mortality Table

The following are actuarial assumptions for 2019, applied to all periods included in the measurement for fiscal year ended June 30, 2020:

	STRS Ohio	OPERS
Valuation date - Pension	June 30, 2019	December 31, 2019
Valuation date - OPEB	June 30, 2019	December 31, 2018
Actuarial cost method	Entry age normal	Individual entry age
Cost of living	None	1.40 percent - 3.00 percent
Salary increases, including inflation	2.50 percent - 12.50 percent	3.25 percent - 10.75 percent
Inflation	2.50 percent	3.25 percent
Investment rate of return - pension	7.45 percent, net of investment expenses, including inflation	7.20 percent, net of pension plan investment expense, including inflation
Investment rate of return - OPEB	7.45 percent, net of investment expenses, including inflation	6.00 percent, net of pension plan investment expenses, including inflation
Health care cost trend rates	4.93 percent to 9.62 percent initial, 4.00 percent ultimate	10.50 percent initial, 3.50 percent ultimate in 2030
Experience study date	Period of 5 years ended June 30, 2016	Period of 5 years ended December 31, 2015
Mortality basis	RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016	RP-2014 Healthy Annuitant Mortality Table

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

**Pension Discount Rate** – The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates for all plans. Based on those assumptions, each pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rates used to measure the total pension liability for STRS Ohio were 7.45 percent for the plan years ended June 30, 2020 and 2019. The discount rates used to measure the total pension liability for OPERS were 7.20 percent for the plan years ended December 31, 2020 and 2019, respectively.

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

*STRS Ohio – OPEB Discount Rate:* The discount rates used to measure the total OPEB assets were 7.45 percent for the plan years ended June 30, 2020 and 2019, respectively. At June 30, 2020, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability/(asset).

*OPERS – OPEB Discount Rate:* The discount rates used to measure the total OPEB liabilities/(assets) were 6.00 percent and 3.16 percent for the plan years ended December 31, 2020 and 2019, respectively. At December 31, 2020 the plan’s fiduciary net position and future contributions were sufficient to finance health care costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded. At December 31, 2019, the plan’s fiduciary net position was projected to become insufficient to make all projected future benefit payments for current active and inactive employees. Therefore, a blended rate was used, which consisted of the long-term expected rate of return on OPEB plan investments for the funded benefit payments of 6.00 percent and the Fidelity 20-year Municipal General Obligation AA Index rate of 2.00 percent and 2.75 percent at December 31, 2019. The long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

## Bowling Green State University

## Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

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

Investment Category	STRS Ohio as of 7/1/20		Investment Category	OPERS as of 12/31/20			
	Target Allocation	Long-term Expected Real Rate of Return		Defined Benefit Portfolio		Health Care Portfolio	
				Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	28.00%	7.35%	Fixed Income	25.00%	1.32%	34.00%	1.07%
International Equity	23.00%	7.55%	Domestic Equity	21.00%	5.64%	25.00%	5.64%
Alternatives	17.00%	7.09%	Real Estate	10.00%	5.39%	0.00%	0.00%
Fixed Income	21.00%	3.00%	Private Equity	12.00%	10.42%	0.00%	0.00%
Real Estate	10.00%	6.00%	International Equity	23.00%	7.36%	25.00%	7.36%
Liquidity Reserves	1.00%	2.25%	REITs	0.00%	0.00%	7.00%	6.48%
Total	100.00%		Other Investments	9.00%	4.75%	9.00%	4.02%
			Total	100.00%		100.00%	

Investment Category	STRS Ohio as of 7/1/19		Investment Category	OPERS as of 12/31/19			
	Target Allocation	Long-term Expected Real Rate of Return		Defined Benefit Portfolio		Health Care Portfolio	
				Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	28.00%	7.35%	Fixed Income	25.00%	1.83%	36.00%	1.53%
International Equity	23.00%	7.55%	Domestic Equity	19.00%	5.75%	21.00%	5.75%
Alternatives	17.00%	7.09%	Real Estate	10.00%	5.20%	0.00%	0.00%
Fixed Income	21.00%	3.00%	Private Equity	12.00%	10.70%	0.00%	0.00%
Real Estate	10.00%	6.00%	International Equity	21.00%	7.66%	23.00%	7.66%
Liquidity Reserves	1.00%	2.25%	REITs	0.00%	0.00%	6.00%	5.69%
Total	100.00%		Other Investments	13.00%	4.98%	14.00%	4.90%
			Total	100.00%		100.00%	

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following presents the net pension liability of the University at June 30, 2021 and 2020, calculated using the discount rate listed below, as well as what the University’s net pension liability would be if it were calculated using a discount rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

June 30, 2021						
Plan	1.00 Percent Decrease		Current Discount Rate		1.00 Percent Increase	
STRS	6.45%	\$ 180,070,454	7.45%	\$ 126,469,431	8.45%	\$ 81,047,031
OPERS	6.20%	105,556,720	7.20%	54,533,925	8.20%	12,140,579
		<u>\$ 285,627,174</u>		<u>\$ 181,003,356</u>		<u>\$ 93,187,610</u>

June 30, 2020						
Plan	1.00 Percent Decrease		Current Discount Rate		1.00 Percent Increase	
STRS	6.45%	\$ 165,324,236	7.45%	\$ 113,128,183	8.45%	\$ 68,941,550
OPERS	6.20%	127,043,231	7.20%	76,454,269	8.20%	31,040,432
		<u>\$ 292,367,467</u>		<u>\$ 189,582,452</u>		<u>\$ 99,981,982</u>

**Sensitivity of the OPEB (Asset)/Liability to Changes in the Discount Rate** – The following presents the net OPEB (asset)/liability of the University at June 30, 2021 and 2020, calculated using the discount rate listed below, as well as what the University’s net OPEB (asset)/liability would be if it were calculated using a discount rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

June 30, 2021						
Plan	1.00 Percent Decrease		Current Discount Rate		1.00 Percent Increase	
STRS Ohio	6.45%	\$ (7,992,465)	7.45%	\$ (9,186,000)	8.45%	\$ (10,198,772)
OPERS	5.00%	(1,669,003)	6.00%	(6,712,102)	7.00%	(10,857,935)
		<u>\$ (9,661,468)</u>		<u>\$ (15,898,102)</u>		<u>\$ (21,056,707)</u>

June 30, 2020						
Plan	1.00 Percent Decrease		Current Discount Rate		1.00 Percent Increase	
STRS Ohio	6.45%	\$ (7,229,714)	7.45%	\$ (8,473,000)	8.45%	\$ (9,517,656)
OPERS	2.16%	70,684,933	3.16%	54,013,197	4.16%	40,664,562
		<u>\$ 63,455,219</u>		<u>\$ 45,540,197</u>		<u>\$ 31,146,906</u>



Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

**Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Health Care Cost Trend Rate** – The following presents the net OPEB liability/(asset) of the University at June 30, 2021 and 2020, calculated using the healthcare cost trend rate listed below, as well as what the University’s net OPEB liability/(asset) would be if it were calculated using a health care cost trend rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

June 30, 2021			
Plan	1.00 Percent Decrease	Current Trend Rate	1.00 Percent Increase
STRS Ohio	\$ (10,135,909)	\$ (9,186,000)	\$ (8,028,990)
OPERS	(6,875,688)	(6,712,102)	(6,529,078)
	<u>\$ (17,011,597)</u>	<u>\$ (15,898,102)</u>	<u>\$ (14,558,068)</u>
June 30, 2020			
Plan	1.00 Percent Decrease	Current Trend Rate	1.00 Percent Increase
STRS Ohio	\$ (9,607,588)	\$ (8,473,000)	\$ (7,082,610)
OPERS	52,419,314	54,013,197	55,586,762
	<u>\$ 42,811,726</u>	<u>\$ 45,540,197</u>	<u>\$ 48,504,152</u>

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

**Assumption Changes** – During the measurement periods ended June 30, 2020 and December 31, 2020, respectively, certain assumption changes were made by the plans. The OPERS OPEB discount rate was increased from 3.16 percent to 6.00 percent, and its health care cost trend rate was decreased from 10.50 percent to 8.50 percent, which impacted the annual actuarial valuation for OPEB prepared as of December 31, 2020.

During the measurement periods ended June 30, 2019 and December 31, 2019, respectively, certain assumption changes were made by the plans. The OPERS OPEB discount rate was reduced from 3.96 percent to 3.16 percent, which impacted the annual actuarial valuation for OPEB prepared as of December 31, 2019.

**Benefit changes** – There were no significant benefit terms changes for the pension or OPEB plans since the prior two measurement dates for STRS Ohio. Effective in 2022, OPERS will replace the current self-insured group plan with a marketplace concept for pre-Medicare retirees.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

**Payable to the Pension Plan** – At June 30, 2021, the University reported a payable of \$1,240,841 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021. At June 30, 2020, the University reported a payable of \$1,187,316 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

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

Eligible employees have 120 days from their date of hire to make an irrevocable election to participate in the ARP. Under this plan, employees who would have otherwise been required to be in STRS Ohio or OPERS, and who elect to participate in the ARP, must contribute the employee’s share of retirement contributions to one of nine private providers approved by the Ohio Department of Insurance. The legislation mandates that the employer must contribute an amount to the state retirement system to which the employee would have otherwise belonged, based on an independent actuarial study commissioned by the Ohio Retirement Study Council and submitted to the Ohio Board of Regents. That amount is 4.47 percent for STRS Ohio and 2.44 percent for OPERS for the years ended June 30, 2021 and 2020. The employer also contributes what would have been the employer’s contribution under STRS Ohio or OPERS, less the aforementioned percentages, to the private provider selected by the employee. The University plan provides these employees with immediate plan vesting. The ARP does not provide disability benefits, survivor benefits, or postretirement health care. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant’s choice of investment options. For the year ended June 30, 2021 and 2020, employee contributions to the ARP totaled \$6,362,744 and \$6,524,266, and the University recognized pension expense of \$6,951,458 and \$7,145,881, respectively.

Bowling Green State University  
Notes to Financial Statements (Continued)  
June 30, 2021 and 2020

**9. Risk Management**

The University self insures its healthcare program up to a specific limit of \$300,000 per individual event. The University has specific stop-loss coverage.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Unpaid claims, July 1	\$ 2,400,000	\$ 2,400,000	\$ 2,400,000
Incurred claims	21,732,628	20,407,275	20,177,407
Paid claims	<u>(21,732,628)</u>	<u>(20,407,275)</u>	<u>(20,177,407)</u>
Unpaid claims, June 30	<u>\$ 2,400,000</u>	<u>\$ 2,400,000</u>	<u>\$ 2,400,000</u>

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

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

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

Bowling Green State University  
Notes to Financial Statements (Continued)  
June 30, 2021 and 2020

**10. Contingencies**

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

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

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

**11. Foundation Net Assets**

The Foundation's net assets with donor restriction at June 30, 2021 and 2020 were available for the following purposes:

	<u>2021</u>	<u>2020</u>
Scholarships	\$ 150,132,798	\$ 98,882,990
General and operational support	69,768,752	56,774,780
Capital and equipment	11,195,729	10,069,727
Professorships	18,295,284	14,923,466
Centers and institutes	4,377,305	3,237,475
Chair	3,624,824	2,927,165
Research	1,393,190	1,133,733
Faculty and staff	1,636,027	1,329,114
Fellowships	250,075	119,847
Total	<u>\$ 260,673,984</u>	<u>\$ 189,398,297</u>

The Foundation's summary of the net assets released from restrictions during the years ended June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
General and operational support	\$ 4,823,633	\$ 5,620,327
Scholarships	8,739,976	7,102,108
Capital and equipment	2,117,828	5,669,002
Centers and institutes	195,746	232,182
Professorships	339,656	446,155
Chair	118,705	110,582
Faculty and staff	42,311	30,351
Research	26,448	31,623
Fellowships	21,025	15,614
Total	<u>\$ 16,425,328</u>	<u>\$ 19,257,944</u>

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

**12. Related Party Transactions**

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

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

The University incurred costs during different stages of start-up and implementation of the Corporation and its subsidiaries. The University also incurred costs on behalf of the Corporation and its subsidiaries for various outside services related to the Series 2010 Project, The Oaks, and Carillon. These outside services include consulting, legal, engineering, architectural, and construction. In addition, certain salaries and fringe benefits of financial, accounting, development, and information technology personnel are incurred by the University but relate to the Corporation. These expenses are paid by the University on behalf of the Corporation and are shown in the accompanying financial statements as in-kind support and operating and administrative expense of \$6,646 and \$6,932 for the fiscal years ended June 30, 2021 and 2020, respectively.

Chartwells provided approximately \$18,000,000 of funding for these projects during the year ended June 30, 2012. The Chartwells construction funding payable will be paid in annual installments, ranging from \$409,000 to \$857,000 over 27.5 years, through June 30, 2039. Due to the University's Management Agreement with Chartwells for the dining program and in exchange for the use of the dining facilities, the University repays the construction funding payable on behalf of the Corporation, as these are of approximate equal value. As such, the Corporation recognizes this non-cash transaction as a decrease to the construction funding payable and as in-kind support nonoperating revenue. For the years ended June 30, 2021 and 2020, the repayment and in-kind support revenue totaled \$596,800. The University recognized in-kind nonoperating expense of \$596,800 for the years ended June 30, 2021 and 2020.

Bowling Green State University  
Notes to Financial Statements (Continued)

June 30, 2021 and 2020

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

The University can pay off the construction funding payable of \$18,000,000 early without penalty. The University also has a Food Services Agreement with Chartwells in which the University pays a management fee to Chartwells to manage the dining halls through fiscal year 2020. The Food Services Agreement can be renewed for three additional successive five-year periods. If the Food Services Agreement with Chartwells is terminated or not renewed, the University would be required to pay Chartwells interest on the construction funding payable until full payoff at a rate equal to the 12-month U.S. Treasury rate. Payment in full of the construction funding payable would be required in one year from termination of agreement or within 30 days after the University hires another third party to run its dining services.

## **Required Supplemental Information**

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# Bowling Green State University

## Required Supplemental Information

### Schedule of Pension Funding Progress

	2021	2020	2019	2018	2017	2016	2015
<b>OPERS :</b>							
University's proportion of the net pension liability	0.3794%	0.3914%	0.4060%	0.4089%	0.4220%	0.4131%	0.4245%
University's proportionate share of the net pension liability	\$ 54,533,925	\$ 76,454,269	\$ 110,725,047	\$ 63,558,676	\$ 96,270,704	\$ 71,389,662	\$ 51,032,379
University's covered payroll	\$ 56,977,850	\$ 75,013,542	\$ 76,206,086	\$ 74,061,634	\$ 74,474,934	\$ 62,112,087	\$ 53,363,875
University's proportionate share of the net pension liability as a percentage of its covered payroll	95.71%	101.92%	145.30%	85.82%	129.27%	114.94%	95.63%
Fiduciary net position as a percentage of the total pension liability	86.88%	82.17%	74.91%	84.85%	77.38%	81.19%	86.53%
<b>STRS Ohio:</b>							
University's proportion of the net pension liability	0.5227%	0.5116%	0.5192%	0.5125%	0.5162%	0.5256%	0.5362%
University's proportionate share of the net pension liability	\$ 126,469,431	\$ 113,128,183	\$ 114,156,933	\$ 121,738,071	\$ 172,801,507	\$ 145,252,543	\$ 130,415,104
University's covered payroll	\$ 49,626,136	\$ 50,166,515	\$ 50,328,992	\$ 48,957,254	\$ 46,828,962	\$ 46,225,751	\$ 46,606,816
University's proportionate share of the net pension liability as a percentage of its covered payroll	254.84%	225.51%	226.82%	248.66%	369.01%	314.22%	279.82%
Fiduciary net position as a percentage of the total pension liability	75.50%	44.34%	77.31%	75.29%	66.80%	72.10%	74.70%

### Schedule of Contributions

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

Bowling Green State University

Required Supplemental Information

Notes to required supplemental information:

*Changes of benefit terms:* There were no changes affecting STRS Ohio and OPERS plans.

*Changes of assumptions:*

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

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

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

Bowling Green State University

Required Supplemental Information

Schedule of OPEB Funding Progress

	2021	2020	2019	2018
<b>OPERS:</b>				
University's proportion of the net OPEB liability/(asset)	0.3768%	0.3910%	0.4030%	0.4062%
University's proportionate share of the net OPEB liability/(asset)	\$ (6,712,102)	\$54,013,197	\$ 52,547,293	\$44,112,500
University's covered payroll	\$56,977,850	\$75,013,542	\$ 76,206,086	\$74,061,634
University's proportionate share of the net OPEB liability/(asset) as a percentage of its covered payroll	-11.78%	72.00%	68.95%	59.56%
Fiduciary net position as a percentage of the total OPEB liability/(asset)	115.57%	47.08%	46.33%	77.25%
<b>STRS Ohio:</b>				
University's proportion of the net OPEB liability/(asset)	0.5227%	0.5116%	0.5192%	0.5125%
University's proportionate share of the net OPEB liability/(asset)	\$ (9,186,000)	\$ (8,473,000)	\$ (8,343,000)	\$19,994,643
University's covered payroll	\$49,626,136	\$50,166,515	\$ 50,328,992	\$48,957,254
University's proportionate share of the net OPEB liability/(asset) as a percentage of its covered payroll	-18.51%	-16.89%	-16.58%	40.84%
Fiduciary net position as a percentage of the total OPEB liability/(asset)	182.10%	-592.08%	176.99%	47.11%

Schedule of Contributions

	2021	2020	2019	2018
<b>OPERS:</b>				
Contractually required contribution	\$ -	\$ -	\$ -	\$ 624,385
Contributions in relation to the contractually required contribution	\$ -	\$ -	\$ -	\$ 624,385
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 55,700,928	\$ 58,678,024	\$ 60,033,251	\$ 57,625,045
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	1.08%
<b>STRS Ohio:</b>				
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 49,926,546	\$ 49,626,136	\$ 48,716,936	\$ 49,123,014
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

Bowling Green State University

Required Supplemental Information

Notes to required supplemental information:

*Changes of benefit terms:*

There were no benefit changes affecting OPERS and STRS Ohio plans for the plan years ended June 30, 2020 and December 31, 2020, respectively.

*Changes of assumptions:*

STRS Ohio: During the plan year ended June 30, 2018, there were changes to several assumptions for STRS Ohio. The health care cost trend rates decreased from 6.00 percent to 11.00 percent initial and 4.50 percent ultimate for plan year ended June 30, 2017, to (5.23) percent to 9.62 percent initial and 4.00 percent ultimate for plan year ended June 30, 2018. The discount rate increased from a blended rate between the long-term expected rate of return and a 20-year municipal bond rate of 4.13 percent to the investment rate of return of 7.45 percent based on the cash flow analysis.

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

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

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

### Independent Auditor's Report

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

We have audited, in accordance with 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 Bowling Green State University (the "University"), a component unit of the State of Ohio, and its discretely presented component units as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 14, 2021. Our report includes a reference to other auditors, who audited the financial statements of Bowling Green State University Foundation, Inc. and Subsidiary, as described in our report on Bowling Green State University's financial statements, which were not audited in accordance with *Government Auditing Standards*, and, accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with Bowling Green State University Foundation, Inc. and Subsidiary or that are reported on separately by those auditors, who audited the financial statements of Bowling Green State University Foundation, Inc. and Subsidiary.

#### Internal Control Over Financial Reporting

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

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

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

#### Compliance and Other Matters

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

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

**Purpose of This Report**

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

*Plante & Moran, PLLC*

October 14, 2021

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

**Independent Auditor's Report**

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

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

We have audited Bowling Green State University's (the "University") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2021. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the University's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the University 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 the major federal programs for the year ended June 30, 2021.

**Report on Internal Control Over Compliance**

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

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

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

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

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

*Plante & Moran, PLLC*

October 14, 2021



Federal Grantor, CFDA Title, Project Name	CFDA Number	Pass-through Grantor	Federal/Pass-through Award Number	Pass-through to Subrecipients	FY 21 Expenditures
<b>STUDENT FINANCIAL AID CLUSTER</b>					
<b>U.S. Department of Education</b>					
Federal Supplemental Educational Opportunity Grants	84.007			\$ -	\$ 880,839
Federal Work-Study Program	84.033			-	557,025
Federal Perkins Loans	84.038			-	4,628,544
Federal Pell Grant Program	84.063			-	19,163,412
Federal Direct Subsidized Student Loans	84.268			-	24,750,189
Federal Direct Unsubsidized Student Loans	84.268			-	49,197,515
Federal Direct PLUS Loans	84.268			-	26,122,697
Teacher Education Assistance for College and Higher Education Grants	84.379			-	621,799
<b>Total U.S. Department of Education</b>				-	125,922,020
<b>Department of Health and Human Services</b>					
Federal Nursing Student Loans	93.364			-	735,628
<b>Total Department of Health and Human Services</b>				-	735,628
<b>TOTAL STUDENT FINANCIAL AID CLUSTER</b>				-	126,657,648
<b>RESEARCH &amp; DEVELOPMENT CLUSTER</b>					
<b>U.S. Department of Agriculture</b>					
Specialty Crop Block Grant Program - Farm Bill - Pesticide-Free Management of Pythium Pathogens in Hydroponic Greenhouses	10.170	Ohio State University Research Foundation	60079915	-	4,415
Agriculture and Food Research Initiative - Where is Pollination in Peril? Evaluating Climate Risks	10.310		2020-67013-31916	2,847	23,356
Partnership Agreements: Senior Hunger and the Food Security Infrastructure	10.RD	University of Kentucky	PO780004827	-	18,293
Tree Health and Demographic Analysis of Ash Tree Species Impacted by the Invasive Pest Agrilus Planipennus	10.699	USDA Forest Service	16-JV-11242316-099	-	167
Ash Monitoring to Inform Resistance Breeding for Resistance to EAB	10.699	USDA Forest Service	19-CR-11242316-006	-	21
Ash Monitoring to Inform Resistance Breeding for Resistance to EAB	10.699	USDA Forest Service	20-CR-11242316-027	-	52,057
Environmental Quality Incentives Program - Aquaponics on the Edge: Coupling Aquaponics to Tile Drainage Systems for Nutrient Recapture and Revenue Generation	10.912		GRANT13119876	-	22,848
<b>Total U.S. Department of Agriculture</b>				2,847	121,157
<b>U.S. Department of Commerce</b>					
Economic Development Technical Assistance - Rural Universities Consortium University Center Sea Grant Support: Development of an Efficient Approach to Quantify and Control a Fish Disease Caused by Saprolegnia sp.	11.303		ED16CHI3030034	62,915	140,511
Profiling Microbial Diversity in Fish Production Ponds at Fin Farm	11.417	Ohio State University Research Fndn	RF01506037 Proj 60063782	-	13,275
Role of Wetlands in Controlling Nutrient Loading to Lake	11.417	Ohio State University Research Fndn	PORF01534143 Proj60067316	-	56
Microbial Dynamics in Agricultural Soil Amended with Dredged Material	11.417	Ohio State University Research Fndn	60071937	-	1,342
Strategies to Increase Consumer Perceptions and Attitude Towards Integrated Multi-Tropic Aquaponics	11.417	Ohio State University Research Fndn	PO RF01598207 Sub60071938	-	3,481
Variation in Contaminant Concentrations in Wastewater and in Biota of Streams of NW Ohio	11.417	Ohio State University Research Fndn	NA19OAR4170342; GRANT12850597	-	73,693
Dredged Material Blended with Organic Rich Sources to Amend Farm Soils	11.417	Ohio State University Research Fndn	RF01614086 Proj 60074858	-	41,631
Assessing Nitrogen Dynamics in a Closed, Integrated Aquaponics Systems	11.417	Wright State University	60074856	-	16,904
Coastal Zone Management Administration Awards - Sandusky Bay Monitoring and Data Phase 4	11.419	Ohio State University Research Fndn/ODNR	Sub 6711141,PO 064696	-	5,925
Center for Sponsored Coastal Ocean Research Coastal Ocean Program: MERHAB19: Portable Toxin Detection Technology to Support Great Lakes Decision Support Tools	11.478		RF01620478 Proj 60079040	-	27,692
PCMHAB20: Rapid, Portable, Multiplexed Detection of Harmful Algal Toxins in the Great Lakes	11.478	Mbio Diagnostics	NA19NOS4780190	134,539	172,771
<b>Total U.S. Department of Commerce</b>				-	11,721
				197,454	509,002
<b>U.S. Department of Defense</b>					
Air Force Defense Research Sciences Program - Electronically Dimmable Eyewear Protection Devices Phase II	12.800	AlphaMicron Inc.	FA8649-20-C-0011	-	38,138
<b>Total U.S. Department of Defense</b>				-	38,138
<b>U.S. Department of the Interior</b>					
U.S. Geological Survey Research and Data Collection - Identification of Optimal Sites for Maumee AOC Restoration Actions in the Lower Maumee River	15.808	University of Toledo	G19AC00077	-	4,973
<b>Total U.S. Department of the Interior</b>				-	4,973
<b>U.S. Department of Justice</b>					
National Institute of Justice Research, Evaluation, Development Project Grants: Pathways Linking Parental Incarceration and Child Well-Being	16.560		2016-IJ-CX-0012	-	5,832
Mechanisms Underlying Desistance from Crime: Individual and Social Pathways	16.560		2019-R2-CX-0032	10,774	256,330
Second Chance Act Reentry Initiative: FY19 Second Chance Act Youth Offender Reentry Program	16.812	Lucas County Juvenile Court	2019-CZ-BX-0015	-	32,096
TASC of Northwest Ohio Reentry Program for Opioid Use Disorders	16.812	TASC of Northwest Ohio, Inc.	2014-BJ-SCA-1416	-	17,306
<b>Total U.S. Department of Justice</b>				10,774	311,564
<b>National Aeronautics and Space Administration</b>					
Science: Space-Geodetic Exploration of Linkages Between Time-Dependent Surface Loads, Slow Slip Events and Seismicity in South Central Alaska	43.001	University of California, Berkeley	NNX17AE01G	-	9,550
Constraining Earth Structure Around the Great Lakes Using Loading Deformation	43.001		80NSSC19K0361	24,498	52,915
<b>Total National Aeronautics and Space Administration</b>				24,498	62,465
<b>National Science Foundation</b>					
Engineering Grants - Type II: The University of Akron I-Corps Site - Solar Cell Nanosheets (F20-013) (Sun)	47.041	University of Akron	03433-BGSU01	-	433
Mathematical and Physical Sciences: Photochemistry, Spin, and Molecular Motion: Connections Through Magnetic Resonance	47.049		CHE-1464817	-	13,167
CAREER: Controlling Mechanical Properties of Materials Using Photoactive Metal-Coordination Bonds	47.049		CHE-1653892	-	125,974
Reaction Limited Synthesis of Atomically-Defined Semiconductor Nanocrystals	47.049		DMR-1710063	-	116,123
Deciphering and Reprogramming Light Induced Double Bond Isomerization in Proteins	47.049		CHE-1710191	-	52,735
New Developments at the Interface of Banach Algebras and Complex Analysis	47.049		DMS-1856010	-	82,249
Probes, Labels, Traps, and Reporters: Exploring the Modern Spin Chemistry Landscape	47.049		1900541	-	143,454
Exciton Dynamics in Colloidal PbS Nanosheets	47.049		1905217	-	93,507
Enforcing Excited State Reactivity by Altering Chromophore Characteristics	47.049		CHE-1955524	-	59,807
Collaborative Research: Bridging the Atomic Scale and the Mesoscale in the Characterization of Defect Production and Evolution in High Entropy Alloys	47.049		DMR-2005064	-	34,290
COVID-19 - RAPID: Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2)-Prevention - Multiple-site Binding with Fusing Aptamers	47.049		617407325	-	132,619
Geosciences: Lake Erie Center for Fresh Waters and Human Health	47.050		OCE-1840715	411,952	717,329
GP-EXTRA: Geoscience Education Through Authentic Research	47.050		ICER-1911577	-	36,052
Computer and Information Science and Engineering - SaTC: Core: Small: Collaborative: Data-Driven Approaches for Large-Scale Security Analysis of Mobile Applications	47.070		CNS-1718214	-	22,044
Biological Sciences: Collaborative Research: Navigation and the Neural Integration of Multimodal Sensory Information in the Brain of an Arthropod	47.074		DEB-1457304	-	4,410
Collaborative Research: Expression and Dynamics of Reproductive Tactics in a Wild Population of Smallmouth Bass	47.074		IOS-1755421	-	22,753
Collaborative Proposal: MRA: Teleconnections Among Great Plains NEON Sites by Wind and Wing	47.074		DEB-1926555	-	29,555
Social, Behavioral, and Economic Sciences: Mechanisms Underlying Cessation of IPV Perpetration: A Longitudinal Study of the Desistance Process	47.075		SES-1558755	-	36
COVID-19 - RAPID: The Coronavirus Pandemic: Predictors and Consequences of Compliance with Social Distancing Recommendations Designed to Mitigate COVID-19 Spread	47.075		FAIN: 2028429	-	126,298

Year Ended June 30, 2021

Federal Grantor, CFDA Title, Project Name	CFDA Number	Pass-through Grantor	Federal/Pass-through Award Number	Pass-through to Subrecipients	FY 21 Expenditures
<b>Education and Human Resources:</b>					
Collaborative Research: AGEP-T: Northern Ohio AGEP Alliance	47.076		HRD-1432921	\$ -	\$ 12,000
Project SEA Change: Using Social Connectivity to Improve Quantitative Literacy and Transformation	47.076		DUE-1525623		
Undergraduate Science Teaching				67,436	315,174
Collaborative Research: Developing & Evaluating Assessments of Problem Solving (DEAP)	47.076		DRL-1720646	-	234,361
Collaborative Research: Mathematics Graduate Student Peer-Mentorship Program Impact and Adaptability	47.076		DUE-1725264	-	37,396
BGSU ALLIES: Building Inclusive Leadership Practices and Policies to Transform the Institution	47.076		HRD-1760389	-	147,284
Collaborative Research: Validity Evidence and Measurement in Mathematics Education (V-M2ED)	47.076		DRL-1920621	-	84,885
Understanding the Role of Lesson Study in K-12 Mathematics and Science Teacher Education	47.076	Syracuse University	2010137	-	17,510
LSMRCE Determining the Barriers to Choosing a STEM Education and Career; Perspectives from Students and Teachers	47.076	Chicago State University	53112, P0066402	-	3,703
LSMRCE Elevating Equal Educational Opportunity in Advanced Manufacturing for Underrepresented Minority Students	47.076	Chicago State University	53112	-	2,470
Office of International Science and Engineering - IRES Track II: Advanced Studies Institute on Water Quality and Harmful Algal Blooms in Lake Victoria, Kenya	47.079		1953468	-	8,413
<b>Total National Science Foundation</b>				479,388	2,676,031
<b>Department of Energy</b>					
Office of Science Financial Assistance Program:					
Solution-Processed Photovoltaic Devices Utilizing Semiconductor Excitonic Nanoshells (SENS)	81.049		DE-SC0016872	-	123,821
Fundamental Understanding of Transport Under Reactor Extremes	81.049	Triad National Security	89233218CNA000001	-	165,371
Fundamental Understanding of Transport Under Reactor Extremes	81.049	Triad National Security	89233218CNA000001	-	287,732
Renewable Energy Research and Development -					
PV Device and Measurement Modeling to Support Photovoltaics Characterization Project	81.087	National Renewable Energy Laboratory	XGX-9-92294-01	-	48,437
<b>Total Department of Energy</b>				-	625,361
<b>U.S. Department of Health and Human Services</b>					
Healthy Marriage Promotion and Responsible Fatherhood Grants -					
Marriage Strengthening Research & Dissemination Center	93.086	Child Trends, Inc	90PR0012-01-00	-	120,398
Environmental Health -					
Lake Erie Center for the Great Lakes and Human Health	93.113		P01ES028939	172,626	317,752
Occupational Safety and Health Program - Education and Research Center (ERC - Cincinnati)	93.262	University of Cincinnati	PO 4600002462, 010412-103	-	6,913
Integrated Naloxone Access and Infrastructure:					
Evaluation of ProMedica Emergency Dept Naloxone Distribution Program (PEND YR2)	93.788	ProMedica	100281, 1002105-2945-135	-	927
Project PAIN: ProMedica Prescribing Alternatives Instead of Narcotics	93.788	ProMedica	1002105-3013-158; 100303	-	28,391
Evaluation of ProMedica Emergency Dept Naloxone Distribution Program (PEND YR3)	93.788	ProMedica	100305; 1002105-3030-169	-	3,912
Biomedical Research and Research Training:					
Canine Endogenous Retroviruses	93.859		R15GM122028	-	95,525
Computational Design of Highly Fluorescent Rhodopsins	93.859		R15GM126627	-	43,124
Genetic Basis of Metabolite Production Against Clinically-Derived Pathogens	93.859		IR15GM124585	-	78,401
Integrated Resource for Nucleic Acid Structures	93.859		2R01GM085328-09A1	51,278	117,591
Determinants of SINE Mobilization in the Domestic Dog	93.859		IR15GM139146-01	-	94,126
Child Health and Human Development Extramural Research:					
Exposure to Violence and Subsequent Weapons Use: Mediating and Moderating Processes	93.865	University of Michigan	Subaward 3004115607	-	26,793
Center for Family and Demographic Research	93.865		P2CHD050959	-	168,569
CFDR carryover	93.865		R24HD050959	-	53,759
Mechanisms Underlying Sexual Minority Health Disparities in the United States	93.865	University of Minnesota	H008512502	-	26,933
Archiving Contemporary County and State Nuptiality Data	93.865		GRANT13022937, IR03HD10383	-	22,629
Aging Research - Health and Well-Being Effects on Later-Life Divorce and Subsequent Repartnering	93.866		R15AG047588	-	117,418
Rural Communities Opioid Response Program-Planning:					
Rural Communities Opioid Response Program - Planning	93.912	ProMedica	80160	-	546
RCORP Implementation - Lenawee Opioid Response Project	93.912	ProMedica	1002105-3111-162; 80163	-	20,120
Preventive Health and Health Services Block Grant:					
Older Adult Falls Program (OAFP) Y2	93.991	ProMedica	100274, 1002105-2954-125	-	7,922
Child Injury Prevention Program (CIPP) Y2	93.991	ProMedica	100273, 1002105-2958-126	-	10,918
Child Injury Prevention Program (CIPP) Y3	93.991	ProMedica	100298; 1002105-3118-157	-	12,074
Older Adult Falls Program (OAFP) Y3	93.991	ProMedica	10029; 1002105-3117-156	-	10,427
<b>Total U.S. Department of Health and Human Services</b>				223,904	1,385,168
<b>TOTAL RESEARCH &amp; DEVELOPMENT CLUSTER</b>				938,865	5,733,859
<b>TRIO CLUSTER</b>					
<b>U.S. Department of Education</b>					
Student Support Services	84.042		P042A150838	-	182,833
Student Support Services	84.042		P042A210444	-	436,636
Educational Talent Search Program	84.044		P044A160537	-	575,577
Upward Bound	84.047		P047A170206	-	334,320
McNair Post-Baccalaureate Achievement	84.217		P217A170157	-	148,474
<b>TOTAL TRIO CLUSTER</b>				-	1,677,840
<b>ECONOMIC DEVELOPMENT CLUSTER</b>					
<b>U.S. Department of Commerce</b>					
Economic Adjustment Assistance:					
COVID-19 - COVID: University Center CARES Act Project	11.307		ED20CHI3070038; GRANT13124695	-	86,354
COVID-19 - COVID: North Central Ohio/U.S. 30 Corridor CEDS	11.307		06-69-06274; GRANT13197693	-	12,540
<b>TOTAL ECONOMIC DEVELOPMENT CLUSTER</b>				-	98,894
<b>WIOA CLUSTER</b>					
<b>U.S. Department of the Labor</b>					
WIOA Dislocated Worker Formula Grants -					
Ottawa County Regional Workforce Analysis	17.278	Poggemeyer Design Group	074.01595303.00	-	1,142
<b>TOTAL WIOA CLUSTER</b>				-	1,142
<b>HIGHWAY SAFETY CLUSTER</b>					
<b>U.S. Department of Transportation</b>					
State and Community Highway Safety:					
Safe Communities FY 2020	20.600	Ohio Department of Public Safety	SC-2020-BGSUnive-00013	-	11,302
Safe Communities FY 2021	20.600	Ohio Department of Public Safety	SC-2021-BGSUnive-00011	-	25,265
Safe Communities-Northwest Ohio 2018	20.600	Ohio Department of Public Safety	SC-2018-BGSU-00017	-	4,123
National Priority Safety Programs:					
National Priority Safety Programs (Y2)	20.616	Ohio Department of Public Safety	IPAS GG-2020-BGSU-00019	-	8,438
Evaluation of the Stability of Oral Fluid Samples Stored in a Variety of Temperatures	20.616	Ohio Department of Public Safety	GG-2021-BGSU-00025	-	113,284
<b>TOTAL HIGHWAY SAFETY CLUSTER</b>				-	162,412
<b>SPECIAL EDUCATION CLUSTER</b>					
<b>U.S. Department of Education</b>					
Special Education Grants to States -					
IMPerative: Designing an Inclusive Middle-level Program	84.027	University of Cincinnati	012122-003	-	18,334
<b>TOTAL SPECIAL EDUCATION CLUSTER</b>				-	18,334
<b>CCDF CLUSTER</b>					
<b>U.S. Department of Health and Human Services</b>					
Child Care and Development Block Grant -					
FY 21 Ohio Ready to Learn (extension)	93.596	Ohio Educational Telecommunications Network	G-2021-17-0198	-	62,618
<b>TOTAL CCDF CLUSTER</b>				-	62,618

## Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2021

Federal Grantor, CFDA Title, Project Name	CFDA Number	Pass-through Grantor	Federal/Pass-through Award Number	Pass-through to Subrecipients	FY 21 Expenditures
<b>MEDICAID CLUSTER</b>					
<b>U.S. Department of Health and Human Services</b>					
Medical Assistance Program - 2021 Ohio Medicaid Assessment Survey (OMAS)	93.778	Ohio State University Research Foundation	RF01610782 Proj 60077604	\$ -	\$ 23,342
<b>TOTAL MEDICAID CLUSTER</b>				-	23,342
<b>OTHER GRANTS AND CONTRACTS</b>					
<b>U.S. Department of Agriculture</b>					
Rural Community Development Initiative - Northwest Ohio Rural Community Development Initiative	10.446		41-087-311278133 # 1	-	29,178
<b>Total U.S. Department of Agriculture</b>				-	29,178
<b>U.S. Department of Commerce</b>					
Economic Development Support for Planning Organizations - NW Ohio 3 County CEDS (Lucas, Ottawa, and Wood Counties)	11.302	National Science Teachers Association	ED20CHI3020022	-	32,531
Coastal Zone Management Estuarine Research Reserves - OWC NERR Management Plan Development	11.420	National Science Teachers Association	DNRFHNI8B 315-12	-	344
<b>Total U.S. Department of Commerce</b>				-	32,875
<b>U.S. Department of Defense</b>					
Basic, Applied and Advanced Research in Science and Engineering:					
USACE BAA: Rapid, Portable and Multiplexed Detection of Freshwater Harmful Algal Bloom-Forming Genera	12.630		W912HZ2020044	-	22,112
Ohio Junior Science and Humanities Symposium 2020-2021	12.630	National Science Teachers Association	21-871-020	-	5,744
Ohio Junior Science and Humanities Symposium 2019-2020	12.630	National Science Teachers Association	20-871-031	-	5,707
<b>Total U.S. Department of Defense</b>				-	33,563
<b>U.S. Department of the Interior</b>					
National Cooperative Geologic Mapping - StateView Program Development and Operations for the State of Ohio	15.810	AmericaView	AV18-OH-01	-	20,370
National Center for Preservation Technology and Training - Tri-Cure Hybrid Organo-Silicon Coatings for Monument Preservation	15.923		617407325	-	4,092
<b>Total U.S. Department of the Interior</b>				-	24,462
<b>U.S. Department of Justice</b>					
STOP School Violence -					
LEAD WELL: Leadership for School Safety and Well-being	16.839		2020-YS-BX-0057	-	20,535
Edward Byrne Memorial Justice Assistance Grant Program - Public Safety Communications	16.738	Ohio Office of Criminal Justice Services	2017-JG-A02-6889F	-	2,795
<b>Total U.S. Department of Justice</b>				-	23,330
<b>National Endowment for the Humanities</b>					
Promotion of the Humanities Federal/State Partnership -					
Stories in the Woods: A Community-Based History Told Along the Trails of Wintergarden/St. John's Woods	45.129	Ohio Humanities Council	QU20-014	-	3,698
Promotion of the Humanities Teaching and Learning Resources and Curriculum Development - COVID-19 - COVID: Toward a Pedagogy from Crisis: Adaptive Teaching and Learning at Bowling Green State University During COVID-19	45.162		AH-275583-20; GRANT13101165	-	266,832
<b>Total National Endowment for the Humanities</b>				-	270,530
<b>U.S. Department of Energy</b>					
State Energy Program -					
LEAN Buildings Collaboration	81.041	University of Dayton	RSC19084	-	10,096
<b>Total U.S. Department of Energy</b>				-	10,096
<b>Department of Education</b>					
Vocational Education Basic Grants:					
FY 2019-2020 CTE Teacher Education Program	84.048	Ohio Department of Education	V048A190035	-	(641)
FY 2020-2021 CTE Teacher Education Program	84.048	Ohio Department of Education	VEPD-CB-11-IRN	-	85,270
Twenty-First Century Community Learnings Centers - Evaluation of Leipsic 21st Century Grant	84.287	Putnam County Educational Service Center	S287C170035	-	8,646
Teacher Quality Partnership Grants - Project IMPACT: Improving Motivation, Pedagogy, Assessment and Collaboration for Teachers	84.336		U336S180041	-	545,758
Education Stabilization Fund:					
COVID-19 - GEER Mental Health Grant	84.425C	Ohio Department of Higher Education	S425C200040	-	36,899
COVID-19 - Higher Education Emergency Relief Fund - Student Aid Portion	84.425E		P425E203775	-	7,731,556
COVID-19 - Higher Education Emergency Relief Fund - Institutional Portion	84.425F		P425F202969	-	34,074,214
<b>Total U.S. Department of Education</b>				-	42,481,702
<b>U.S. Department of Health and Human Services</b>					
CMHS Child Mental Health Service Initiative -					
Evaluation of ENGAGE 2.0	93.104	Ohio Dept of Mental Health/Addiction Srv	DMHF18NGAG	-	133,362
Injury Prevention and Control Research and State and Community Based Programs - Exposure to Violence and Subsequent Weapons Use: Integrative Data Analysis Across Two Urban High-Risk Communities	93.136	University of Michigan	SBK00013040; PO3006268942	-	14,939
Substance Abuse & Mental Health Services Projects of Regional & Natl Significance:					
Harbor Primary and Behavioral Health Care Integration (HPBHCI)	93.243	Harbor	1H79SM062202-01	-	17,339
Evaluation of Youth Treatment-Implementation (YT-I)	93.243	Ohio Dept of Mental Health/Addiction Srv	3H80-2020	-	61,412
Evaluation of Youth Treatment-Implementation (YT-I) Yr 2	93.243	Ohio Dept of Mental Health/Addiction Srv	2100331	-	25,714
Mental and Behavioral Health Education and Training Grants - Opioid-Impact Family Support Program	93.732	Mercy College of Ohio	T26HP39449	-	10,250
<b>Total U.S. Department of Health and Human Services</b>				-	263,016
<b>U.S. Department of the Treasury</b>					
Coronavirus Relief Fund:					
COVID-19 - CARES Act CRF for Mental Health	21.019	Ohio Department of Higher Education	Application ID 10611	-	209,433
COVID-19 - CARES Act CRF State Award	21.019	Ohio Department of Higher Education	Application ID 5766	-	16,160,179
COVID-19 - Contact Tracing	21.019	Wood County Health Department	08710012CT0120	-	48,000
COVID-19 - State of Ohio Wastewater SARS-CoV-2 Surveillance Project	21.019	Ohio State University Research Fndn	RF01619689 Proj 60079589	-	130,745
<b>Total U.S. Department of the Treasury</b>				-	16,548,357
<b>TOTAL OTHER GRANTS AND CONTRACTS</b>				-	59,717,109
<b>TOTAL FEDERAL EXPENDITURES</b>				<b>\$ 938,865</b>	<b>\$ 194,153,198</b>

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

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**Year Ended June 30, 2021**

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Bowling Green State University (the "University") under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net position, or cash flows of the University.

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

Expenditures reported in the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement, except for expenditures related to CFDA 21.019, Coronavirus Relief Fund (CRF). CRF does not apply the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, but rather applies the U.S. Department of the Treasury's guidance and frequently asked questions, as outlined in the 2021 Compliance Supplement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

**Note 3 - Indirect Costs**

The University recovers indirect costs by means of provisional fixed indirect cost rates. The provisional fixed rates are a result of negotiated agreements with the U.S. Department of Health and Human Services. The predetermined fixed rate for on-campus research is 42 percent of modified total direct costs, and the off-campus predetermined rate is 21 percent of modified total direct costs effective July 1, 2016 through June 30, 2021.

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

**Note 4 - Federal Direct Student Loans and Other Loans**

The University acts as an intermediary for students receiving Federal Direct Student Loans (CFDA #84.268), which include Direct Loans and Parents' Loans for Undergraduate Students, from the federal government. The federal government is responsible for billings and collections of the loans. The University assists the federal government by processing the applications and applying funds to student accounts from the federal government. Since this program is administered by the federal government, new loans made in the fiscal year ended June 30, 2021 related to Federal Direct Loans are considered current year federal expenditures, whereas the outstanding loan balance is not.

The outstanding balances on the Federal Perkins Loans and the Federal Nursing Student Loans at June 30, 2021 are \$3,401,900 and \$641,412, respectively.

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## Schedule of Findings and Questioned Costs

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**Schedule of Findings and Questioned Costs**

**Year Ended June 30, 2021**

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

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes      X   None reported

**Federal Awards**

Internal control over major programs:

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

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

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

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
84.425	Education Stabilization Fund
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low-risk auditee? \_\_\_\_\_   X   Yes    \_\_\_\_\_ No

**Section II - Financial Statement Audit Findings**

**Current Year**    None

**Section III - Federal Program Audit Findings**

Reference Number	Finding	Questioned Costs
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**Current Year**    None



**Bowling Green State University**  
Office of the Controller

**Bowling Green State University**  
**June 30, 2021**  
**Summary Schedule of Prior Audit Findings**

**Prior Year Finding Number:**

2020-001

**Fiscal Year in Which the Finding Initially Occurred:**

2020

**Federal Program, CFDA Number and Name:**

Student Financial Aid Cluster

**Original Finding Description:**

Of the 40 students selected for status change testing, one of those students did not have a status change reported in a timely manner.

**Status/Partial Corrective Action (as applicable):**

Fully corrected.

**Planned Corrective Action:**

N/A

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# OHIO AUDITOR OF STATE KEITH FABER



**BOWLING GREEN STATE UNIVERSITY**

**WOOD COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 11/16/2021**

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

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