Cleveland State University
(A Component Unit of the State of Ohio)

Financial Report
June 30, 2023

OHIO AUDITOR OF STATE
KEITH FABER

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Board of Trustees
Cleveland State University
2300 Euclid Avenue
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We have reviewed the *Independent Auditor's Report* of the Cleveland State University, Cuyahoga County, prepared by RSM US LLP, for the audit period July 1, 2022 through June 30, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

November 27, 2023

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RSM US LLP

Independent Auditor's Report

President and Board of Trustees
Cleveland State University

Report on the Audit of the Financial Statements

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the University, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2023, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

RSM US LLP

Cleveland, Ohio
October 16, 2023

Introduction

The following discussion and analysis provides an overview of the financial position and activities of Cleveland State University (the University) as of and for the year ended June 30, 2023. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

The University was established in 1964 by action of the Ohio General Assembly and is part of the state of Ohio's (the State) system of State-supported and State-assisted institutions of higher education. It is one of the 13 State universities in Ohio. By statute, it is a body politic and corporate and an instrumentality of the State. Located in the city of Cleveland, the University is an urban institution. A majority of the University's students commute daily from their homes in the Cleveland metropolitan area.

Using the Annual Financial Report

The University's financial report includes financial statements prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—or Public Colleges and Universities*. These principles require that financial statements be presented on a basis to focus on the financial condition, the changes in financial condition and the cash flows of the University as a whole. Many other nonfinancial factors also must be considered in assessing the overall health of the University, such as enrollment trends, student retention, strength of the faculty, condition of the buildings, and the safety of the campus.

The financial statements prescribed by GASB Statement No. 35 (the statement of net position, the statement of revenue, expenses and changes in net position, and the statement of cash flows) present financial information in a form similar to that used by corporations. They are prepared under the accrual basis of accounting, whereby revenue 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, *Determining Whether Certain Organizations are Component Units*, the Cleveland State University Foundation, Inc. (the Foundation) and the Euclid Avenue Development Corporation (the Corporation) are treated as 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 the management's discussion and analysis. Financial statements for the Foundation can be obtained from the Office of the Executive Director at 2121 Euclid Avenue, Union Building Room 501, Cleveland, OH 44115-2214; financial statements for the Corporation can be obtained from the Office of the Senior Vice President for Business Affairs and Finance at 2300 Euclid Avenue, Administration Center Room 210, Cleveland, OH 44115-2214.

Financial Highlights

The University's financial position remained strong with assets of $746.3 million, deferred outflows of $80.0 million, liabilities of $482.6 million and deferred inflows of $32.7 million at June 30, 2023. Net position, which represents the residual interest in the University's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted, totaled $311.0 million.

Statement of Net Position

The statement of net position presents the financial position of the University at the end of the fiscal year and includes all assets and liabilities. The difference between assets and deferred outflows and liabilities and deferred inflows – net position – is one indicator of the current financial condition of the University, while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. Assets, deferred outflows, liabilities and deferred inflows are generally measured using current values. One notable exception is capital assets, which are stated at historical cost less an allowance for depreciation. A summary of the University's assets, liabilities and net assets at June 30, is as follows:

	2023	2022
Current assets	$ 231,635,459	$ 224,070,743
Noncurrent assets:		
Capital assets, net	496,281,186	517,445,293
Other	18,415,199	29,256,448
Deferred outflows of resources	79,968,158	37,547,033
Total assets and deferred outflows of resources	826,300,002	808,319,517
Current liabilities	42,719,551	44,860,493
Noncurrent liabilities	439,924,889	322,794,342
Deferred inflows of resources	32,679,079	122,231,218
Total liabilities and deferred inflows of resources	515,323,519	489,886,053
Net position	$ 310,976,483	$ 318,433,464

Current assets consist primarily of cash, short-term investments, accounts and notes receivable, prepaid expenses and inventories. Current liabilities consist primarily of accounts payable, accrued payroll and other liabilities, unearned revenue and the current portion of long-term debt.

Current assets increased slightly in 2023 from 2022 primarily due to an increase in cash and investments balances offset by a reduction in accounts receivable.

Capital assets, net decreased in 2023 from 2022 by $21.2 million, or 4.1%. The decrease in 2023 is primarily due to depreciation.

Statement of Net Position (Continued)

Deferred outflows of resources is defined as the consumption of net assets applicable to a future reporting period. The deferred outflows have a positive effect on net position similar to assets. The University's deferred outflows in 2023 increased from 2022 by $42.4 million, or 113.0%, primarily due to changes in assumptions and differences related to the OPERS and STRS Pension and OPEB Plans (see Required Supplementary Information (RSI) and notes to the RSI).

Other assets increased in 2023 from 2022 by $7.70 million, or 26.3%, due to a decrease in the net OPEB asset balance as a result of GASB Statement No. 75.

Deferred inflows of resources is defined as the current acquisition of net assets that is applicable to a future period. The deferred inflows have a negative effect on net position similar to liabilities. The University's deferred inflows in 2023 increased from 2022 by $89.6 million, or 73.3%, primarily due to the difference between projected and actual earnings, changes in assumptions and changes in proportionate share on the OPERS and STRS Pension and OPEB Plans (see RSI and notes to the RSI).

Current and non-current liabilities increased in 2023 from 2022 by $115.0 million, or 31.3%, due to the net increases in net pension liabilities as a result of GASB Statement No. 68.

Capital and Debt Activities

One critical factor affecting the quality of the University's programs is the development and renewal of its capital assets. Capital additions totaled $6.0 million in 2023. Capital additions and retirements for 2023 exclude transfers from construction in progress to buildings in the amount of $1.0 million in 2023. Capital retirements totaled $3.5 million in 2023. Capital additions include construction of new facilities, repair and renovation of existing facilities, and acquisition of equipment and library books. Capital asset additions are funded, in part, by capital appropriations from the State. These appropriations amounted to $2.0 million in 2023. Refer to the Note 6 for additional information.

In August 2010, the University entered into a right to use leased asset, with the Corporation in the amount of $7.07 million. The lease covers a parking garage that was constructed by the Corporation on the University's campus. The lease requires the University to operate and maintain the garage, and to make payments to the Corporation equal to its required debt service payments.

In August 2009, the University entered into a right to use leased asset with the Corporation in the amount of $14.5 million. The lease covers a parking garage that was constructed by the Corporation on the University's campus. The lease requires the University to operate and maintain the garage, and to make periodic payments to the Corporation equal to its required debt service payments.

Effective July 1, 2022, the University adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). As a result of the adoption of this statement, on July 1, 2022, the University recognized SBITA assets and liabilities of approximately $5,200,000.

There was no significant changes to the University's debt activities during the year ended June 30, 2023. Refer to Note 7 for additional information.

Capital and Debt Activities (Continued)

In October 2021, the University issued Series 2021 Limited Available Receipts Bonds, which was a direct purchase by a bank, in the principal amount of $27,700,000. The Series 2021 Limited Available Receipts Bonds were issued as fixed rate bonds maturing on October 7, 2024. Interest is payable semi-annually at the rates of 1.45% to 1.85%. The transaction was a Direct Purchase by the bank. The proceeds of the bonds were used to finance a lease balloon payment.

In December 2021, the University issued General Receipts Refunding Bonds, Series 2021, which were purchased by Truist Bank of $110,855,000. Interest is payable at the fixed rate of 2.09% with maturities beginning June 1, 2022 through June 1, 2037. The proceeds of the bonds were used to refund the outstanding Series 2012 Bonds.

In February 2016, the University issued $32,475,000 of general receipts bonds, Series 2016A. The bonds bear interest rates ranging from 3.0% to 5.0% and mature beginning June 1, 2016 through June 1, 2036. The proceeds of the issuance were used to decrease a portion of the Series 2007A bonds and pay issuance costs. The purpose of this transaction was to refund future callable maturities to achieve debt service savings of approximately $3,900,000 over the life of the bonds.

In September 2011, the University issued taxable general receipts bonds in the principal amount of $5.77 million. The General Receipts Series 2011 Bonds were issued as fixed rate bonds with monthly maturities beginning October 1, 2013 through April 1, 2042. Interest is payable monthly at the annual rate of 5.32%. The proceeds of the bonds were used to finance a portion of the costs of public improvements identified as the North Campus Neighborhood – Project Phase I.

Net Position

The University's net position at June 30, is summarized as follows:

	2023	2022
Net investment in capital assets	$ 250,419,501	$ 262,786,533
Restricted—expendable	32,641,071	34,824,432
Restricted—nonexpendable	1,469,373	1,394,888
Unrestricted	26,446,538	19,427,611
Total net position	$ 310,976,483	$ 318,433,464

Net investment in capital assets represents the University's capital assets net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Changes in this category of net position are due to the net effect of additions to, disposals of and depreciation on capital assets.

Restricted expendable net position is subject to externally imposed restrictions governing their use. Changes in this category are customarily due to the timing of revenue and expenses in funds provided by donors and grantors. Restricted nonexpendable net position consists primarily of endowment funds held by the University. Changes in this category are driven primarily by investment performance.

Unrestricted net position is not subject to externally imposed stipulations. This category includes funds functioning as endowment (quasi-endowment) of $5.2 million at June 30, 2023.

Net Position (Continued)

For the year ended June 30, 2023, the University had a decrease in total net position of $7.5 million, or 2.3%. Net investment in capital assets decreased by $12.4 million, or 4.7%, primarily due to depreciation. Unrestricted net position increased by $7.0 million, or 36.1%, primarily because of investment gains.

Statement of Revenue, Expenses and Changes in Net Position

The statement of revenue, expenses and changes in net position presents the revenue earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. As a public institution, the University is heavily dependent on State assistance. The University is required to present State appropriations as nonoperating revenue, which as a result increases the operating loss for all years presented. 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. Condensed revenue, expenses and changes in net positions for the years ended June 30, are as follows:

	2023	2022
Operating revenues	$ 207,400,656	$ 209,636,427
Net nonoperating revenues	129,927,585	126,076,126
Other revenues	2,001,993	3,764,695
Total revenues	339,330,234	339,477,248
Operating expenses:		
Educational and general	277,927,969	257,944,749
Auxiliary enterprises	36,317,976	34,642,772
Depreciation and amortization	32,541,270	29,066,868
Total operating expenses	346,787,215	321,654,389
Change in net position	$ (7,456,981)	$ 17,822,859

Total revenue and other changes, net of interest on debt, in fiscal 2023 was $346.4 million. The most significant sources of 2023 operating revenue for the University, as reflected in the statement of revenues, expenses and changes in net position, was student tuition and fees of $155.0 million, grants and contracts of $23.7 million and auxiliary services of $20.6 million.

Revenue from tuition and fees (net of scholarship allowances) decreased $6.4 million, or 3.9%, in 2023 compared to 2022. Total headcount enrollment decreased by 2.7% while full-time equivalent enrollment decreased by 3.0% over the prior year. However, graduate headcount increased0.5%.

Total expenses in 2023 were $346.8 million. Operating expenses include the costs of instruction, research, public service, general administration, utilities, libraries and auxiliary services. Operating expenses also include depreciation and amortization. Expenses increased by $25.1 million, or 7.8%, in 2023. The changes in 2023 are primarily related to changes in the discount of tuition offset by increase in research spending.

Sources of nonoperating revenue for the 2023 include State appropriations of $79.9 million, grants and contracts of $28.2 million and contributions of $13.7 million. It also reflects an investment gain of $15.2 million in 2023.

Statement of Revenue, Expenses, and Changes in Net Position (Continued)

Net nonoperating revenue increased in 2023 from 2022 by $3.8 million, or 3.1%, primarily due to investment gains offset by reductions in reductions in funding from the federal government for COVID-19. Other changes consist primarily of State capital appropriations of $2.0 million in 2023.

Credit Rating

The University's bonds are rated "A+" stable by Standard & Poor's, with the most recent rating published on June 13, 2022. An "A" rating indicates a strong capacity to meet financial commitments, but somewhat susceptible to adverse economic conditions and changes in circumstances. This rating is consistent with the year ended June 30, 2021. The highest achievable rating is "AAA." The University's capacity to meet its financial obligations is considered strong. On June 14, 2022, the University's issuer and revenue bond ratings were downgraded to A2 from A1. Obligations rated "A" by Moody's are judged to be upper-medium grade and are subject to low credit risk. The highest achievable rating is "AAA".

Looking Ahead

Cleveland State University's leadership is committed to developing and implementing a financial strategy that accepts economic and demographic challenges facing future fiscal years. Overall, Ohio public universities continue to experience a decline in public enrollment and state appropriations for higher education is not expected to improve beyond the modest increases of recent years. Given the University's reliance on tuition and state appropriation, the university recognizes the importance of developing new strategies for future success.

Fall 2023 enrollment is slightly better than originally projected but did not exceed Fall 2022 enrollment. Cleveland State University is rolling out a comprehensive online degree portfolio across its School of Health Sciences and a part-time online Juris Doctor (J.D.) degree offering with the College of Law. Efforts to launch these partnerships proved successful, with growth in both graduate and online enrollment. Additionally, international student enrollment continues to remain strong.

In recent months, the University's leadership commissioned a committee of both academic and administrative faculty and staff to offer recommendations that will improve organizational resilience and financial stability. The plan for budget cutting, cost containment measures and strategic investments is guided by the following core principles:

- Stay true to our core mission as the only public urban research university in Northeast Ohio.
- Prioritize the needs of our students and their educational experience.
- Develop and invest in priority strategies that manage costs and result in savings and revenue growth.
- Implement strategies informed by data and monitored for effectiveness.
- Leverage the creative thinking and recommendations of CSU stakeholders across campus.
- Prioritize a decision-making approach that is inclusive, equitable, and transparent to the campus community.

Cleveland State University recognizes that innovative approaches to revenue and expense management are necessary to remain competitive in the evolving higher education environment.

Cleveland State University

Statement of Net Position
June 30, 2023

Assets		
Current assets:		
Cash and cash equivalents	$	12,323,107
Investments		185,922,254
Accounts receivable, net		29,538,218
Notes receivable, net		801,859
Prepaid expenses and inventories		3,050,021
Total current assets		231,635,459
Noncurrent assets:		
Long-term and endowment investments		3,776,499
Notes receivable, net		2,645,700
Net OPEB asset		11,993,000
Nondepreciable capital assets		73,437,300
Depreciable capital assets, net		422,843,886
Total noncurrent assets		514,696,385
Total assets		746,331,844
Deferred outflows of resources:		
Pension		71,368,005
OPEB		7,650,188
Deferred loss on bond refunding		949,965
Total deferred outflows of resources		79,968,158
Total assets and deferred outflows of resources	$	826,300,002
Liabilities		
Current liabilities:		
Accounts payable	$	7,976,342
Accrued liabilities		14,612,617
Unearned revenue		7,691,810
Compensated absences		798,326
Lease liability—current portion		1,903,167
Subscription based information technology liability—current portion		2,042,289
Long-term debt—current portion		7,695,000
Total current liabilities		42,719,551
Noncurrent liabilities:		
Accrued liabilities		7,910,011
Compensated absences		9,650,253
Net pension liability		206,674,945
Net OPEB liability		2,267,662
Lease liability		60,672,119
Subscription based information technology liability		998,434
Long-term debt		151,751,465
Total noncurrent liabilities		439,924,889
Total liabilities		482,644,440
Deferred inflows of resources:		
Pension		12,496,413
OPEB		11,505,466
Deferred gain on bond refunding		8,677,200
Total deferred inflows of resources		32,679,079
Net Position		
Net investment in capital assets		250,419,501
Restricted:		
Expendable—gifts, grants and student loans		32,641,071
Nonexpendable—endowments		1,469,373
Unrestricted		26,446,538
Total net position		310,976,483
Total liabilities, deferred inflows and net position	$	826,300,002

See notes to financial statements.

Cleveland State University

Statement of Revenue, Expenses and Changes in Net Position
Year Ended June 30, 2023

Revenue:	
Operating revenue:	
Student tuition and fees	$ 193,065,972
Less scholarship allowances	(38,054,329)
Net student tuition and fees	155,011,643
Federal grants and contracts	17,557,010
State grants and contracts	3,259,314
Local grants and contracts	291,871
Private grants and contracts	2,576,354
Sales and services	4,453,274
Auxiliary enterprises	20,583,139
Other	3,668,051
Total operating revenue	207,400,656
Expenses:	
Operating expenses:	
Instruction	133,772,766
Research	16,504,813
Public service	5,428,694
Academic support	27,157,561
Student services	23,685,200
Institutional support	29,177,161
Operation and maintenance of plant	21,718,579
Scholarships and fellowships	19,378,710
Auxiliary enterprises	36,317,976
Pension expense	9,649,995
OPEB (reduction)	(8,545,510)
Depreciation and amortization	32,541,270
Total operating expenses	346,787,215
Operating loss	(139,386,559)
Nonoperating revenue (expenses):	
State appropriations	79,929,944
Federal grants and contracts	20,833,174
State grants and contracts	7,375,936
Contributions	13,715,462
Investment gain	15,152,995
Interest on debt	(7,079,926)
Net nonoperating revenue	129,927,585
Decrease before other changes	(9,458,974)
Other revenue:	
State capital appropriations	2,001,993
Decrease in net position	(7,456,981)
Total net position at beginning of year	318,433,464
Total net position at end of year	$ 310,976,483

See notes to financial statements.

Cleveland State University

Statement of Cash Flows
Year Ended June 30, 2023

Cash flows from operating activities:	
Tuition and fees	$ 163,079,022
Grants and contracts	29,678,351
Payments to or on behalf of employees	(195,290,420)
Payments to vendors	(123,922,141)
Auxiliary enterprises	19,367,719
Other receipts	8,121,325
Net cash flows used in operating activities	(98,966,144)
Cash flows from noncapital financing activities:	
State appropriations	79,929,944
Grants and contracts	28,209,110
Contributions	13,715,462
Loan funds returned to government	(1,000,000)
Cash used by student loans, net	(225)
Cost of loan collections	(2,937,234)
Collection of loans from students	8,652,549
Net cash flows provided by noncapital financing activities	126,569,606
Cash flows from capital financing activities:	
Capital appropriations	2,001,993
Purchases of capital assets	(5,963,075)
Payments on outstanding debt and leases	(7,557,946)
Interest paid on outstanding debt and leases	(6,730,526)
Net cash flows used in capital financing activities	(18,249,554)
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	54,789,920
Purchase of investments	(70,698,621)
Interest on investments	14,917,923
Net cash flows used in investing activities	(990,778)
Net increase in cash and cash equivalents	8,363,130
Cash and cash equivalents:	
Beginning	3,959,977
Ending	$ 12,323,107

(Continued)

Cleveland State University

Statement of Cash Flows (Continued)
Year Ended June 30, 2023

Reconciliation of operating loss to net cash flows used in operating activities:	
Operating loss	$ (139,386,559)
Adjustments to reconcile operating loss to net cash flows used in operating activities:	
Depreciation and amortization	32,541,270
Adjustments to reconcile change in net position to net cash used in operating activities:	
Accounts receivable, net	8,200,687
Notes receivable, net	3,696,791
Prepaid expenses and inventories	390,916
Net OPEB asset	9,631,866
Deferred outflows	(42,421,125)
Accounts payable	81,638
Accrued liabilities and compensated absences	(3,994,411)
Unearned revenue	(1,055,300)
Net pension liability	122,900,222
Deferred inflows	(89,552,139)
Net cash flows used in operating activities	$ (98,966,144)

See notes to financial statements.

Cleveland State University

Statement of Net Position—Discretely Presented Component Units
June 30, 2023

	Cleveland State University Foundation, Inc.	Euclid Avenue Development Corporation	Aggregate Total
Assets			
Current assets:			
Cash and cash equivalents	$ 2,419,572	$ 3,714,628	$ 6,134,200
Receivables, net:			
Contributions	3,274,506	-	3,274,506
Due from the University	-	624,202	624,202
Student	-	299,564	299,564
Investments	-	7,094,778	7,094,778
Other assets	302,893	307,061	609,954
Total current assets	5,996,971	12,040,233	18,037,204
Receivables, net:			
Contributions	8,176,382	-	8,176,382
Leases	-	18,220,000	18,220,000
Investments	116,609,324	14,179,961	130,789,285
Funds held on behalf of others	4,826,325	-	4,826,325
Property and equipment, net	-	197,621,143	197,621,143
	129,612,031	230,021,104	359,633,135
Total assets	$ 135,609,002	$ 242,061,337	$ 377,670,339
Liabilities and Net Position			
Current liabilities:			
Accounts payable	$ 64,508	$ 728,153	$ 792,661
Accrued expenses	-	4,697,545	4,697,545
Payable to the University	5,117,643	-	5,117,643
Bonds payable	-	2,130,000	2,130,000
Deferred revenue	-	449,215	449,215
Other	460,496	614,187	1,074,683
Total current liabilities	5,642,647	8,619,100	14,261,747
Bonds payable, net	-	230,419,384	230,419,384
Funds held on behalf of others	4,826,325	-	4,826,325
Deferred revenue	-	900,945	900,945
Total liabilities	10,468,972	239,939,429	250,408,401
Net Position			
Restricted:			
Expendable	123,252,103	2,121,908	125,374,011
Unrestricted	1,887,927	-	1,887,927
Total net position	125,140,030	2,121,908	127,261,938
Total liabilities and net position	$ 135,609,002	$ 242,061,337	$ 377,670,339

See notes to financial statements.

Cleveland State University

**Statement of Revenues, Expenses and Changes in Net Position—
Discretely Presented Component Units
Year Ended June 30, 2023**

	Cleveland State University Foundation, Inc.	Euclid Avenue Development Corporation	Aggregate Total
Revenues:			
Contributions	$ 14,398,405	$ -	$ 14,398,405
Management fees	45,021	-	45,021
Rental income	-	21,244,139	21,244,139
Maintenance fee	-	253,118	253,118
Other	-	1,199,670	1,199,670
Total revenues	14,443,426	22,696,927	37,140,353
Expenses:			
Program services	16,289,803	23,645,932	39,935,735
Supporting services:			
Management and general	765,985	1,038,999	1,804,984
Fundraising	163,917	-	163,917
Total expenses	17,219,705	24,684,931	41,904,636
Change in net position before non-operating activity	(2,776,279)	(1,988,004)	(4,764,283)
Non-operating activity:			
Investment gains and unrealized and realized gains, net	11,268,712	1,306,775	12,575,487
Provision for uncollectible contributions	(19,420)	-	(19,420)
Change in net position	8,473,013	(681,229)	7,791,784
Net position—beginning of year	116,667,017	2,803,137	119,470,154
Net position—end of year	$ 125,140,030	$ 2,121,908	$ 127,261,938

See notes to financial statements.

Note 1. Summary of Significant Accounting Policies

Organization and basis of presentation: Cleveland State University (the University) was established by the General Assembly of the state of Ohio (the State) in 1964 by statutory act under Chapter 3344 of the Ohio Revised Code. As such, the University is a component unit of the State. The University is exempt from federal income taxes under Section 115 of the Internal Revenue Code (IRC), except for unrelated business income.

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

Furthermore, in accordance with GASB Codification Section 2600: *Reporting Entity and Component Unit Presentation and Disclosure,* The Cleveland State University Foundation, Inc. (the Foundation) and the Euclid Avenue Development Corporation (the Corporation) are included as discretely presented component units in these financial statements. The Foundation and Corporation, which are separate not-for-profit organizations, meet the criteria set forth in the Codification Section 2600 due to significance of their operational and financial relationship with the University. The Foundation and Corporation issue reports using standards issued by the Financial Accounting Standards Board. Note 11 provides additional information on the Foundation and Corporation. Certain disclosures concerning the Foundation and Corporation are not included because they have been audited separately and reports have been issued under separate cover. Complete financial statements for the Foundation can be obtained from the Office of the Executive Director at 1836 Euclid Avenue, Union Building Room 501, Cleveland, Ohio 44115-2214. Complete financial statements for the Corporation can be obtained from its President at 2121 Euclid Avenue, AC 208, Cleveland, Ohio 44115.

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), as prescribed by GASB Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities.* GASB Statement No. 35 establishes standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following net position categories:

Net investment in capital assets: Capital assets, right of use lease assets and subscription based information technology assets, net of accumulated depreciation and amortization and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted, expendable: Net position whose use by the University is restricted due to enabling legislation or subject to externally imposed stipulations that can be fulfilled by actions of the University pursuant to those stipulations or that expire by the passage of time. Income generated from these funds may be restricted for student scholarships, loans, instruction, research and other specific university needs.

Restricted, nonexpendable: Net position subject to externally imposed stipulations that they be maintained permanently by the University. Income generated from these funds may be restricted for student scholarships, loans, instruction, research and other specific university needs.

Unrestricted: Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Trustees.

Under the University's decentralized management structure, it is the responsibility of individual departments to determine whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Note 1. Summary of Significant Accounting Policies (Continued)

The accompanying financial statements have been prepared on the accrual basis. The University reports as a business-type activity, as defined by GASB Statement No. 35. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

Operating and nonoperating revenue and expenses: The University's policy for defining operating activities as reported on the statement of revenue, expenses and changes in net position are those that result from exchange transactions such as payments received for providing services and payments made for goods or services received. The principal operating revenue is student tuition and fees. Student tuition and fees revenue are presented net of scholarships and fellowships applied to student accounts. The University also classifies as operating revenue grants classified as exchange transactions and auxiliary activities. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenue, including State appropriations and investment income. Operating expenses include educational resources, administrative expenses and depreciation on capital assets.

Cash and cash equivalents: The University considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Investments: Investments are recorded at fair value as established by the major securities markets. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Purchases and sales of investments are accounted for on the trade date basis. Investment income is recorded on the accrual basis. Realized and unrealized gains and losses are reported as investment income. The University classifies all investments that mature in less than one year as current investments.

Endowment investments are subject to the restrictions of gift instruments, requiring principal to be maintained in perpetuity with only the income from the investments available for expenditure. The Board of Trustees (Board) of the University may set aside other assets for the same purposes as endowment investments (quasi-endowment); the University may expend the principal of quasi-endowment at any time subject to a vote of the Board. At June 30, 2023, the quasi-endowment was approximately $5,230,000.

The University has invested funds 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 Securities and Exchange Commission (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 investments at amortized cost, which approximates fair value.

Accounts receivable allowance: The allowance for bad debt is determined based on historical average and a reasonableness ratio of accounts receivable to bad debt. The objective is to increase the collectability of current receivables to assist the University's objectives regarding enrollment and retention. As such, the University enforces policies that prohibit registration with an unpaid balance over $1,000 and normally limits registrations for those students with a current unpaid balance between $200 to $1,000. The federal regulations regarding returns of funding under the Federal student aid programs of Title IV of the Higher Education Amendments of 1992 have continued to have an impact on outstanding accounts receivable.

Inventories: Inventories are reported at lower of cost or market. Cost is determined on the average cost basis.

Note 1. Summary of Significant Accounting Policies (Continued)

Capital assets: Capital assets are stated at historical cost or at acquisition value at date of donation, if acquired by gift. It is the University's policy to capitalize equipment costing $5,000 or more and buildings and improvements costing $100,000 or more. Depreciation of capital assets is provided on a straight-line basis over the estimated useful lives (five to forty years) of the respective assets and is not allocated to the functional expenditure categories. The University capitalizes but does not depreciate works of art or historical treasures that are held for exhibition, education, research, and public service and are recorded as nondepreciable capital assets, see Note 6.

Right-of-use leased assets, net: The University is a lessee for leases of real estate and vehicles. The University recognizes a lease liability and an intangible right-of-use asset in the financial statements for leases. At the commencement of a lease, the University measures the lease liability at the interest rate charged on the lease, if available, or otherwise discounted using the University's incremental borrowing rate. The lease assets are amortized over the shorter of the lease term or the underlying assets' useful life.

Subscription-based information technology arrangements: The University recognizes an intangible subscription asset and corresponding subscription liability for its subscription-based information technology agreements (SBITAs). The subscription asset is measured as the subscription liability plus direct costs incurred in implementing the subscription asset. The subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying subscription asset. At the subscription commencement, the subscription liability is measured at the present value of payments expected to be made during the subscription term. At the commencement of SBITA, the University measures the liability at the interest rate charged in the SBITA, if available, or otherwise discounted using the University's incremental borrowing rate.

Compensated absences: Classified employees earn vacation at rates specified under State law. Full-time administrators and 12-month faculty earn vacation at a rate of 22 days per year. The maximum amount of vacation that an employee can carry over from one fiscal year to the next is 30 days.

All University employees are entitled to a sick leave credit equal to 10 hours for each month of service (earned on a pro rata basis for less than full-time employees). This sick leave will either be absorbed by time off due to illness or injury or, within certain limitations, be paid to the employee upon retirement. The amount paid to an employee, with 10 or more years of service upon retirement, is limited to one-quarter of the accumulated sick leave up to a maximum of 240 hours.

The University has an accrued liability for all accumulated vacation hours, plus an estimate of the amount of sick leave that will be paid upon retirement. Salary-related fringe benefits have also been accrued.

A summary of accrued compensated absences at June 30, 2023, is as follows:

Beginning balance	$ 9,741,110
Additions	1,550,273
Reductions	(842,804)
Ending balance	$ 10,448,579

The current portion of accrued compensated absences was $798,326 at June 30, 2023.

Unearned revenue: Unearned revenue consists primarily of amounts received in advance of an event occurring, or services being provided, such as student tuition and fees, and advance ticket sales related to the next fiscal year.

Note 1. Summary of Significant Accounting Policies (Continued)

Summer term tuition and fees and corresponding expenses relating to the portion of the term that is within the current fiscal year are recognized as tuition revenue and operating expense. The portion of sessions falling into the next fiscal year are recorded as unearned revenue in the statement of net position and will be recognized in the following fiscal year.

Perkins Loan Program: Funds provided by the United States government under the Federal Perkins Loan program are loaned to qualified students and re-loaned after collection. The Department of Education (DOE) has made $6,727,668 in federal capital contributions, which are reflected as a non-current accrued liability on the University's statement of net position. The Federal Perkins Loan Program expired on September 30, 2017. Under current guidance issued by the DOE, at the time the University liquidates the loan portfolio and assigns the student loans to the DOE, the University will be forgoing its institutional capital contribution not yet received back through loan collections. During the year, the University returned $948,650 of excess liquid capital (cash on hand) to the DOE.

Auxiliary enterprises: Auxiliary enterprise revenue primarily represents revenue generated by parking, events, food service, bookstore, recreation center and intercollegiate athletics.

Scholarship allowances and student aid: Student tuition and fee revenues and certain other revenues from students are reported net of scholarship discounts and allowances in the statement of revenue, expenses, and changes in net position. Certain aid such as loans, funds provided to students as awarded by third parties, and Federal Direct Lending is accounted for as a third-party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses, or scholarship allowances, which reduce revenue. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. The scholarship allowances are computed by allocating the cash payments to students, excluding payments for services, to the ratio of aid not considered to be third-party aid to total aid.

Use of estimates: The preparation of financial statements in conformity U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Bond premiums, discounts and issuance costs: Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are recognized as an expense in the period incurred.

Pensions: For purposes of measuring the net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension revenue/expense, information about the fiduciary net position of the (State Teachers Retirement System of Ohio Pension Plan and the Ohio Public Employees Retirement System "STRS/OPERS") and additions to/deductions from STRS'/OPERS' fiduciary net position have been determined on the same basis as they are reported by STRS/OPERS. STRS/OPERS 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.

Note 1. Summary of Significant Accounting Policies (Continued)

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

Deferred outflows and inflows of resources: Deferred outflows of resources are a use of net position by the University that is applicable to a future reporting period. Deferred outflows of resources of the University consist of certain changes in the net pension asset/liability and net OPEB asset liability not included in pension expense and OPEB expense, respectively, as well as losses from bond refunding. Employer contributions to the pension plan and OPEB plan subsequent to the measurement date of the net pension asset/liability and OPEB asset, respectively, are also required to be reported as a deferred outflow of resources of the University. Deferred inflows of resources are an acquisition of net position by the University that is applicable to a future reporting period. Deferred inflows of resources consist of certain changes in net pension asset/liability not included in pension expense, net OPEB asset not included in OPEB expense and gains from bond refunding.

Recent and pending accounting pronouncements: Effective July 1, 2022, the University adopted GASB Statement No. 92, Omnibus 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. There was no significant impact on the University's financial statements as a result of the adoption of this standard.

Effective July 1, 2022, the University adopted GASB Statement No. 94, *Public-Private and Public—Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. There was no significant impact on the University's financial statements as a result of the adoption of this standard.

Effective July 1, 2022, the University adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement: (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. As a result of the adoption of this statement, on July 1, 2022 the University recognized SBITA assets and liabilities of approximately $5,200,000.

Note 1. Summary of Significant Accounting Policies (Continued)

Effective July 1, 2022, the University adopted GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of this Statement are to: (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. There was no significant impact on the University's financial statements as a result of the adoption of this standard.

Effective July 1, 2022, the University adopted GASB Statement No. 99, *Omnibus 2022.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing: (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. There was no significant impact on the University's financial statements as a result of the adoption of this standard.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections-An Amendment of GASB No. 62.* This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for: (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency and comparability. This Statement also addresses corrections of errors in previously issued financial statements. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The University does not anticipate the adoption of this standard will have a significant impact on the financial statements.

In June 2022, GASB issued Statement No. 101, *Compensated Absences.* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The University has not yet determined the impact this statement will have on the financial statements.

Subsequent events: The University has evaluated subsequent events occurring between the end of the most recent fiscal year and through October 16, 2023, the date the financial statements were available to be issued.

Note 2. Deposits and Investments

Deposits: Custodial credit risk is the risk that in the event of the failure of a depository financial institution, the University will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Protection of University cash and deposits is provided by the Federal Deposit Insurance Corporation (FDIC) as well as qualified securities pledged by the institution holding the assets. Under State law, financial institutions must collateralize all public deposits. The value of the pooled collateral must equal at least 102% of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third-party trustees of the financial institution.

The bank balance at June 30, 2023, was $12,568,504, of which $401,973 was covered by FDIC, and $12,166,531 was covered by collateral held by the trust department of a bank other than the pledging bank in the name of the pledging bank.

Investments: In accordance with the Board's resolution, the types of investments that may be purchased by the University include United States Treasury securities, federal government agency securities, certificates of deposit, bank repurchase agreements, commercial paper, bonds and other obligations of the State or any of its political subdivisions, the STAR Ohio, bankers' acceptances, money market funds, common stocks and corporate bonds.

The University had the following types of investments and maturities at June 30, 2023:

	Fair Value	Less than 1 Year	1-5 Years
Investment type:			
Cash and cash equivalents	$ 6,967,522	$ -	$ -
Commercial paper	1,892,269	1,892,269	-
Fixed income debt securities:			
U.S. Treasuries	6,320,231	194,984	6,125,247
Corporate bonds	10,648,416	674,631	9,973,785
Agency bonds	9,251,891	-	9,251,891
Equity mutual funds	83,627,986	-	-
Equity mutual fund – multi-strategy funds	16,152,533	-	-
STAR Ohio	50,430,562	-	-
Pooled investments – CSU Foundation	3,776,499	-	3,776,499
Asset-backed securities:			
Corporate bonds	284,494	-	284,494
Other investments	346,350	346,350	-
Total	$ 189,698,753	$ 3,108,234	$ 29,411,916

Some of the U.S. agency securities are callable at various dates.

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University investment policy does not address interest rate risk. 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.

Note 2. Deposits and Investments (Continued)

Credit risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit quality information as commonly expressed in terms of the credit ratings issued by nationally recognized statistical rating organizations such as Moody's Investor Services, Standard & Poor's, or Fitch Ratings provides a current depiction of potential variable cash flows and credit risk. The credit risk ratings of the University's interest bearing fixed income investments at June 30, 2023, are as follows:

Investment Type	Fair Value	Not Applicable	Aaa	Aa1, Aa2, Aa3 A1, A2, A3	Below Ba1
U.S. Treasury bonds	$ 6,320,231	$ -	$ 6,320,231	$ -	$ -
Corporate bonds	10,648,416	-	139,527	3,596,146	6,912,743
Agency bonds	9,251,891	9,251,891	-	-	-
Mutual funds – equities	83,627,986	83,627,986	-	-	-
Mutual funds – multi-strategy	16,152,533	16,152,533	-	-	-
Asset backed securities	284,494	8,155	276,339	-	-
Other	346,350	346,350	-	-	-
STAR Ohio	50,430,562	-	50,430,562	-	-
Total investments	$ 177,062,463	$ 109,386,915	$ 57,166,659	$ 3,596,146	$ 6,912,743

Custodial credit risk: Custodial credit risk is the risk that, in the event of the failure of a counterparty to a transaction, the University will not be able to recover the value of investment securities that are in the possession of an outside party. The University does not have a policy for custodial credit risk. The University's investments are held by a custodian in the University's name or directly held in the University's name.

Concentration of credit risk: Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. As of June 30, 2023, not more than 10% of the University's total investments were invested in any one issuer except those which are obligations of, or fully guaranteed as to both principal and interest by, the U.S. Government. The University's investment policy does not specifically address concentration of credit risk.

Foreign currency risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. At June 30, 2023, there were no investments managed by international equity managers. Although the University's investment policy does not specifically address foreign currency risk, it does limit foreign investments to no more than 20% of the portfolio.

Note 3. Fair Value Measurements

The University categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. 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 unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. Management utilizes valuation techniques that maximize the use of observable inputs (Levels 1 and 2) and minimize the use of unobservable inputs (Level 3) within the fair value hierarchy established by GASB. 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.

Note 3. Fair Value Measurements (Continued)

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

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

	2023			
	Level 1	Level 2	Level 3	Total
Investment assets:				
Commercial paper	$ 1,892,269	$ -	$ -	$ 1,892,269
Debt securities:				
U.S. Treasuries	-	6,320,231	-	6,320,231
Corporate bonds	-	10,648,416	-	10,648,416
Agency bonds	-	9,251,891	-	9,251,891
Mutual funds:				
Equities	83,627,986	-	-	83,627,986
Multi-strategy	16,152,533	-	-	16,152,533
Pooled investments - CSU Foundation	-	3,776,499	-	3,776,499
Asset backed securities:				
Corporate bonds	-	284,494	-	284,494
Other investments	-	346,350	-	346,350
Total investments at fair value	$ 101,672,788	$ 30,627,881	$ -	132,300,669
Cash and cash equivalents				6,967,522
STAR Ohio				50,430,562
Total investment assets				$ 189,698,753

Debt and equity securities and mutual funds classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of corporate bonds, agency bonds and asset-backed securities at June 30, 2023, was 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.

Investments and long-term and endowment investments on the statement of net position at June 30, 2023, include investments in STAR Ohio of $50,430,562. The investments in STAR Ohio are measured at amortized cost; therefore, they are not included in any of the levels in the table 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 transaction 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.

Note 4. Receivables

The composition of accounts receivable at June 30, 2023, is as follows:

Student accounts	$ 13,588,064
Grants	11,600,159
University Foundation	5,117,643
Other	1,351,119
Total accounts receivable	31,656,985
Less allowance for uncollectible accounts	(2,118,767)
Accounts receivable, net	$ 29,538,218

Notes receivable consist primarily of loans to students under the Federal Perkins Loan Program. The composition of notes receivable at June 30, 2023, is summarized as follows:

Perkins loan program	$ 3,370,522
Other	279,268
Total notes receivable	3,649,790
Less allowance for uncollectible accounts	(202,231)
Notes receivable, net	3,447,559
Less current portion	(801,859)
Total noncurrent notes receivable	$ 2,645,700

Note 5. State Support

The University is a State-assisted institution of higher education, which receives a student-based subsidy from the State. This subsidy is determined annually, based upon a formula devised by The Ohio Department of Higher Education (the ODHE).

In addition, the State provides the funds to construct or improve certain plant facilities on the University's campus. Upon completion, ODHE turns over control of the facility to the University and the University records a contribution. The facilities are not pledged as collateral for the revenue bonds. Instead, the bonds are supported by a pledge of monies in the Higher Education Bond Service Fund established in the custody of the Treasurer of State. If sufficient monies are not available from this fund, a pledge exists to assess a special student fee uniformly applicable to students in State-assisted institutions of higher education throughout the State.

Note 6. Capital Assets

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

	Beginning Balance (as restated)	Additions/ Transfers	Retirements/ Transfers	Ending Balance
Capital assets:				
Nondepreciable:				
Land	$ 58,635,897	$ -	$ -	$ 58,635,897
Construction in progress	6,646,901	1,052,347	-	7,699,248
Capitalized collections	7,102,155	-	-	7,102,155
Total nondepreciable capital assets	72,384,953	1,052,347	-	73,437,300
Depreciable:				
Land improvements	5,990,143	-	-	5,990,143
Buildings	831,027,329	1,948,862	-	832,976,191
Equipment	60,253,286	2,628,651	(3,197,393)	59,684,544
Library books	38,538,739	333,215	(279,202)	38,592,752
Right-of-use leased—equipment	2,600,616	-	-	2,600,616
Right-of-use leased—real estate	64,180,394	-	-	64,180,394
Software (SBITAs)	5,237,336	-	-	5,237,336
Total depreciable capital assets	1,007,827,843	4,910,728	(3,476,595)	1,009,261,976
Less accumulated depreciation:				
Land improvements	11,453,121	261,010	-	11,714,131
Buildings	454,968,603	23,974,962	-	478,943,565
Equipment	49,663,103	2,187,333	(3,197,393)	48,653,043
Library books	37,477,873	2,332	(279,202)	37,201,003
Right-of-use leased—equipment	972,244	634,177	-	1,606,421
Right-of-use leased—real estate	2,995,223	3,201,766	-	6,196,989
Software (SBITAs)	-	2,102,938		2,102,938
Total accumulated depreciation	557,530,167	32,364,518	(3,476,595)	586,418,090
Capital assets, net	$ 522,682,629	$ (26,401,443)	$ -	$ 496,281,186

The University had approximately $2,560,000 in commitments related to construction as of June 30, 2023. For the year ended June 30, 3023, depreciation expense on capital assets was $26,417,899 and amortization expense on leases and SBITAs was $6,123,371.

Note 7. Debt

Debt consists of the following as of June 30, 2023:

	Maturity Dates	Interest Rates	Beginning Balance	Additions	Reductions	Ending Balance	Current
Bonds payable:							
Series 2011	2023-2042	5.32%	$ 4,725,000	$ -	$ (120,000)	$ 4,605,000	$ 120,000
Series 2016A	2023-2036	3.00-5.00%	26,155,000	-	(1,345,000)	24,810,000	1,415,000
Series 2021	2023-2037	2.09%	105,260,000	-	(5,865,000)	99,395,000	6,160,000
Series 2021A and B	2025	1.45-1.85%	27,700,000	-	-	27,700,000	-
Premiums			3,237,957	-	(301,492)	2,936,465	-
			$ 167,077,957	$ -	$ (7,631,492)	$ 159,446,465	$ 7,695,000

Note 7. Debt (Continued)

In December 2021, the University issued General Receipts Refunding Bonds, Series 2021, which were purchased by Truist Bank of $110,855,000. Interest is payable at the fixed rate of 2.09% with maturities beginning June 1, 2022 through June 1, 2037. The proceeds of the bonds were used to refund the outstanding Series 2012 Bonds. The purpose of this transaction was to refund future callable maturities to achieve debt service savings and resulted in an economic gain on a net present value basis of approximately $20,700,000 over the life of the bonds. As a result of the refunding, $9,606,900 was recorded in fiscal year 2022 as a gain on refunding within the deferred inflows section on the statement of net position. The unamortized amount of $8,677,200 at June 30, 2023, remains which will be amortized into income through 2037. Amortization of the gain was netted against interest expense for the year ended June 30, 2023, in the amount of $619,800.

In June 2019, the University issued Series 2019 Limited Available Receipts Bonds to PNC Bank, NA, in the principal amount of $27,700,000. The Series 2019 Limited Available Receipts Bonds were issued as fixed rate bonds maturing on June 21, 2022. Interest was payable semi-annually at the rates of 2.31% to 2.87%. The transaction was a Direct Purchase by the bank. The proceeds of the bonds were used to finance a lease balloon payment. On October 7, 2021, the University issued with PNC Bank, NA its Limited Available Receipts Refunding Bonds, Series 2021A (tax-exempt) and Series 2021B (federally taxable bonds) totaling $27,700,000. The Series 2021A and 2021B bonds paid off the Series 2019 Limited Available Receipts Bonds and bear interest at rates of 1.45% to 1.85% with interest payable semi-annually. The bonds are set to mature on October 7, 2024.

In February 2016, the University issued $32,475,000 of general receipts bonds, Series 2016A. The bonds bear interest rates ranging from 3.0% to 5.0% and began maturing June 1, 2016 through June 1, 2036. The proceeds of the issuance refunded the Series 2007A bonds and paid issuance costs. The purpose of this transaction was to refund future callable maturities to achieve debt service savings of approximately $3,900,000 over the life of the bonds. As a result of the refunding, $1,493,588 was recorded in 2016 as a loss on refunding within the deferred outflows section on the statement of net position. The unamortized amount of $949,965 at June 30, 2023, which will be amortized into income through 2036. Amortization of the loss was netted against interest expense for the year ended June 30, 2023, in the amount of $73,546.

In September 2011, the University issued taxable general receipts bonds in the principal amount of $5,775,000. The General Receipts Series 2011 Bonds were issued as fixed rate bonds with maturities beginning October 1, 2013 through April 1, 2042. Interest is payable at the rate of 5.32%. The proceeds of the bonds were used to finance a portion of the costs of public improvements identified as the North Campus Neighborhood—Project Phase I.

The indebtedness created through the issuance of General Receipts’ bonds is collateralized by a pledge of all general receipts, excluding state appropriations and monies received for restricted purposes. The primary source of funds being deposited to service the principal and interest requirements is student fees.

Interest expense on indebtedness for the year ended June 30, 2023, was $3,381,218.

Note 7. Debt (Continued)

Principal and interest payable for the next five years and in subsequent five-year increments are as follows:

	Bonds Payable		Direct Placement Bonds	
	Principal	Interest	Principal	Interest
2024	$ 7,695,000	$ 3,450,347	$ -	$ 488,600
2025	8,055,000	3,244,469	-	488,600
2026	8,450,000	3,029,030	27,700,000	162,867
2027	8,925,000	2,802,355	-	-
2028	9,370,000	2,562,104	-	-
2029-2033	54,355,000	8,826,065	-	-
2034-2038	30,580,000	2,158,740	-	-
2039-2042	1,380,000	143,773	-	-
	$ 128,810,000	$ 26,216,883	$ 27,700,000	$ 1,140,067

Note 8. Employment Benefit Plans

Retirement plans: Substantially all nonstudent University employees are covered by one of three retirement plans. University faculty are covered by State Teachers Retirement System (STRS). Nonfaculty employees are covered by Ohio Public Employees Retirement System (OPERS). Employees may opt out of STRS and OPERS and participate in the Alternative Retirement Plan (ARP).

Defined benefit plans: The University participates in the STRS and the OPERS, statewide, cost-sharing, multiple-employer defined benefit public employee retirement systems governed by the Ohio Revised Code (ORC) that covers substantially all employees of the University. Each system has three retirement plan options available to its members. Each system provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The systems also each provide post-employment healthcare benefits (including Medicare B premiums) to retirees and beneficiaries who elect to receive those benefits.

Each retirement system issues a publicly available financial report that includes financial statements and required supplementary information for the pension and post-employment healthcare plans. The reports may be obtained by contacting:

State Teachers Retirement System of Ohio
275 E. Broad Street
Columbus, OH 43215
(888) 227-7877
www.strsoh.org

Ohio Public Employees Retirement System
277 East Town Street
Columbus, OH 43215
(800) 222-7377
www.opers.org

Contributions: State retirement law requires contributions by covered employees and their employers, and Chapter 3307 of the ORC limits the maximum rate of contributions. The retirement boards of the systems individually set contribution rates within the allowable limits. The adequacy of employer contribution rates is determined annually by an 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.

Note 8. Employment Benefit Plans (Continued)

Member contributions are set at the maximums authorized by the ORC. The plans' 2023 employer and member contribution rates on covered payroll to each system are:

	Employer Contribution Rate				Member Contribution Rate
	Pension	Post Retirement Healthcare	Death Benefits	Total	Total
STRS	14.00%	0.00%	0.00%	14.00%	14.00%
OPERS—State/Local	14.00%	0.00%	0.00%	14.00%	10.00%
OPERS—Law Enforcement	18.10%	0.00%	0.00%	18.10%	13.00%

The University's required and actual contributions to the pension plan were $8,462,497 and $8,423,402 for STRS and OPERS, respectively. There were no required contributions for the OPEB plan.

Benefits: STRS plan benefits are established under Chapter 3307 of the ORC, as amended in 2012 Substitute Senate Bill 342 and 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 August 1, 2015, eligibility requirements for an unreduced benefit were changed. The maximum annual retirement allowance, payable for life, considers years of credited service, final average salary (3 to 5 years) and multiplying by a factor ranging from 2.2% to 2.6% with 0.1% incremental increases for years greater than 30, 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 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 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. All benefit recipients pay a portion of the healthcare cost in the form of a monthly premium.

Note 8. Employment Benefit Plans (Continued)

OPERS plan benefits are established under Chapter 145 of the ORC, as amended by Substitute Senate Bill 343 in 2012. The requirements to retire depends 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 except for public safety and law enforcement participants. Member retirement benefits are calculated on a formula that considers years of service (5 to 30 years), age (48 to 62 years) and final average salary, using a factor ranging from 1.0% to 2.5%.

A plan member who becomes disabled 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 to $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%, or an amount based on the average percentage increase in the Consumer Price Index, capped at 3%.

Net pension asset/liability, deferred outflows of resources, deferred inflows of resources, and pension reduction: At June 30, 2023, the University reported a liability for its proportionate share of the net pension liability of STRS and OPERS. For the year ended June 30, 2023, the net pension liability was measured as of June 30, 2022, for the STRS plan and December 31, 2022, for the OPERS plan. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates, which was rolled forward to the measurement date. The University's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined.

Plan	Measurement Date	Net Pension Liability 2023	Proportionate Share 2023	Change
STRS	6/30	$ 102,964,845	0.4632%	0.0028%
OPERS	12/31	$ 103,710,100	0.3544%	-0.0591%

Note 8. Employment Benefit Plans (Continued)

For the year ended June 30, 2023, the University recognized pension expense of $16,885,900. At June 30, 2023, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

June 30, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,955,093	$ (529,212)
Changes of assumptions	13,492,748	(9,274,772)
Net difference between projected and actual earnings on pension plan investments	33,785,345	-
Changes in proportion and differences between University contributions and proportionate share of contributions	6,425,917	(2,692,429)
University contributions subsequent to the measurement date	12,708,902	-
Total	$ 71,368,005	$ (12,496,413)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense, net of $12,708,902 of contributions subsequent to the measurement date as follows:

Years ending June 30:	
2024	$ 7,116,106
2025	8,226,103
2026	5,623,533
2027	25,133,329
2028	23,374
Thereafter	40,245
Total	$ 46,162,690

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

Note 8. Employment Benefit Plans (Continued)

Net OPEB (asset) liability, deferred outflows of resources, deferred inflows of resources, and OPEB reduction: At June 30, 2023, the University reported an (asset) liability for its proportionate share of the net OPEB (asset) liability of STRS/OPERS. For June 30, 2023, the net OPEB (asset) liability was measured as of June 30, 2022, for STRS, and December 31, 2022, 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, 2021, rolled forward to the measurement date of December 31, 2022, 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 OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined, except as noted below.

Plan	Measurement Date	Net OPEB (Asset) Liability 2023	Proportionate Share 2023	Change
STRS	6/30	$ (11,993,000)	0.4632%	0.0028%
OPERS	12/31	$ 2,267,662	0.3597%	-0.0554%

For plan year ending June 30, 2022, STRS did not allocate employer contributions to the OPEB plan. Therefore, STRS' calculation of the employers' proportionate share is based on total contributions to the plan for both pension and OPEB.

For plan year ending December 31, 2021, OPERS did not allocate employer contributions to the OPEB plan. Therefore, OPERS' calculation of the employers' proportionate share is based on total contributions to the plan for both pension and OPEB.

For the year ended June 30, 2023, the University recognized a reduction in OPEB expense of $16,885,899 due to the changes in actuarial assumptions. At June 30, 2023, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

June 30, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 174,000	$ (2,366,644)
Changes of assumptions	2,725,877	(8,686,248)
Net difference between projected and actual earnings on pension plan investments	4,712,657	-
Changes in proportion and differences between University contributions and proportionate share of contributions	37,654	(452,574)
Total	$ 7,650,188	$ (11,505,466)

Note 8. Employment Benefit Plans (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB (benefit) as follows:

Years ending June 30:	
2024	$ (2,384,961)
2025	(1,093,624)
2026	103,263
2027	1,639,494
2028	(701,216)
Thereafter	(1,418,234)
Total	$ (3,855,278)

Actuarial assumptions: The net pension liability and OPEB (asset) liability is based on the results of an actuarial valuation and were determined using the following actuarial assumptions for the University's current year:

	STRS	OPERS
Valuation date-Pension	June 30, 2022	December 31, 2022
Valuation date—OPEB	June 30, 2022	December 31, 2021
Actuarial cost method	Entry age normal	Individual entry age
Costs of living	None	2.05% - 3.00%
Salary increases, including inflation	Varies by service from 2.5% to 8.5%	2.75% - 10.75%
Inflation	2.50%	2.75%
Investment rate of return-Pension	7.00%, net of investment expense, including inflation	6.90%, net of investment expense, including inflation
Investment rate of return—OPEB	7.00%, net of investment expense, including inflation	6.00%, net of investment expense, including inflation
Health care cost trend rates	-68.78% to 9.00% initial, 3.94% ultimate	5.50% initial, 3.50% ultimate in 2036
Experience study date	Period of 5 years ended June 30, 2016	Period of 5 years ended December 31, 2020
Mortality basis	Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.	Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub 2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement division. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

Note 8. Employment Benefit Plans (Continued)

Pension discount rate: The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates for all plans. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liabilities for STRS was 7.00% for the plan year ended June 30, 2022. The discount rate used to measure the net pension asset/liability for OPERS was 6.90% for the plan year ended December 31, 2022.

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 net OPEB (asset).

The discount rate used to measure the net STRS OPEB (asset) was 7.00% for the plan year ended June 30, 2022. At June 30, 2022, the plan's fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB (asset).

The discount rates used to measure the net OPERS OPEB liability was 5.22% for the plan year ended December 31, 2022. At December 31, 2022, the fiduciary net position and future contributions were sufficient to finance health care costs through the year 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, the duration of the projection period through which projected health care payments are fully funded.

Note 8. Employment Benefit Plans (Continued)

The long-term expected rate of return on pension plan and OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 investments, 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) real rates of return for each major asset class are summarized in the following table as of the dates listed below:

	STRS as of 06/30/22			OPERS as of 12/31/22			
				Defined Benefits Portfolio		Health Care Portfolio	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	26.00%	6.60%	Fixed Income	22.00%	2.62%	34.00%	2.56%
International Equity	22.00%	6.80%	Domestic Equities	22.00%	4.60%	26.00%	4.60%
Alternatives	19.00%	7.38%	Real Estate	13.00%	3.27%	0.00%	0.00%
Fixed Income	22.00%	1.75%	Alternatives/Private Equity	15.00%	7.53%	2.00%	4.37%
Real Estate	10.00%	5.75%	International Equity	21.00%	5.51%	25.00%	5.51%
Other	1.00%	1.00%	REITs	0.00%	0.00%	7.00%	4.70%
			Other	7.00%	3.27%	6.00%	1.84%
	100.00%		Total	100.00%		100.00%	

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the University, calculated using the discount rate listed below, as well as what the University's net pension asset/liability would be if it were calculated using a discount rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

	2023					
Plan	1.00 % Decrease		Current Discount Rate		1.00 % Increase	
STRS	6.00%	$ 155,542,398	7.00%	$ 102,964,845	8.00%	$ 58,500,515
OPERS	5.90%	156,309,133	6.90%	103,710,100	7.90%	59,975,751
		$ 311,851,531		$ 206,674,945		$ 118,476,266

Sensitivity of the net OPEB (asset) liability to changes in the discount rate: The following presents the net OPEB (asset) liability of the University, 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:

	2023					
Plan	1.00 % Decrease		Current Discount Rate		1.00 % Increase	
STRS	6.00%	$ (11,087,394)	7.00%	$ (11,993,000)	8.00%	$ (12,769,092)
OPERS	4.22%	7,718,089	5.22%	2,267,662	6.22%	(2,229,830)
		$ (3,369,305)		$ (9,725,338)		$ (14,998,922)

Note 8. Employment Benefit Plans (Continued)

Sensitivity of the net OPEB (asset) liability to changes in the health care cost trend rate: The following presents the net OPEB (asset) liability of the University, calculated using the healthcare cost trend rate listed below, as well as what the University's net OPEB (asset) liability 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:

	2023		
Plan	1.00 % Decrease	Current Discount Rate	1.00 % Increase
STRS	$ 12,439,862	$ (11,993,000)	$ 11,429,390
OPERS	7,718,089	2,267,662	(2,229,830)
	$ 20,157,951	$ (9,725,338)	$ 9,199,560

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/OPERS financial report.

Assumption changes: During the measurement periods ended June 30, 2022 and December 31, 2022, respectively, certain assumption changes were made by the plans. The OPERS pension discount rate remained the same at 6.90%. The OPERS OPEB discount rate was reduced from 6.00% to 5.22%, which impacted the annual actuarial valuation for the plan. The STRS pension and OPEB discount rates remained unchanged at 7.00%.

Benefit changes: There were no significant benefit terms changes for the pension or OPEB plans since the prior two measurement dates for OPERS. Effective for 2023, STRS implemented a one-time 3% cost of living adjustment effective on the anniversary of a benefits recipient's retirement date for those eligible during FY23 and eliminated the age 60 requirement (effective August 1, 2026).

Payable to the pension plan: At June 30, 2023, the University reported a payable of $1,998,856 for the outstanding amount of contributions to the pension plans. There were no amounts due to the OPEB plan at June 30, 2023.

Defined contribution plan: The University also offers eligible employees an alternative retirement program (ARP). The 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. Full-time employees are eligible to choose a provider, in lieu of STRS or OPERS, from the list of providers currently approved by the Ohio Department of Insurance and who hold agreements with the University. Employee and employer contributions equal to those required by STRS 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 or OPERS, and who elect to participate in the ARP, must contribute the employee's share of retirement contributions to one of the 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.

Note 8. Employment Benefit Plans (Continued)

The University is required to contribute to STRS 4.50% of earned compensation for those employees participating in the ARP. The University's contribution for the year ended June 30, 2023, was $520,700, which equals 4.50% of earned compensation.

The University also contributes what would have been the employer's contribution under STRS or OPERS, less the aforementioned percentage, 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. STRS and OPERS also offer a defined contribution plan and a combined plan with features of both a defined contribution plan and a defined benefit plan. For the year ended June 30, 2023, the University recognized pension expense of $2,883,379 as determined by actuarial valuations.

Note 9. Risk Management

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. On July 1, 1993, the University joined with 11 other State-assisted universities in Ohio to form an insurance-purchasing pool for the acquisition of commercial property and casualty insurance. The University pays annual premiums to the pool for its property and casualty insurance coverage based on its percentage of the total insurable value to the pool. Future contributions will be adjusted based upon each university's loss history. Each university has a base deductible of $100,000. The next $250,000 of any one claim is the responsibility of the pool, which has a total annual aggregate deductible limit of $700,000. The commercial property insurer is liable for the amount of any claim in excess of $350,000, or $100,000 in the event the pool has reached its annual limit. There were no significant reductions in coverage from the prior year.

The University maintains a self-insured medical plan for its employees. The University's risk exposure is limited to claims incurred. There is a $250,000 specific stop loss for any given individual. The changes in the total liability for actual and estimated medical claims is summarized below at June 30, 2023:

Liability at beginning of year	$ 2,267,909
Claims incurred	18,864,745
Claims paid	(16,378,621)
Change in estimated claims incurred but not reported	(2,363,968)
Liability at end of year	$ 2,390,065

Medical claims are based upon estimates of the claims liabilities. Estimates are based upon past experience, medical inflation trends and current claims outstanding, including year-end lag analysis. Differences between the estimated claims payable and actual claims paid are reported as an operating expense in the statement of revenue, expenses and changes in net position. The claim liability is included in accrued liabilities in the statement of net position. The current and noncurrent portion of the claim liability was $2,390,065 and $0, respectively at June 30, 2023.

Note 9. Risk Management (Continued)

The University participates in a State pool of agencies and universities that pays workers' compensation premiums into the State Insurance Fund on a pay-as-you-go basis (the Plan), 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 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 cash needed in subsequent fiscal years to pay the workers' compensation claims of participating State agencies and universities. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

During the normal course of its operations, the University has become a defendant in various legal actions. It is not possible to estimate the outcome of these legal actions; however, in the opinion of legal counsel and the University administration, the disposition of these pending cases will not have a material adverse effect on the financial condition or operations of the University. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

Note 10. Grant Contingencies

The University receives significant financial assistance from numerous federal, state, and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the University. However, in the opinion of the University administration, any such disallowed claims will not have a significant effect on any of the financial statements of the University at June 30, 2023.

Note 11. Component Units

The Foundation and the Corporation are legally separate not-for-profit entities organized for the purpose of providing support to the University. Both the Foundation and the Corporation are exempt from federal income taxes under Section 501(c)(3) of the IRC.

The Foundation acts primarily as a fundraising organization to supplement the resources that are available to the University in support of its programs. The board of the Foundation is self-perpetuating and consists of business leaders and friends of the University. Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds and invests are restricted to the activities of the University by donors.

During the year ended June 30, 2023, the Foundation paid $16,289,803 to the University. At June 30, 2023, the University had receivables from the Foundation totaling $5,117,643.

As authorized by the Board, beginning in fiscal year 1998, the University placed endowment and quasi-endowment funds on deposit with the Foundation for investment. At June 30, 2023, the amount on deposit with the Foundation totaled $3,776,499.

Note 11. Component Units (Continued)

The Foundation had the following types of investments as of June 30, 2023:

Cash and cash equivalents	$ 2,880,348
Common stock—domestic	1,324,086
Mutual funds:	
Domestic	49,712,621
International	22,863,722
Balance fund	2,925,250
Fixed income securities	15,758,673
Fixed income—other	3,556
Investments at fair value	95,468,256
Alternative investments, at net asset value (NAV)	25,967,393
Total investments	$ 121,435,649

In accordance with *Fair Value Measurements* topic of the Financial Accounts Standards Board (FASB) Accounting Standards Codification (ASC), certain investments that were measured at net asset value (NAV) per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net position—discretely presented component units.

Financial assets measured at fair value on a recurring basis consisted of the following as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
Common stock—domestic	$ 1,324,086	$ -	$ -	$ 1,324,086
Mutual funds:				
Domestic	49,712,621	-	-	49,712,621
International	22,863,722	-	-	22,863,722
Balanced fund	2,925,250	-	-	2,925,250
Fixed income securities	-	15,758,673	-	15,758,673
Fixed income—other	-	3,556	-	3,556
	$ 76,825,679	$ 15,762,229	$ -	92,587,908
Investments valued at NAV				25,967,393
Cash and cash equivalents				2,880,348
Total				$ 121,435,649

Property and equipment consist of the following at June 30, 2023:

Property and equipment:	
Land	$ 4,623,000
Buildings	219,028,194
Building improvements	3,702,149
Furniture, fixtures and equipment	3,537,814
	230,891,157
Less accumulated depreciation	(33,270,014)
Property and equipment, net	$ 197,621,143

Note 11. Component Units (Continued)

The restricted net position of the Foundation has been limited by the donors to a specific time period, purpose or are net positions held in perpetuity, for the following purposes as of June 30, 2023:

Instruction and academic support	$	28,443,192
Research		2,012,118
Public service		4,689,613
Financial aid		82,714,965
Institutional support		3,937,261
Capital and other projects		1,454,954
Total	$	123,252,103

The Corporation was organized primarily to further the educational mission of the University by developing, owning, and managing housing for the students, faculty, and staff of the University. The Board of the Corporation is self-perpetuating and the University does not control the Corporation.

As of June 30, 2023, the Corporation had the following types of investments:

Government money market funds	$	7,094,778
Money market funds		32,468
Exchange traded funds		6,390,453
Mutual funds		7,757,040
Total	$	21,274,739

On December 9, 2014, the Corporation issued $88,945,000 of Cleveland-Cuyahoga County Port Authority Development Revenue Bonds (2014 bonds). The proceeds were used by the Corporation to refund bonds issued in 2005 through 2009. A portion of the 2014 bonds matured as of June 30, 2019. The remaining 2014 bonds mature at various dates from August 1, 2019 through August 1, 2044, with a fixed rate of interest of 5%. At the time of refunding, the Corporation chose to utilize funds held by the trustee to pay a portion of the outstanding principal on all existing bonds.

On August 8, 2019, the Corporation issued Development Refunding Revenue Bonds in the principal amount of $18,220,000. The Series 2019 Bonds were issued by the Cleveland-Cuyahoga County Port Authority as fixed rate bonds with a maturity of August 1, 2044, and a coupon rate of 4%. The proceeds of the bonds were issued to refund a portion of the outstanding principal amount of the Series 2014 Bonds; and to pay certain costs of issuance of the Series 2019 Bonds.

On July 6, 2022, the Cleveland-Cuyahoga County Port Authority issued $140,285,000 of tax-exempt Student Housing Facility Revenue Bonds, Series 2022A Bonds to finance the acquisition of student housing, parking facilities for student residents and certain issuance costs of the Series 2022A Bonds and $6,650,000 of Student Housing Facility Revenue Bonds, Series 2022B for the acquisition of retail space related to the student housing facilities and paying the costs of issuance of the Series 2023B Bonds on a federally taxable basis. The Series 2022A Bonds were issued with coupon rates ranging from 5% to 5.5% with an average of 5.4% over the life of the bonds and mature at various dates and amounts through August 1, 2052. The Series 2022B Bonds were issued with coupon rates ranging from 4.565% to 4.896% with an average coupon rate of 4.8% over the life of the bonds and mature annually at various amounts through August 2026.

Note 11. Component Units (Continued)

Principal and interest payable for the next five years and in subsequent five-year increments are as follows:

	Principal	Interest
2024	$ 2,130,000	$ 11,210,002
2025	4,520,000	11,048,721
2026	4,740,000	10,824,856
2027-2031	27,580,000	50,244,348
2032-2036	35,405,000	42,411,500
2037-2041	43,850,000	32,403,863
2042-2046	44,570,000	21,398,938
2047-2051	39,085,000	10,808,188
2052-2053	18,900,000	1,053,800
	220,780,000	$ 191,404,216
Unamortized bond premium	14,359,226	
Unamortized bond issuance costs	(2,589,842)	
Bonds payable, net	$ 232,549,384	

On July 26, 2022, the Corporation entered into an amended and restated 65-year lease with the University for the leasehold interest in the land upon which the Langston project is located. There is no rent payment due until July 1, 2039, at which time the rent payment will be $1,000 per year through June 30, 2087.

On December 18, 2009, the Corporation leased land, owned by the University and located on its campus, from the University. Annual rent is equal to the net available cash flows from the project.

On June 1, 2008, the Corporation leased land, owned by the University and located on its campus, from the University. On August 22, 2008, the Corporation entered into a design-build agreement to construct a 623-car parking garage on the site. On July 1, 2008, the Corporation entered into a lease agreement with the University to operate the garage on completion of construction.

On March 1, 2005, the Corporation leased the Fenn Tower building, located on the University's campus, from the University. Annual rent is equal to the net available cash flows from the Fenn Tower project. On March 1, 2005, the Corporation entered into a development agreement to plan, design and construct housing units in Fenn Tower. In addition, the Corporation entered into a management agreement with an unrelated party to manage Fenn Tower. The project was completed in August 2006. The facility has the capacity to house 430 residents.

During the year ended June 30, 2023, the Corporation paid rent on the land leases in the amount of $500,000 annually to the University.

Note 11. Component Units (Continued)

On July 1, 2008, the Corporation entered into a 30-year lease with the University for the East 21st Street parking garage facility. Under the terms of the lease, the University has been granted sole and exclusive charge of the operations of the parking garage facility during the lease term in exchange for making monthly rental payments in an amount equal to the required debt service payments on the Series 2014 and Series 2019 Bonds that refunded bonds issued in 2008 and 2014 (see Note 5), plus any other amount due to the Trustee under the Reimbursement Agreement. Upon termination of the lease, the Corporation will transfer title of the parking facility to the University. As such, the Corporation has recorded a lease receivable in the amount of $12,298,500 as of June 30, 2023 and 2022, which represents the amount outstanding on the Series 2019 and 2014 Bonds (attributable to the parking garage facility) that refunded bonds issued in 2008. Interest income is recognized based on the interest expense incurred on the Series 2019 and 2014 Bonds that refunded bonds issued in 2008 and 2014.

On July 1, 2011, the Corporation entered into a 30-year lease with the University for the parking garage facility attached to the Euclid Commons residence halls. Under the terms of the lease, the University has been granted sole and exclusive charge of the operations of the parking garage facility during the lease term in exchange for making monthly rental payments in the amount equal to the required debt service payments on the related bonds, plus any other amounts due to the Trustee under the Reimbursement Agreement. Upon termination of the lease, the Corporation will transfer title of the parking facility to the University. As such, the Corporation recorded a lease receivable in the amount of $5,921,500 as of June 30, 2023 and 2022, which represents the amount outstanding on the Series 2019 and 2014 Bonds (attributable to the parking garage facility) that refunded bonds issued in 2009. Interest income is recognized based on the interest expense incurred on the Series 2019 and 2014 Bonds that refunded bonds issued in 2009 and 2014.

Note 12. Leases

The University leases facilities and equipment from others. These leases have terms between 1 and 28 years requiring monthly, quarterly or annual payments. The expected lease payments are discounted using the interest rate charge on the lease, if available, and are otherwise discounted using the University's incremental borrowing rate. A summary of changes in the lease liabilities for the year ended June 30, 2023, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current
Lease liabilities	$ 64,515,565	$ -	$ (1,940,279)	$ 62,575,286	$ 1,903,167
	$ 64,515,565	$ -	$ (1,940,279)	$ 62,575,286	$ 1,903,167

As of June 30, 2023, the principal and interest requirements for the lease liability, net is as follows:

	Principal	Interest	Total
2024	$ 1,903,167	$ 1,761,270	$ 3,664,437
2025	2,326,104	1,719,962	4,046,066
2026	1,795,647	1,677,933	3,473,580
2027	1,824,929	1,639,834	3,464,763
2028	1,863,752	1,601,010	3,464,762
2029-2033	7,504,278	7,557,122	15,061,400
2034-2038	8,146,657	6,798,005	14,944,662
2039-2043	18,577,159	5,321,217	23,898,376
2043-2047	16,889,681	1,093,481	17,983,162
2048-2052	1,743,912	16,749	1,760,661
Total	$ 62,575,286	$ 29,186,583	$ 91,761,869

Note 13. Subscription-Based Information Technology Arrangements

The University recognizes an intangible subscription asset and corresponding subscription liability for its subscription-based information technology agreements others. These arrangements have terms between one and three years requiring monthly, quarterly or annual payments. The expected payments are discounted using the interest rate charge on the arrangement, if available, and are otherwise discounted using the University's incremental borrowing rate. A summary of changes in the subscription-based information technology agreements liability for the year ended June 30, 2023, is as follows:

	Beginning Balance (as restated)	Additions	Reductions	Ending Balance	Current
Subscription based information technology liability	$ 5,237,446	$ -	$ (2,196,723)	$ 3,040,723	$2,042,289
	$ 5,237,446	$ -	$ (2,196,723)	$ 3,040,723	$2,042,289

As of June 30, 2023, the principal and interest requirements for the subscription-based information technology agreements liability, net is as follows:

	Principal	Interest	Total
2024	$ 2,042,289	$ 71,341	$ 2,113,630
2025	738,956	22,395	761,351
2026	259,478	1,313	260,791
Total	$ 3,040,723	$ 95,049	$ 3,135,772

REQUIRED SUPPLEMENTARY INFORMATION

Cleveland State University

Retirement Plan Data
Years Ended June 30, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015
(In Thousands)

	STRS	OPERS
For the Year Ended June 30, 2023		
University's proportion of the net pension liability (asset)	0.4632%	0.3544%
University's proportionate share of the net pension liability (asset)	$ 102,964,845	$ 103,710,100
University's covered payroll	54,842,085	50,490,603
University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	187.75%	205.40%
Plan fiduciary net position as a percentage of the total pension liability	78.90%	75.74%
For the Year Ended June 30, 2022		
University's proportion of the net pension liability (asset)	0.4660%	0.2953%
University's proportionate share of the net pension liability (asset)	$ 59,584,507	$ 24,190,216
University's covered payroll	52,495,229	48,558,477
University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	113.50%	49.82%
Plan fiduciary net position as a percentage of the total pension liability	87.80%	92.62%
For the Year Ended June 30, 2021		
University's proportion of the net pension liability (asset)	0.4741%	0.3164%
University's proportionate share of the net pension liability (asset)	$ 114,716,140	$ 44,182,092
University's covered payroll	51,869,587	52,342,712
University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	221.16%	84.41%
Plan fiduciary net position as a percentage of the total pension liability	75.50%	87.21%
For the Year Ended June 30, 2020		
University's proportion of the net pension liability (asset)	0.4753%	0.3570%
University's proportionate share of the net pension liability (asset)	$ 105,116,855	$ 69,645,496
University's covered payroll	50,575,390	55,587,366
University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	207.84%	125.29%
Plan fiduciary net position as a percentage of the total pension liability	77.40%	82.17%
For the Year Ended June 30, 2019		
University's proportion of the net pension liability (asset)	0.4897%	0.3885%
University's proportionate share of the net pension liability (asset)	$ 107,685,334	$ 102,573,969
University's covered payroll	50,503,155	53,778,459
University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	213.22%	190.73%
Plan fiduciary net position as a percentage of the total pension liability	77.30%	74.91%
For the Year Ended June 30, 2018		
University's proportion of the net pension liability (asset)	0.4941%	0.3926%
University's proportionate share of the net pension liability (asset)	$ 117,377,358	$ 60,974,449
University's covered payroll	49,431,335	56,151,077
University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	237.46%	108.59%
Plan fiduciary net position as a percentage of the total pension liability	75.29%	84.85%
For the Year Ended June 30, 2017		
University's proportion of the net pension liability (asset)	0.4985%	0.4095%
University's proportionate share of the net pension liability (asset)	$ 166,860,603	$ 92,716,335
University's covered payroll	47,227,159	56,133,087
University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	353.31%	165.17%
Plan fiduciary net position as a percentage of the total pension liability	66.80%	77.39%
For the Year Ended June 30, 2016		
University's proportion of the net pension liability (asset)	0.4990%	0.4038%
University's proportionate share of the net pension liability (asset)	$ 137,916,400	$ 69,702,983
University's covered payroll	48,272,044	54,452,664
University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	285.71%	128.01%
Plan fiduciary net position as a percentage of the total pension liability	72.10%	81.19%
For the Year Ended June 30, 2015		
University's proportion of the net pension liability (asset)	0.4989%	0.4026%
University's proportionate share of the net pension liability (asset)	$ 121,356,821	$ 48,402,809
University's covered payroll	44,789,568	53,202,254
University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	270.95%	90.98%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	86.53%

Note: The University has presented as many years as information is available.

(Continued)

Cleveland State University

Retirement Plan Data (Continued)
Years Ended June 30, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015
(In Thousands)

	STRS				
	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	University's Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	$ 8,423,402	$ 8,423,402	$ -	$ 56,476,246	14.91%
2022	8,428,943	8,428,943	-	54,842,085	15.37%
2021	8,077,403	8,077,403	-	52,495,229	15.39%
2020	8,002,180	8,002,180	-	51,869,587	15.46%
2019	7,818,028	7,818,028	-	50,575,390	15.46%
2018	7,802,860	7,802,860	-	50,503,155	15.45%
2017	7,653,361	7,653,361	-	49,431,335	15.48%
2016	7,292,553	7,292,553	-	47,227,159	15.44%
2015	7,359,961	7,359,961	-	48,272,044	15.25%

	OPERS Traditional, Combined and Member-Directed				
	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	University's Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	$ 8,462,497	$ 8,462,497	$ -	$ 59,457,277	14.23%
2022	7,522,915	7,522,915	-	50,490,603	14.90%
2021	7,122,043	7,122,043	-	48,558,477	14.67%
2020	7,588,682	7,588,682	-	52,342,712	14.50%
2019	8,073,431	8,073,431	-	55,587,366	14.52%
2018	6,961,758	6,961,758	-	53,778,459	12.95%
2017	8,322,520	8,322,520	-	56,151,077	14.82%
2016	7,990,496	7,990,496	-	56,133,087	14.23%
2015	7,760,107	7,760,107	-	54,452,664	14.25%

Cleveland State University

OPEB Plan Data
Years Ended June 30, 2023, 2022, 2021, 2020, 2019 and 2018
(In Thousands)

		STRS		OPERS
For the Year Ended June 30, 2023				
University's proportion of the net OPEB (asset) liability		0.4632%		0.3597%
University's proportionate share of the net OPEB (asset) liability	$	(11,993,000)	$	2,267,662
University's covered payroll		54,842,085		50,490,603
University's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll		-21.87%		4.49%
Plan fiduciary net position as a percentage of the total OPEB (assets) liability		230.70%		94.79%
For the Year Ended June 30, 2022				
University's proportion of the net OPEB (asset) liability		0.4660%		0.3043%
University's proportionate share of the net OPEB (asset) liability	$	(9,826,000)	$	(9,531,204)
University's covered payroll		52,495,229		48,558,477
University's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll		-18.72%		-19.63%
Plan fiduciary net position as a percentage of the total OPEB (assets) liability		174.73%		128.23%
For the Year Ended June 30, 2021				
University's proportion of the net OPEB (asset) liability		0.4741%		0.3164%
University's proportionate share of the net OPEB (asset) liability	$	(8,332,000)	$	(5,637,560)
University's covered payroll		51,869,587		52,342,712
University's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll		-16.06%		-10.77%
Plan fiduciary net position as a percentage of the total OPEB (assets) liability		182.13%		115.57%
For the Year Ended June 30, 2020				
University's proportion of the net OPEB (asset) liability		0.4753%		0.3570%
University's proportionate share of the net OPEB (asset) liability	$	(7,873,000)	$	50,495,074
University's covered payroll		50,575,390		55,587,366
University's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll		-15.57%		90.84%
Plan fiduciary net position as a percentage of the total OPEB (assets) liability		174.70%		47.80%
For the Year Ended June 30, 2019				
University's proportion of the net OPEB (asset) liability		0.4897%		0.3885%
University's proportionate share of the net OPEB (asset) liability	$	(7,869,805)	$	50,651,274
University's covered payroll		50,503,155		53,778,459
University's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll		-15.58%		94.19%
Plan fiduciary net position as a percentage of the total OPEB (assets) liability		176.00%		46.33%
For the Year Ended June 30, 2018				
University's proportion of the net OPEB (asset) liability		0.4941%		0.4057%
University's proportionate share of the net OPEB (asset) liability	$	19,278,426	$	44,058,464
University's covered payroll		49,431,335		56,151,077
University's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll		39.00%		78.46%
Plan fiduciary net position as a percentage of the total OPEB (assets) liability		47.11%		54.14%

(Continued)

Cleveland State University

OPEB Plan Data (Continued)
Years Ended June 30, 2023, 2022, 2021, 2020, 2019 and 2018
(In Thousands)

	STRS				
	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	University's Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	$ -	$ -	$ -	$ 56,476,246	0.00%
2022	-	-	-	54,842,085	0.00%
2021	-	-	-	52,495,229	0.00%
2020	-	-	-	51,869,587	0.00%
2019	-	-	-	50,575,390	0.00%
2018	-	-	-	50,503,155	0.00%

	OPERS Traditional, Combined and Member-Directed				
	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	University's Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	$ -	$ -	$ -	$ 59,457,277	0.00%
2022	-	-	-	50,490,603	0.00%
2021	-	-	-	48,558,477	0.00%
2020	-	-	-	52,342,712	0.00%
2019	-	-	-	55,587,366	0.00%
2018	1,160,293	1,160,293	-	53,778,459	2.16%

For the Year Ended June 30, 2023

Changes in assumptions (Pension): There were changes to several assumptions for STRS during the plan year ended June 30, 2022, based on an updated experience study for the five-year period ended June 30, 2021. The projected salary increase range changed from 2.5-12.5 percent to 2.5-8.5 percent. The mortality tables used changed from RP-2014 to PUB-2010. There were no changes to key assumptions for OPERS.

Changes in assumptions (OPEB): There were changes to several assumptions for STRS during the plan year ended June 30, 2022 based on an updated experience study for the five-year period ended June 30, 2021. The projected salary increase range changed from 2.5-12.5 percent to 2.5-8.5 percent. The mortality tables used changed from RP-2014 to PUB-2010. During the plan year ended December 31, 2022 for OPERS, the health care cost trend rate changed from 5.5 percent initial, 3.5 percent ultimate in 2036 from 5.5 percent initial, 3.5 percent ultimate in 2034 in 2021. In addition, the discount rate was reduced from 3.22 percent to 2.63 percent.

UNIFORM GUIDANCE AUDIT REQUIREMENTS

Cleveland State University

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Student Financial Assistance Cluster				
U.S. Department of Education – Direct Programs				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	$ -	$ 752,468
Federal Work-Study Program	84.033	N/A	-	693,066
Federal Perkins Loan Program				
Loans outstanding at beginning of year	84.038	N/A	-	6,236,309
Loans issued during the year			-	-
				6,236,309
Federal Pell Grant Program	84.063	N/A	-	20,035,449
Federal Direct Student Loans	84.268	N/A	-	73,286,985
Teacher Education Assistance for College and Higher Education Grants	84.379	N/A	-	45,257
Total U.S. Department of Education			-	101,049,534
U.S. Department of Health and Human Services – Direct Programs				
Nurse Faculty Loan Program				
Loans outstanding at beginning of year	93.264	N/A	-	44,391
Loans issued during the year			-	-
Total U.S. Department of Health and Human Services			-	44,391
Total Student Financial Assistance Cluster			-	101,093,925
U.S. Department of Education – Pass Through Programs from				
The Ohio Department of Higher Education				
Education Stabilization Fund				
COVID-19 – Governor's Emergency Education Relief Fund	84.425C	20489/S425C20040	-	17,440
COVID-19 – American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	EDUFAR21	-	238,430
Total Education Stabilization Fund			-	255,870
TRIO Cluster				
U.S. Department of Education – Direct Programs				
TRIO Student Support Services	84.042	N/A	-	682,502
TRIO McNair Post-Baccalaureate Achievement	84.217	N/A	-	157,705
Total TRIO Cluster			-	840,207
Total U.S. Department of Education (Non-Student Financial Assistance Cluster)			-	1,096,077
U.S. Department of Transportation – Pass-through Programs				
Greater Cleveland Regional Transit Authority – Co-op – Highway Research and Development Program	20.200	693JJ31850009	-	90,378
Old Dominion University – Highway Research and Development Program	20.200	693JJ319500093	-	35,055
NEORIDE – Highway Research and Development Program	20.200	693JJ321NF-AIDDP	-	14,352
			-	139,785
Ohio Department of Transportation – Highway Planning and Construction (Federal-Aid Highway Program)	20.205	37844		161,958
Stark Area Regional Transit Authority – Public Transportation Research, Technical Assistance and Training	20.514	OH-2020-032-00	-	71,447
Total U.S. Department of Transportation – Pass-through Programs			-	373,190

(Continued)

Cleveland State University

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Research and Development Cluster				
U.S. Department of Defense – Direct Programs				
U.S. Air Force – Office of Scientific Research	12.800	N/A	$ -	$ 49,826
U.S. Department of Defense – Pass-through Programs				
Youngstown State University – Research and Technology Development	12.910	211529-21-01/FA8650-20-2-1136	-	1,308
University of Pittsburgh – Research and Technology Development	12.910	AWD00001593 / DA0AC0002-05	-	102,301
University of Pittsburgh – Research and Technology Development	12.910	AWD00001593 / D20AC0002-08	-	213,027
Total U.S. Department of Defense			-	366,462
U.S. Department of Agriculture – Direct Programs				
Agriculture and Food Research Initiative	10.310	N/A	-	46,070
U.S. Department of Agriculture – Pass-through Programs				
Iowa State University – Biogeochemical consequences of updating an aging agricultural infrastructure	10.310	020638A/2019-67019-29404	-	29,924
Total U.S. Department of Agriculture			-	75,994
U.S. Department of Interior – Direct Program				
National Park Service Conservation, Protection, Outreach and Education	15.954	N/A	-	7,248
Total U.S. Department of Interior			-	7,248
U.S. Department of Justice – Pass-through Programs				
Cleveland Rape Crisis Center – Services for Trafficking Victims	16.320	None	-	10,769
Case Western Reserve University – Research and Evaluation	16.560	RES57275/2018-VA-CX-0002	-	57,456
Case Western Reserve University – Smart Prosecution Initiative	16.825	RES516900/2020-YK-BX-008	-	6,654
Case Western Reserve University – National Sexual Assault Kit Initiative	16.833	RES516802/2019-YK-BX-0018	-	7,932
Case Western Reserve University – National Sexual Assault Kit Initiative	16.833	RES516852/2019-AK-BX-0005	-	7,254
Case Western Reserve University – National Sexual Assault Kit Initiative	16.833	RES516860/2019-AK-BX-0029	-	7,900
Case Western Reserve University – National Sexual Assault Kit Initiative	16.833	RES516863/2019-AK-BX-0001	-	5,541
Case Western Reserve University – National Sexual Assault Kit Initiative	16.833	RES516894/2019-AK-BX-0004	-	258
Cuyahoga County Prosecutor's Office – National Sexual Assault Kit Initiative	16.833	2021 CCPO/15PBJA21GG04308SAKI	-	40,099
Cuyahoga County Prosecutor's Office – National Sexual Assault Kit Initiative	16.833	2019-AK-BX-0005-CSU	-	7,736
Cuyahoga County Prosecutor's Office – National Sexual Assault Kit Initiative	16.833	2019-AK-BX-0029-CSU	-	149
City of Akron – National Sexual Assault Kit Initiative	16.833	2019-AK-BX-0004-CSU	-	68,983
			-	145,852
Total U.S. Department of Justice			-	220,731
U.S. Department of State – Direct Program				
Foreign Assistance Act	19.900	N/A	-	26,650
Total U.S. Department of State			-	26,650
National Aeronautics and Space Administration – Direct Programs				
Science	43.001	N/A	-	284,905
Space Operations	43.007	N/A	50,039	50,308
Total National Aeronautics and Space Administration			50,039	335,213
National Endowment for the Humanities – Direct Programs				
Promotion of the Humanities – Office of Digital Humanities	45.169	N/A	-	2,599
Promotion of the Humanities – Fellowships and Stipends	45.160	N/A	-	3,469
National Endowment for the Humanities – Pass-through Programs				
The Metro Health System – Promotion of the Arts	45.024	9951011101/1891739-38-22	-	638
American Libraries Association – Digital Projects for the Public	45.164	None	-	8,275
Total National Endowment for the Humanities			-	14,981

(Continued)

Cleveland State University

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Research and Development Cluster (Continued)				
National Science Foundation – Direct Programs				
Engineering Grants	47.041	N/A	$ 11,079	$ 816,761
Mathematical and Physical Sciences	47.049	N/A	-	162,928
Geosciences	47.050	N/A	-	81,162
Computer and Information Science and Engineering	47.070	N/A	-	673,455
Biological Sciences	47.074	N/A	7,251	134,018
Education and Human Resources	47.076	N/A	24,001	437,277
International Science and Engineering	47.079	N/A	-	74,099
Integrative Activities	47.083	N/A	-	420,166
Technology, Innovation and Partnerships	47.084	N/A	-	31,286
National Science Foundation – Pass-through Programs				
Case Western Reserve University – CAREER Disparities Research	47.041	RES515086/CBET-2023525	-	19,108
Colorado Mesa University – CAREER Disparities Research	47.041	S2746.2-03-00/2001078	-	4,404
Roo Sense, LLC – Engineering Grants	47.041	2111983	-	771
The University of Akron – Engineering Grants	47.041	SUBJ00012984/2048612	-	877
MIC Monitor – Engineering Grants	47.041	2112183	-	8,351
Columbia University – Engineering Grants	47.041	1(GG018608-01)/CBET 2227383	-	7,372
			-	40,883
University of North Carolina Charlotte – Computer and Information Science	47.070	20160600-04-CST/1640818	-	18,050
Case Western Reserve University – Computer and Information Science	47.070	RES600131/CCF-2200255	-	5,628
			-	23,678
Association of Public and Land-Grant Universities	47.076	1834518	-	5,732
Ohio State University – Education and Human Resources	47.076	18173141/60067272	-	63,376
			-	69,108
Total National Science Foundation			42,331	2,964,821
U.S. Department of Energy - Direct Programs				
Office of Science Financial Assistance Program	81.049	N/A	-	117,352
U.S. Department of Energy – Pass-through Programs				
University of Wisconsin – Science Financial Assistance	81.049	402/DE-SC0020114	-	75,605
Kent State University – Science Financial Assistance	81.049	400007-CSU/DESC0022191	-	47,753
			-	240,710
Paragon Robotics – Conservation Research and Development	81.086	2020-CSU-001	-	83,618
Florida International University – Secure Data Logging	81.089	800011243-01UG/DE-FE0031745	-	45,441
Total U.S. Department of Energy			-	369,769

(Continued)

Cleveland State University

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Research and Development Cluster (Continued)				
U.S. Department of Education – Direct Programs				
Improvement of Postsecondary Education	84.116	N/A	$ -	$ 145,767
Education Research	84.305A	N/A	15,457	231,727
English Language Acquisition State Grants	84.365	N/A	-	707,417
Education, Innovation and Research	84.411	N/A	-	589,438
U.S. Department of Education – Pass-through Programs				
University of Cincinnati – SPDG Literacy	84.323	014064-00002/H323A170026	-	17,097
Total U.S. Department of Education			15,457	1,691,446
U.S. Department of Health and Human Services – Direct Programs				
Cancer Detection and Diagnosis Research	93.394	N/A	-	161,577
Cardiovascular Diseases Research	93.837	N/A	-	745,900
Blood Diseases and Resources Research	93.839	N/A	-	343,383
Diabetes, Digestive, and Kidney Diseases	93.847	N/A	-	335,857
Extramural Research Programs in Neurosciences and Neurological Disorders	93.853	N/A	15,235	281,651
Allergy, Immunology and Transplantation Research	93.855	N/A	15,914	291,902
Biomedical Research and Research Training	93.859	N/A	291,506	1,474,833
Aging Research	93.866	N/A	-	431,206
U.S. Department of Health and Human Services – Pass-Through Programs				
NEOMED – Area Health Education Centers Point of Service	93.107	F-2022-16/U77HP230728000	-	28,993
NEOMED – Area Health Education Centers Point of Service	93.107	F-2023-14/U7723072	-	88,391
			-	117,384
Cuyahoga County District Board of Health – Center for Disease Control & Prevention	93.136	5NU17CE925005-02-00	-	46,531
Cuyahoga County District Board of Health – Center for Disease Control & Prevention	93.136	5NU17CE925005-03-00	-	141,296
			-	187,827
University of Massachusetts – Drug Abuse and Addiction Research	93.279	SUB00000160/5UC2DA050097-03	-	9,963
Case Western Reserve University – Minority Health and Health Disparities Research	93.307	RES512619/2U54MD002265-11	-	39,532
The Metro Health System – Public Health Training Program	93.516	9971011101/T29HP46696-01-00	-	68,411
Cleveland Rape Crisis Center – Emergency Grants to Address Mental Health	93.665	None	-	99,889
Cuyahoga County District Board of Health – Ending the HIV Epidemic: A Plan for America	93.686	None	-	47,679
NEOMED - Mental and Behavioral Health Education and Training	93.732	G0443-A/U3NHP45402-01-01	-	9,402
Cuyahoga County District Board of Health – Clinic to Community Linkage	93.738	5NU8DP006586-04-00	-	10,381
Cleveland Clinic Foundation – Cardiovascular Diseases Research	93.837	1256-SUB/P01HLI47823	-	50,685
Cleveland Clinic Foundation – Cardiovascular Diseases Research	93.837	1334-SUB/R01DK123236-01	-	55,542
Morgride Institute for Research – Cardiovascular Diseases Research	93.837	MIRC-002500/1700192	-	39,009
			-	145,236
Cleveland Clinic Foundation – Diabetes, Digestive and Kidney	93.847	CCF22447536/U2CDF129440	-	42,330
Cleveland Clinic Lerner College of Medicine – Diabetes, Digestive and Kidney Diseases Extramural Research	93.847	CCF22425712/TL1DK32770	-	41,935
			-	84,265
Weill Medical College of Cornett University – Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	181663/1R01NS104283-01A1	-	19,604
Cleveland Clinic Lerner College of Medicine – Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	CCF22107205/R01NS124547	-	83,519
			-	103,123
University of North Carolina Charlotte – Allergy, Immunology and Transplantation Research	93.855	20220400-01-CSU/1R15AI166764-01A1	-	10,795
Research Foundation SUNY for Buffalo University – Allergy, Immunology and Transplantation Research	93.855	R1311834/1R01AI165997-01A1	-	42,133
Rutgers State University – Allergy, Immunology and Transplantation Research	93.855	0918/7R01AI127562-04	-	43,863
			-	96,791

(Continued)

Cleveland State University

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Cuyahoga Community College – Biomedical Research and Research Training	93.859	N/A/1T34GM137792-01	$ -	$ 50,185
Case Western Reserve University – Child Health and Human Development	93.865	RES60513/1R01HD105008-01A1	-	8,745
The Regents of the University of California, San Francisco – Aging Research	93.866	11977sc/1R24AG065175-01	-	1,724
Cleveland Clinic Foundation – Vision Research	93.867	CCF21360791/R01EY027083	-	6,617
NEOMED – Public Health Traineeship	93.964	5UIQHPO33070-04-00	-	39,167
NEOMED – Geriatric Workforce Enhancement Program	93.969	G0274-I/U1QHP33073-01-00	-	1,266
Total U.S. Department of Health and Human Services			322,655	5,193,896
Total Research and Development Cluster			430,482	11,267,211
Other Federal Awards and Financial Assistance Programs				
U.S. Department of Commerce – Direct Programs				
Cluster Grants	11.020	N/A	75,868	271,441
Economic Development – Technical Assistance	11.303	N/A	-	87,877
U.S. Department of Commerce – Pass Through Programs				
The Ohio State University – NOAA Ohio Sea Grant	11.417	GR126911/NA220AR4170099	-	68,897
Total U. S. Department of Commerce			75,868	428,215
U.S. Department of Housing and Urban Development – Pass Through Programs				
The Regents of the University of Idaho – Research, Evaluation and Demonstrations	14.536	CB5274-897887/H-21733CA	-	17,694
Total U. S. Department Housing and Urban Development			-	17,694
U.S. Department of Treasury – Pass Through Programs				
COVID:19- Ohio Office of Criminal Justice Services – Coronavirus State and Local Fiscal Recovery Funds	21.027	2022-AR-LEP-1030	-	231,962
Total U.S. Department of Treasury			-	231,962
Small Business Administration – Pass-through Programs:				
State of Ohio, Development Services Agency – Small Business Development Centers	59.037	21-317A	-	109,882
State of Ohio, Development Services Agency – Small Business Development Centers	59.037	OSBG-23-317/SBAOEDSB 23 002852-01-00	-	119,355
State of Ohio, Development Services Agency – Small Business Development Centers	59.037	OSBG-20-330/01-084-1617	-	71,775
			-	301,012
Burten, Bell, Carr, Development – Community Navigator Pilot Program	59.077	None	-	40,645
Total Small Business Administration			-	341,657
U.S. Department of Health and Human Services – Pass-through Programs				
Ohio Department of Job and Family Services – Child Welfare Workforce	93.667	G-2223-06-0081	-	100,913
Total U.S. Department of Health and Human Services (Non Student Financial Assistance Cluster)			-	100,913
Total Other Federal Awards and Financial Assistance Programs			75,868	1,120,441
Total Expenditures of Federal Awards			$ 506,350	$ 114,950,844

See notes to the schedule of expenditures of federal awards.

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Cleveland State University (the University) under programs of the federal government for the year ended June 30, 2023. The information on this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

For purposes of the Schedule, federal awards include all federal assistance entered into directly between the University and the federal government and sub-awards from nonfederal organizations made under federally sponsored agreements. The Schedule does not include payments received under Medicare and Medicaid reimbursement programs. Because the Schedule presents only a selected portion of the activities of the University, it is not intended to, and does not, present the financial position, changes in net position and cash flows of the University.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles 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.

Note 3. Indirect Cost Rate

The University has elected not to exercise its option to use the 10% de minimis indirect cost rate due to the fact that the University has an existing approved indirect cost rate.

Note 4. Loan Balances

During the year ended June 30, 2023, the University issued new loans to students under the William D. Ford Federal Direct Loan Program (FDLP). The loan program includes subsidized and unsubsidized Stafford Loans, Parents' Loans for Undergraduate Students (PLUS), and PLUS loans for graduate and professional students. The value of loans issued for the FDLP is based on disbursed amounts. The undergraduate PLUS loans are applied first to the students' tuition and fees, and any remaining balance is disbursed directly to parents or, with the parents' permission, to the student.

In addition, the University participates in the Federal Perkins Loan Program (FPL) through the Department of Education and in the Nurse Faculty Loan Program (NFLP) through the Department of Health and Human Services. These loan programs are directly administered by the University and are considered revolving loan programs whereby collections received on past loans, including interest, and new funds received from federal agencies are loaned out to current students.

FPL and NFLP loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the schedule of expenditures of federal awards. The FPL and NFLP loan balances outstanding at June 30, 2023 was $3,174,138 and $32,368, respectively.

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

Independent Auditor's Report

President and Board of Trustees
Cleveland State University

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the business-type activities and the aggregate discretely presented component units of Cleveland State University (the University), a component unit of the state of Ohio, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 16, 2023.

This report does not extend to the Cleveland State University Foundation and Euclid Avenue Development Corporation due to the Foundation and Corporation issuing a separate report on Internal Control over Financial Reporting and on Compliance and Others Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated September 29, 2023.

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

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

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

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

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

RSM US LLP

Cleveland, Ohio
October 16, 2023

RSM US LLP

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

Independent Auditor's Report

President and Board of Trustees
Cleveland State University

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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

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

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

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

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

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

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

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

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

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

RSM US LLP

Cleveland, Ohio
October 16, 2023

Cleveland State University

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section I – Summary of Auditor's Results

Financial Statements

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

Federal Awards

Internal control over major federal programs:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified?		Yes	X	None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?		Yes	X	No

Identification of major federal programs:

Federal Assistance Listing Number(s)	Name of Federal Program or Cluster
84.007, 84.033, 84.038, 84.063, 84.268, 84.379, 93.264	Student Financial Assistance Cluster
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000			
Auditee qualified as a low risk auditee?	X	Yes		No

Section II—Financial Statement Findings

No findings reported.

Section III—Federal Award Findings and Questioned Costs

No findings reported.

Cleveland State University

Section II – Financial Statement Findings

Identifying Number: 2022-001

Criteria: GASB Statement No. 7, *Advance Refunding's Resulting in Defeasance of Debt,* provides accounting guidance for advance refunding's as well as required disclosures as a result of an advance refunding. GASB Statement No. 23, *Accounting and Financial Reporting for Refunding's of Debt Reported by Proprietary Activities*, requires that for current and advance refunding's the difference between the reacquisition price and net carrying amount of the old debt, including premiums, be deferred and amortized over the remaining life of the old debt or of the life of the new debt, whichever is shorter.

Condition: During the year ended June 30, 2022, the University refunded its Series 2012 bonds, which resulted in a gain on refunding of $9.6 million. The University did not reclassify this gain from bond premiums to deferred inflows as required by GASB. Further the University did not provide for the required disclosure of the economic gain that was determined by the result of this refunding.

Cause: The University experienced a transition period of new staff as well as turnover in the Controller's Office and were not aware of this specific GASB requirement.

Effect or potential effect: The financial statements would not have been presented in accordance with generally accepted accounting principles. As a result of the advance refunding $9.6 million was reclassified from bonds payable to deferred inflows of resources in the statement of net position and additional disclosure was made relative to the calculated economic gain on refunding.

Recommendation: We recommend the University obtain further training on the specific requirements of GASB reporting.

Corrective Action Taken: During the year ended June 30, 2023 management participated in numerous training events focusing on GASB reporting topics.

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OHIO AUDITOR OF STATE
KEITH FABER

CLEVELAND STATE UNIVERSITY

CUYAHOGA 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 12/7/2023

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