



YOUNGSTOWN
STATE
UNIVERSITY

**MAHONING COUNTY
FINANCIAL REPORT**
For the Years Ended
June 30, 2025 and 2024

YOUNGSTOWN STATE UNIVERSITY

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YOUNGSTOWN STATE UNIVERSITY

MESSAGE FROM PRESIDENT JOHNSON

October 13, 2025

The 2024–25 academic year has been a defining one for Youngstown State University (YSU). With clarity of purpose and a commitment to excellence, we advanced on every front—enrollment, student success, partnerships, facilities, and financial stability. YSU is not standing still; we are moving decisively forward and positioning our great university for a stronger future.

YSU hasn't seen two consecutive years of enrollment growth in over a decade, but we reached this major milestone this year. This momentum, building on last year's historic double-digit increase, is evidence that YSU is once again the first choice for students and families who recognize the exceptional value we provide: nationally respected academic programs, unmatched affordability, and a vibrant campus experience.

We are also broadening YSU's reach and impact. From the expansion of Penguin Prep where we mentor students who question their ability to do college work and put them on a path toward a degree, to the growth of aviation, CDL, and international programs, we are creating new opportunities that meet the needs of today's students and tomorrow's workforce.

YSU has also strengthened its role as the region's workforce and innovation leader. The State of Ohio has entrusted us with significant initiatives—developing a Fire Science and Public Safety Training Facility in East Palestine and leading the Ohio Innovation Hub alongside America Makes and the Youngstown Business Incubator. These projects will not only prepare students for high-demand careers but also drive economic growth across our region.

We are building for the next generation. The \$57 million Kilcawley Center renovation is a transformational project that will redefine the heart of campus. Fueled by record levels of philanthropy and state support, this initiative—along with other strategic facility upgrades—ensures YSU remains a destination campus where students can thrive academically and personally.

We are equally proud of the excellence our faculty and students continue to demonstrate on the national stage. From an NCAA national championship in women's bowling, to YSU's American Foundry Society Chapter's top honors in Atlanta, to our Ethics Bowl team's success, Penguins are competing—and winning—against the very best in America.

Our financial foundation is stronger than ever. We ended fiscal year 2025 with a balanced budget and a projected general fund balance of more than \$2 million. Just as importantly, we secured the largest fundraising year in YSU's history—over \$30 million in new gifts and commitments. This record-breaking support underscores YSU's alumni's, donors', and partners' confidence in our vision and future.

This is what momentum looks like. YSU is not just navigating the challenges facing higher education—we are outpacing them. Together, our students, faculty, staff, alumni, trustees, and partners ensure that Youngstown State University continues to inspire individuals, transform futures, and enrich lives.

I am confident that the year ahead will be even stronger. The best days of Youngstown State University are not behind us—they are directly in front of us.

Sincerely,



Bill Johnson
President
Youngstown State University

Independent Auditor's Report

To the Board of Trustees
Youngstown State University

Report on the Audits of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of Youngstown State University (the "University"), a component unit of the State of Ohio, as of and for the years ended June 30, 2025 and 2024 and the related notes to the financial statements, which collectively comprise Youngstown State 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 financial position of the business-type activities and the discretely presented component unit of Youngstown State University as of June 30, 2025 and 2024 and the respective changes in its financial position and, where applicable, its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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 Audits of the Financial Statements

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

To the Board of Trustees
Youngstown State University

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise Youngstown State 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 the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Additional Information

Management is responsible for the accompanying message from President Johnson, list of the board of trustees, and list of the executive officers, which are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Our opinions on the financial statements do not cover such information, and we do not express an opinion or any form of assurance thereon.

To the Board of Trustees
Youngstown State University

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2025 on our consideration of Youngstown State University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Youngstown State University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Youngstown State University's internal control over financial reporting and compliance.

Plante & Moreau, PLLC

October 13, 2025, except as to the schedule of expenditures of federal awards, which is as of December 4, 2025

YOUNGSTOWN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis section of Youngstown State University's (the University or YSU) Financial Report presents a discussion and analysis of the financial performance of the University during the fiscal year ended June 30, 2025 with comparative information for the fiscal years ended June 30, 2024 and June 30, 2023. This discussion has been prepared by management and should be read in conjunction with the financial statements and the accompanying notes that follow.

Introduction

As a student-centered university, Youngstown State University's mission is to provide innovative lifelong learning opportunities that will inspire individuals, enhance futures, and enrich lives. YSU inspires individuals by cultivating a curiosity for lifelong learning; enhances the futures of our students by empowering them to discover, disseminate, and apply their knowledge; and enriches the region by fostering collaboration and the advancement of civic, scientific, and technological development. YSU's culture of enrichment flourishes in our diverse, accessible, and quality education.

Youngstown State University is where students thrive in their educational and career pursuits, where scholarship creates innovative solutions, and where community engagement is a cornerstone of collaboration that collectively contribute to the sustainable prosperity of the region and beyond.

YSU's origins trace to 1908, when the local branch of the YMCA established a school of law within the Youngstown Association School. Over the next six decades, the school was transformed into the Youngstown Institute of Technology, Youngstown College, Youngstown University, and finally to Youngstown State University in 1967, when it became part of the Ohio state system. As the Mahoning and Shenango valleys have emerged from their industrial past, the University is viewed now more than ever as a major catalyst for the future, attracting faculty and staff to the area, providing economic stimulus, serving as a leader in workforce education and innovation, and producing energetic, talented graduates ready to make their mark on the region and the world.

The 140-acre University campus has a park-like central core ringed by classroom and administrative buildings and is located near downtown Youngstown, Ohio. The campus is equidistant (approximately 60 miles) from both Pittsburgh and Cleveland. The University offers over 100 undergraduate majors, including certificates, associate, and bachelor's degrees, and 80 graduate certificate and degree programs. The academic programs are offered through five academic colleges: the Beeghly College of Liberal Arts, Social Sciences, and Education; the Bitonte College of Health and Human Services; the Cliffe College of Creative Arts; the College of Science, Technology, Engineering, and Mathematics; and the Williamson College of Business Administration. There are two colleges performing support functions and offering distinctive programs: The College of Graduate Studies and the Sokolov Honors College. The University also offers online undergraduate and graduate degrees and post-master's certificates through the department of Cyberlearning. Fall 2025 enrollment was 12,420.

YOUNGSTOWN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Using the Financial Statements

The University's financial report includes three basic financial statements: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. These financial statements are prepared in accordance with the financial reporting format required by the Governmental Accounting Standards Board's (GASB) Statements No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended; and No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, as amended. These statements establish standards for external financial reporting for public colleges and universities and require that financial statements be presented on a basis to focus on the financial condition of the University, the results of operations, and cash flows of the University as a whole.

During fiscal year 2015, the University adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and during fiscal year 2018, the University adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB)*. These statements significantly revised accounting for pension/OPEB costs and assets/liabilities.

Prior to GASBs 68 and 75, the accounting for pension/OPEB costs, was focused on a funding approach, which limited pension/OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each pension plan's net pension/OPEB asset/liability.

Under the standards required by these statements, the net pension/OPEB asset/liability equals the University's proportionate share of each pension/OPEB plan's collective present value of estimated future pension/OPEB benefits attributable to employees' past service minus plan assets available to pay these benefits. Pension/OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and OPEB. The unfunded portions of these pension/OPEB promises are a present obligation, part of a bargained-for benefit to the employee, and are reported by the University as liabilities since the benefit of the exchange was received.

The nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements. The University is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by the State statute. A change in these caps requires action by both Houses of the General Assembly, and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system against the public employer. State law operates to mitigate the obligation of the public employer to the employee because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

YOUNGSTOWN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension/OPEB asset/liability. Changes in pension/OPEB benefits, contribution rates, and return on investments affect the balances of the net pension/OPEB asset/liabilities but are outside the control of the public employer. In the event that contributions, investment returns and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension/OPEB asset/liabilities are satisfied, these assets and liabilities are separately identified within the noncurrent asset and noncurrent liability sections of the Statement of Net Position.

In accordance with GASBs 68 and 75, the University's statements, prepared on an accrual basis of accounting, include an annual pension/OPEB expense for the proportionate share of each pension plan's *change* in net pension/OPEB asset/liability.

In fiscal year 2025, the University adopted GASB 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. This resulted in a change in accounting principle and has been reflected as of June 30, 2024. Refer to Note 1 for details.

Overall key presentation elements of the financial statements include:

- Assets and liabilities are categorized as either current or noncurrent. Current assets and liabilities will be consumed or fulfilled within one year.
- Deferred Outflows of Resources include resources where the consumption is applicable to a future reporting period but does not require further exchange of service.
- Deferred Inflows of resources represent the acquisition of resources that are applicable to a future reporting period.
- Revenues and expenses are categorized as either operating or non-operating. Significant recurring sources of the University's revenues, including State of Ohio (State) appropriations, certain grants, gifts, and investment income are considered non-operating, as defined by GASB Statement No. 35.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

- University scholarships that represent reduced tuition (i.e., are applied to student accounts rather than refunded to students) are shown as a reduction of tuition, fees and other student charges, and auxiliary enterprises, while payments made directly to students are presented as scholarship expense. Third party scholarships are treated as though the students made the payments themselves.
- Capital assets are reported net of accumulated depreciation and amortization.

In accordance with GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, The Youngstown State University Foundation (YSUF or Foundation) is treated as a component unit of the University. The Foundation is discretely presented in this report by presentation of the individual financial statements immediately following the University's respective GASB financial statements. Additional information on this component unit is contained in Note 15. Management's Discussion and Analysis focuses on the University and does not include the component unit.

The 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 (current and noncurrent), deferred outflows of resources, liabilities (current and noncurrent), deferred inflows of resources, and net position of the University. Current assets are classified as such if they are available to satisfy current liabilities, which are generally defined as being due within one year of the date of the Statement of Net Position. Net position is one indicator of the 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.

A summarized comparison of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position follows:

YOUNGSTOWN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

	June 30, 2025	June 30, 2024	June 30, 2023
Assets			
Current assets	\$ 94,744,895	\$ 84,987,273	\$ 79,812,952
Noncurrent assets			
Capital assets, net	228,547,735	228,947,726	232,127,268
Other assets	76,911,094	39,000,948	35,505,385
Total noncurrent assets	305,458,829	267,948,674	267,632,653
Total Assets	400,203,724	352,935,947	347,445,605
Deferred Outflows of Resources	22,199,701	30,561,370	47,522,270
Total Assets and Deferred Outflows of Resources	<u>\$ 422,403,425</u>	<u>\$ 383,497,317</u>	<u>\$ 394,967,875</u>
Liabilities			
Current liabilities	36,262,853	37,259,647	31,618,258
Noncurrent liabilities	197,946,616	178,268,791	200,887,528
Total Liabilities	234,209,469	215,528,438	232,505,786
Deferred Inflows of Resources	20,361,226	18,381,172	20,470,496
Net Position			
Net investment in capital assets	124,760,613	159,851,343	160,487,997
Restricted	47,770,087	44,130,120	41,859,131
Unrestricted	(4,697,970)	(54,393,756)	(60,355,535)
Total Net Position	167,832,730	149,587,707	141,991,593
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 422,403,425</u>	<u>\$ 383,497,317</u>	<u>\$ 394,967,875</u>

Current assets include unrestricted and restricted cash and cash equivalents, investments that mature within one year, receivables, inventories, and other short-term assets. Noncurrent assets include unrestricted investments that mature in more than one year and investments that are restricted by donors or external parties as to their use. Also included are receivables deemed to be collectible in more than one year, capital assets, and net OPEB assets. Current assets increased \$9.8 million from fiscal year 2024 to fiscal year 2025 and increased \$5.2 million from fiscal year 2023 to fiscal year 2024. Noncurrent assets increased \$37.5 million from fiscal year 2024 to 2025 and remained flat from fiscal year 2023 to fiscal year 2024.

Deferred outflows of resources include resources where the consumption is applicable to a future reporting period but does not require further exchange of service. Deferred outflows, which include items relating to bond refunding and pensions/OPEB, decreased \$8.4 million from fiscal year 2024 to fiscal year 2025 and decreased \$17.0 million from fiscal year 2023 to fiscal year 2024.

Current liabilities include all liabilities that are payable within the next fiscal year. Unearned revenues, principally from summer programs, are also presented as current liabilities. Liabilities that are due to be paid beyond the next fiscal year are reported as noncurrent liabilities and include debt, leased liabilities, compensated absences, and net pension/OPEB liabilities. Current liabilities decreased \$1.0 million from fiscal year 2024 to fiscal year 2025 and increased \$5.6 million from fiscal year 2023 to fiscal year 2024. Noncurrent liabilities increased \$19.6 million from fiscal year 2024 to fiscal year 2025 and decreased \$22.6 million from fiscal year 2023 to fiscal year 2024.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Deferred inflows of resources represent the acquisition of resources that are applicable to a future reporting period. Deferred inflows of resources, which include unamortized service concession agreements and items relating to pensions/OPEB, increased \$2.0 million from fiscal year 2024 to fiscal year 2025 and decreased \$2.1 million from fiscal year 2023 to fiscal year 2024.

Assets

Assets primarily consist of cash and cash equivalents, investments, receivables, and capital assets. The following table summarizes balances at:

	June 30, 2025	June 30, 2024	June 30, 2023
Cash and cash equivalents	\$ 13,755,566	\$ 16,869,033	\$ 20,392,242
Investments	133,515,211	85,456,156	76,557,949
Accounts and pledges receivable, net	12,511,850	12,210,024	9,619,205
Net OPEB asset	9,395,053	6,754,735	6,776,000
Capital assets, net	228,547,735	228,947,726	232,127,268
Other	2,478,309	2,698,273	1,972,941
Total Assets	<u>\$ 400,203,724</u>	<u>\$ 352,935,947</u>	<u>\$ 347,445,605</u>

Cash and cash equivalents decreased \$3.1 million or 18% from fiscal year 2024 to fiscal year 2025. The decrease was due to a combination of \$76.3 million used in operating activities, \$85.9 million provided by noncapital financing activities primarily due to the Series 2025 bond issue proceeds, \$37.7 million used in investing activities, and \$25.0 million provided by capital and related financing activities.

Investments increased \$48.1 million or 56% from fiscal year 2024 to fiscal year 2025. Unrestricted investments increased \$7.3 million primarily due to investment income and unrealized gains resulting from a favorable market environment, whereas endowments and restricted investments increased \$40.8 million primarily due to the Series 2025 General Receipts bonds issue proceeds invested in U.S. Government Obligations and corporate bonds.

Overall accounts and pledges receivable increased \$0.3 million or 2.0% from fiscal year 2024 to fiscal year 2025. The increase was primarily due to an increase in net accounts receivable. Net accounts receivable increased \$0.4 million from \$12.1 million at June 30, 2024 to \$12.5 million at June 30, 2025. Student accounts receivables, net increased \$0.5 million due to increased enrollment. State capital appropriation receivables decreased \$0.3 million due to decreased year end activity on capital projects funded from state capital appropriations. Other receivables increased \$0.2 million primarily due to a \$0.8 million decrease in the fiscal year 2024 receivable for the insurance claim from the Ward Beecher Planetarium fire, a \$0.7 million increase due to June YSUF gifts received in July for the student center renovation, and a \$0.3 million increase in Youngstown Early College tuition/fees.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Net OPEB assets increased \$2.6 million or 39% from fiscal year 2024 to fiscal year 2025. The increase was primarily due to a combination of a \$3.1 million increase in the OPERS net OPEB asset and a \$0.5 million decrease in the STRS Ohio net OPEB asset. The OPERS and STRS Ohio net OPEB asset balances were \$5.1 million and \$4.3 million at June 30, 2025 compared to \$2.0 million and \$4.7 million at June 30, 2024.

Cash and cash equivalents decreased \$3.5 million or 17% from fiscal year 2023 to fiscal year 2024. The decrease was due to a combination of \$72.5 million used in operating activities, \$77.3 million provided by noncapital financing activities, \$1.5 million provided by investing activities, and \$9.8 million used in capital and related financing activities.

Investments increased \$8.9 million or 12% from fiscal year 2023 to fiscal year 2024. Unrestricted investments increased \$5.6 million and endowments and restricted investments increased \$3.3 million. The increase was primarily due to investment income and unrealized gains resulting from a favorable market environment.

Overall accounts and pledges receivable increased \$2.7 million or 27% from fiscal year 2023 to fiscal year 2024. The increase was primarily due to an increase in net accounts receivable. Net accounts receivable increased \$2.7 million from \$9.5 million at June 30, 2023 to \$12.2 million at June 30, 2024. Student accounts receivables, net increased \$1.4 million due to increased enrollment. Grants and contracts receivables, net increased \$0.8 million due to new grants awarded in fiscal year 2024 that included the Great Minds Fellowship Program and the Quest Broadband & 5G Regional Node grant. State capital appropriation receivables decreased \$0.4 million due to decreased year end activity on capital projects funded from state capital appropriations. Other receivables increased \$0.8 million primarily due to the insurance claim from the Ward Beecher Planetarium fire.

Net OPEB assets remained flat from fiscal year 2023 to fiscal year 2024.

Refer to Note 3 for additional information on cash and cash equivalents, Note 4 for details on investments, Note 5 for information on accounts receivable, and Note 6 for information on pledges receivable.

At June 30, 2025, the University had \$228.5 million in capital assets, net of accumulated depreciation and amortization. Depreciation and amortization totaled \$19.0 million, \$18.6 million, and \$17.9 million in fiscal years 2025, 2024, and 2023 respectively.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Details of net capital assets are shown below.

	June 30, 2025	June 30, 2024	June 30, 2023
Land	\$ 20,070,589	\$ 18,648,679	\$ 18,608,679
Buildings, net	78,688,668	83,163,760	87,670,344
Improvements to buildings, net	90,109,095	86,969,494	85,333,457
Improvements other than buildings, net	18,290,026	18,636,495	18,768,673
Construction in progress	4,775,517	4,578,179	5,410,041
Moveable equipment and furniture, net	6,221,304	6,275,881	6,364,831
Vehicles, net	527,406	315,789	361,187
Historical treasures	1,056,488	1,056,488	1,056,488
Right-to-use assets - equipment, net	188,493	590,638	992,357
Right-to-use assets - SBITAs, net	8,620,149	8,712,323	7,561,211
Total Capital Assets, net	<u>\$ 228,547,735</u>	<u>\$ 228,947,726</u>	<u>\$ 232,127,268</u>

Major capital activity during fiscal year 2025 included the completion of new seating in the Beeghly Center gymnasium, repairs to the Ward Beecher Planetarium due to the January 2023 fire, and renovations to various buildings across campus to address the exterior deterioration of the building envelopes along with exterior door and window replacements. Lyden House had upgrades to the elevator, heating boilers, and cooling tower. Renovations were completed to the Men's Basketball locker room, a suite in Cafaro Hall, and the Accessibility Services office in DeBartolo Hall. Renovations were also completed to Silvestri Hall to make room for offices from Kilcawley Center during the student center renovations. Updates to various vehicles and mechanical systems to elevators in many buildings across campus for safety and security were also completed. In addition, Cushwa Hall required restoration due to damage from a steam leak. Lastly, annual repairs to the M30 parking deck, completion of the M-66 parking lot, and the turf replacement at the Farmers National Bank Field were concluded. Construction in progress includes the ongoing architecture and construction fees for the new student center, renovations for the radiology tech lab in Cushwa Hall, repair of Ward Beecher exterior insulation finish system, and the carpet installation in Cafaro House. The M30 parking deck has ongoing annual repairs with an additional repair to the uncovered pedestrian bridge on level 3. Stambaugh Stadium also has ongoing replacements of the scoreboard, roof top units, and chiller.

Major capital activity during fiscal year 2024 included the completion of upgrades to the utility distribution systems, construction of the new Arlington parking lot located at the site of the previous M60 parking deck, and repairs to the M30 parking deck. Roof replacements were also completed on the E.J. Salata Complex and Cushwa Hall to improve leaks and increase energy efficiency. In addition, renovations to the auditorium and classrooms in Moser Hall, renovations to the STEM science labs in Ward Beecher Hall, and repairs to the elevators and renovations to the second floor of Silvestri Hall were completed. Housing renovations were completed in the Lyden House and included upgrades to the bathrooms in the south wing, a hot water tank replacement, and new flooring in residential rooms. Lastly, the turf in the Watson and Tressel Training Site was replaced. Construction in progress includes the architecture fees for the new student center, repairs to the Ward Beecher Planetarium due to the January 2023 fire, renovations to various buildings across campus to address the exterior deterioration of the building envelopes, new seating in the Beeghly Center gymnasium, and repairs to the heating boilers and the elevators

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

in Lyden House. Right-to-use assets additions included printer/copier equipment and various information technology software leases.

Major capital activity during fiscal year 2023 included the completion of the Watson Team Center, a facility designed for the University's engineering students to prepare for competitions. Improvements to various buildings across campus were also completed to address the exterior deterioration of the building envelopes, upgrades to HVAC and air handling units and upgrades to doors to enhance campus safety. In addition, the Korandovich Sports Medicine Center located in Beeghly Center, a space to serve the health care needs of the University's student-athletes, and the DiBacco Family Leadership Center, a multi-purpose meeting and classroom located in Stambaugh Stadium, were completed. Parking improvements included the completion of several new surface lots on the west side of campus as well as repairs to the M30 parking deck. Renovations were made to the first floor and basement of Moser Hall, the first floor of Silvestri Hall, the bathrooms in the east wing of Lyden House and the elevators in Jones Hall. In addition, a portion of Kohli Hall roof was replaced, as well as the Cafaro House hot water tank and flooring in various parts of the Andrews Recreation Center. Construction in progress includes the Arlington parking lot located at the site of the previous M60 parking deck, upgrades to the utility distribution systems, repairs to the M30 parking deck, renovations to the Lyden House bathrooms in the south wing, replacement of the Cushwa Hall and E.J. Salata Complex roofs, repairs to the elevators in Silvestri Hall and Beeghly Center, renovations to the STEM science labs in Ward Beecher Hall, renovations to the auditorium and classrooms in Moser Hall and renovations to the second floor of Silvestri Hall. Right-to-use assets additions included printer/copier equipment and various information technology software leases.

See Note 7 for additional information on capital assets and Note 11 for leased liabilities related to right-to-use assets.

Other assets decreased \$0.2 million or 8% from fiscal year 2024 to fiscal year 2025. The decrease was primarily due to a \$0.2 million increase in prepaid expenses and a \$0.4 million decrease in deferred financial aid.

Other assets increased \$0.7 million or 37% from fiscal year 2023 to fiscal year 2024. The increase was primarily due to a \$0.2 million increase in prepaid expenses and a \$0.5 million increase in deferred financial aid.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent the consumption of resources that are applicable to a future reporting period, but do not require further exchange of goods or services; whereas deferred inflows of resources represent the acquisition of resources that are applicable to a future reporting period. The following table summarizes balances at:

Deferred Outflows of Resources	June 30, 2025	June 30, 2024	June 30, 2023
Related to pension	\$ 20,111,754	\$ 26,798,980	\$ 41,260,805
Related to OPEB	1,013,059	2,560,380	4,932,333
Bond refunding	1,074,888	1,202,010	1,329,132
Total Deferred Outflows of Resources	<u>\$ 22,199,701</u>	<u>\$ 30,561,370</u>	<u>\$ 47,522,270</u>

Deferred Inflows of Resources	June 30, 2025	June 30, 2024	June 30, 2023
Related to pension	\$ 16,285,805	\$ 13,140,226	\$ 14,043,127
Related to OPEB	3,937,921	5,230,664	6,382,369
Service concession agreements	137,500	10,282	45,000
Total Deferred Inflows of Resources	<u>\$ 20,361,226</u>	<u>\$ 18,381,172</u>	<u>\$ 20,470,496</u>

Included in deferred outflows of resources and deferred inflows of resources are items relating to pensions, OPEB, bond refunding, and service concession agreements. Certain elements impacting the changes in the net pension/OPEB asset/liabilities have a longer-term perspective than the current year therefore to reduce volatility, these elements are amortized over a closed period of specified duration. These include differences between expected and actual experience, changes of assumptions, net differences between projected and actual earnings of investments, changes in proportion and difference between University contributions and proportionate share of contributions, and University contributions subsequent to the measurement date. These elements can be reflected as either a deferred outflow of resources or a deferred inflow of resources.

Deferred outflows of resources decreased \$8.4 million or 27% from fiscal year 2024 to fiscal year 2025. Deferred outflows of resources related to pension decreased \$6.7 million or 25% primarily due to a combination of a \$5.7 million decrease in the net difference between projected and actual earnings on pension plan investments in the OPERS plan; a \$2.3 million decrease in changes in assumptions in the STRS Ohio plan; a \$0.8 million increase in differences between expected and actual experience in the STRS Ohio plan; a \$0.3 million increase in University contributions subsequent to the measurement date, including a \$0.1 million increase in the OPERS plan and a \$0.2 million increase in the STRS Ohio plan; and a \$0.2 million increase in changes in proportion and differences between University contributions and proportionate share of contributions in the OPERS plan. Deferred outflows of resources related to OPEB decreased \$1.5 million or 60% primarily due a \$1.1 million decrease in the net difference between projected and actual earnings on OPEB plan investments in the OPERS plan; a \$0.6 million decrease in changes in assumptions, including a \$0.5 million decrease in the OPERS plan and a \$0.1 million decrease in the STRS Ohio plan; and a \$0.2 million increase differences between expected and actual experience in the STRS Ohio plan.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Deferred inflows of resources increased \$2.0 million or 11% from fiscal year 2024 to fiscal year 2025. Deferred inflows of resources related to pension increased \$3.1 million or 24% primarily due to a combination of a \$1.8 million decrease in the changes of assumptions in the STRS Ohio plan; a \$0.2 million decrease in the differences between expected and actual experience, including a \$0.1 million decrease in the OPERS plan and a \$0.1 decrease in the STRS Ohio plan; a \$1.5 million increase in changes in proportion and differences between University contributions and proportionate share of contributions, including a \$2.3 increase in the OPERS plan and a \$0.8 million decrease in the STRS Ohio plan; and a \$3.6 million increase in the net difference between projected and actual earnings on pension plan investments in the STRS Ohio plan. Deferred inflows of resources related to OPEB decreased \$1.3 million or 25% primarily due to a combination of a \$1.4 million decrease in changes in assumptions, including a \$0.2 million decrease in the OPERS plan and a \$1.2 million decrease in the STRS Ohio plan; a \$0.3 million decrease in differences between expected and actual experience related to the STRS Ohio plan, a \$0.2 million increase in the net difference between projected and actual earnings on OPEB plan investments in the STRS Ohio plan; and a \$0.2 million increase in the changes in proportion and differences between University contributions and proportionate share of contributions in the OPERS plan.

Deferred outflows of resources decreased \$16.9 million or 36% from fiscal year 2023 to fiscal year 2024. Deferred outflows of resources related to pension decreased \$14.5 million or 35% primarily due to a combination of a \$10.0 million decrease in the net difference between projected and actual earnings on pension plan investments, including an \$8.0 million decrease related to the OPERS plan and a \$2.0 million decrease in the STRS Ohio plan; a \$3.4 million decrease in changes in assumptions, including an \$0.8 million decrease in the OPERS plan and a \$2.6 million decrease in the STRS Ohio plan, a \$0.6 million decrease in changes in proportion and differences between University contributions and proportionate share of contributions, including a \$0.5 million decrease in the OPERS plan and a \$0.1 million decrease in the STRS Ohio plan, a \$0.3 million decrease in University contributions subsequent to the measurement date, including a \$0.1 million increase in the OPERS plan and a \$0.4 million decrease in the STRS Ohio plan, and a \$0.2 million decrease in differences between expected and actual experience, including a \$1.4 million decrease in the OPERS plan and a \$1.2 million increase in the STRS Ohio plan. Deferred outflows of resources related to OPEB decreased \$2.4 million or 48% primarily due a \$1.9 million decrease in the net difference between projected and actual earnings on OPEB plan investments, including a \$1.7 million decrease in the OPERS plan and a \$0.2 million decrease in the STRS Ohio plan, and a \$0.5 million decrease in changes in assumptions, including a \$1.0 million decrease in the OPERS plan and a \$0.5 million increase in the STRS Ohio plan.

Deferred inflows of resources decreased \$2.1 million or 10% from fiscal year 2023 to fiscal year 2024. Deferred inflows of resources related to pension decreased \$0.9 million or 6% primarily due to a combination of a \$2.0 million decrease in the changes of assumptions in the STRS Ohio plan, a \$1.0 million increase in changes in proportion and differences between University contributions and proportionate share of contributions in the OPERS plan, a \$0.2 million increase in the net difference between projected and actual earnings on pension plan investments in the STRS Ohio plan, and a \$0.1 million decrease in the differences between expected and actual experience in the STRS Ohio plan. Deferred inflows of resources related to OPEB decreased \$1.2 million or 18% primarily due to a combination of a \$0.9 million decrease in changes in assumptions, including a

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

\$0.8 million increase in the OPERS plan and a \$1.7 million decrease in the STRS Ohio plan; and \$0.4 million decrease in differences between expected and actual experience, including a \$0.1 million decrease in the OPERS plans and a \$0.3 million decrease in the STRS Ohio plan, and a \$0.1 million increase in the changes in proportion and differences between University contributions and proportionate share of contributions in the OPERS plan.

See Note 13 for additional information on employee benefit plans.

Liabilities

Liabilities largely consist of accounts and construction payable, accrued payroll and payroll withholdings, debt, leased liabilities, compensated absences, unearned revenue and net pension liability. The following table summarizes balances at:

	June 30, 2025	June 30, 2024	June 30, 2023
Accounts and construction payable	\$ 6,810,362	\$ 6,948,600	\$ 6,698,832
Payroll liabilities	8,357,844	8,819,729	8,465,249
Bonds payable, net	87,152,777	50,766,943	53,117,998
Notes payable	8,502,948	9,827,721	11,030,839
Leased liabilities - equipment	870,366	1,137,233	1,405,500
Leased liabilities - SBITAs	8,335,920	8,566,495	7,415,065
Compensated absences	6,004,670	6,104,270	6,244,572
Unearned revenue	9,309,813	10,663,598	7,414,928
Other	927,797	1,285,278	1,605,799
Net pension liability	97,936,972	111,408,571	127,641,526
Net OPEB liability	-	-	1,465,478
Total Liabilities	<u>\$ 234,209,469</u>	<u>\$ 215,528,438</u>	<u>\$ 232,505,786</u>

Total liabilities increased \$18.7 million or 9% from fiscal year 2024 to fiscal year 2025. Bonds payable increased \$36.4 million primarily due to the issuance of Series 2025 General Receipts bonds for construction of the new student center. Notes payable decreased \$1.3 million due to scheduled debt service payments. Unearned revenue decreased \$1.3 million primarily due to a decrease in unearned summer 2025 tuition revenue and a decrease in NCAA revenue sharing. The net pension liability decreased \$13.5 million, including a \$9.1 million decrease in the STRS Ohio net pension liability and a \$4.4 million decrease in the OPERS net pension liability. The STRS Ohio and OPERS net pension liability balances were \$43.2 million and \$54.7 million at June 30, 2025 compared to \$52.3 million and \$59.1 million at June 30, 2024, respectively.

Total liabilities decreased \$17.0 million or 7% from fiscal year 2023 to fiscal year 2024. Bonds payable decreased \$2.3 million and notes payable decreased \$1.2 million due to scheduled debt service payments. Leased liabilities – SBITAs increased \$1.1 million due to a combination of current year additions of \$4.4 million and current year reductions of \$3.3 million. Unearned revenue increased \$3.2 million primarily due to an increase in unearned summer 2024 tuition revenue and an increase in unearned grant revenue. The net pension liability decreased \$16.2 million, including a \$5.9 million decrease in the STRS Ohio net pension liability and a \$10.3 million decrease in the OPERS net pension liability. The STRS Ohio and OPERS net pension

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

liability balances were \$52.3 million and \$59.1 million at June 30, 2024 compared to \$58.2 million \$69.4 million at June 30, 2023, respectively. The OPERS net OPEB liability decreased from \$1.5 million at June 30, 2023 to \$0 at June 30, 2024.

See Note 8 for a further breakout of payroll and other liabilities, Notes 9 and 10 for detailed information about the University's debt, Note 12 for information on long-term liabilities, and Note 13 for information on employee benefit plans.

Net Position

Net position represents the residual interest in the University's assets after deferred outflows of resources are added, and liabilities and deferred inflows of resources are deducted. The reconciliation below presents the University's total net position removing the impact of the deferred inflows and outflows relating to pensions/OPEB as presented in the Statement of Net Position.

	June 30, 2025	June 30, 2024	June 30, 2023
Total Net Position	\$ 167,832,730	\$ 149,587,707	\$ 141,991,593
Add			
Deferred inflows of resources related to pension/OPEB	20,223,726	18,370,890	20,425,496
Net pension/OPEB liability	97,936,972	111,408,571	129,107,004
Subtract			
Deferred outflows of resources related to pension/OPEB	(21,124,813)	(29,359,360)	(46,193,138)
Net pension/OPEB asset	(9,395,053)	(6,754,735)	(6,776,000)
Total Net Position without GASBs 68 and 75	<u>\$ 255,473,562</u>	<u>\$ 243,253,073</u>	<u>\$ 238,554,955</u>

The following table summarize the categories of net position including segregation of the unrestricted net position relating to the impact of GASBs 68 and 75.

	June 30, 2025	June 30, 2024	June 30, 2023
Net investment in capital assets, net of related debt	\$ 124,760,613	\$ 159,851,343	\$ 160,487,997
Restricted, nonexpendable - endowments	5,986,229	5,924,614	5,793,286
Restricted, expendable - gifts, grants, and student loans	32,388,805	31,450,771	29,289,845
Unrestricted (without GASB 68)	89,413,053	43,356,061	40,068,313
GASB 68	(94,111,023)	(97,749,817)	(100,423,848)
GASB 75	9,395,053	6,754,735	6,776,000
Total Net Position	<u>\$ 167,832,730</u>	<u>\$ 149,587,707</u>	<u>\$ 141,991,593</u>

Overall, the University's total net position increased \$18.3 million or 12% from \$149.5 million at June 30, 2024 to \$167.8 million at June 30, 2025. This resulted from an excess of revenues over expenses and included a \$35.0 million decrease in net amount invested in capital assets, a \$0.9 million increase in restricted net position excluding the impact of GASB 75, a \$46.1 million increase in unrestricted net position excluding the impact of GASB 68, a \$3.6 million increase in unrestricted net position attributed to the impact of GASB 68, and a \$2.6 million increase in restricted net position attributed to the impact of GASB 75.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Overall, the University's total net position increased \$7.5 million or 5% from \$142.0 million at June 30, 2023 to \$149.5 million at June 30, 2024. This resulted from an excess of revenues over expenses and includes a \$0.6 million decrease in net amount invested in capital assets, a \$2.2 million increase in restricted net position excluding the impact of GASB 75, a \$3.3 million increase in unrestricted net position excluding the impact of GASB 68, a \$2.6 million increase in unrestricted net position attributed to the impact of GASB 68, while the impact of GASB 75 remained flat.

The net investment in capital assets consists of capital assets net of accumulated depreciation and amortization and deferred outflows of resources relating to bond refunding reduced by the outstanding balance of bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Net investment in capital assets decreased \$35.0 million from fiscal year 2024 to fiscal year 2025 primarily due to net capital additions of \$19.1 million, an increase in outstanding debt of \$34.5 million, a decrease of \$0.1 million in deferred outflows bond refunding, and current year depreciation and amortization of \$19.1 million. Outstanding debt was \$104.8 million at June 30, 2025 and \$70.3 million at June 30, 2024, respectively.

Net investment in capital assets decreased \$0.6 million from fiscal year 2023 to fiscal year 2024 primarily due to net capital additions of \$15.4 million, a decrease in outstanding debt of \$2.7 million, a decrease of \$0.1 million in deferred outflows bond refunding, and current year depreciation and amortization of \$18.6 million. Outstanding debt was \$70.3 million at June 30, 2024 and \$73.0 million at June 30, 2023, respectively.

Restricted, non-expendable net position consists primarily of endowment funds held by the University. Changes in this category are driven by additions or deductions to corpus.

Restricted, expendable net position is subject to externally imposed restrictions governing their use. Changes in this category are due to the timing of revenues and expenses in funds provided by donors and grantors. The following table summarizes restricted, expendable net position at:

	June 30, 2025	June 30, 2024	June 30, 2023
Gifts, grants, and contracts	\$ 27,057,186	\$ 25,531,495	\$ 24,898,717
Plant funds	3,745,276	4,516,319	3,195,283
Other	1,586,343	1,402,957	1,195,845
Total without GASB 75	32,388,805	31,450,771	29,289,845
GASB 75 OPEB Fund	9,395,053	6,754,735	6,776,000
Total Restricted Expendable Net Position	\$ 41,783,858	\$ 38,205,506	\$ 36,065,845

Gifts, grants and contracts include grants and sponsored programs, scholarship donations and program support, and undistributed and distributed but unspent investment earnings on University endowment funds. Plant funds primarily include donations for construction or renovation projects. Other includes non-endowed restricted gifts designated by management to function similar to an endowment fund and gifts established for loan programs for students.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Total restricted expendable net position was \$41.8 million at June 30, 2025 compared to \$38.2 million at June 30, 2024, an overall increase of \$3.6 million or 9%. Total restricted expendable net position without funds relating to OPEB increased \$0.9 million whereas the funds relating to OPEB increased \$2.7 million. Overall, gifts, grants, and contracts increased \$1.5 million due to an increase in undistributed investment earnings on University endowments resulting from a favorable investment environment. Plant funds decreased \$0.8 million primarily due to a combination of construction activity on projects supported with gift funds received in prior years and gifts received in the current year for the new student center project. Other increased \$0.2 million due to an increase in undistributed investment earnings on University quasi-endowments resulting from a favorable investment environment. The GASB 75 OPEB fund increased \$2.7 million from \$6.7 million at June 30, 2024 to \$9.4 million at June 30, 2025.

Total restricted expendable net position was \$38.2 million at June 30, 2024 compared to \$36.1 million at June 30, 2023, an overall increase of \$2.1 million or 6%. Total restricted expendable net position without funds relating to OPEB increased \$2.1 million whereas the funds relating to OPEB remained flat. Overall, gifts, grants, and contracts increased \$0.6 million due to a combination of a \$0.5 million decrease in gift fund balances, a \$1.8 million increase in undistributed investment earnings on University endowments resulting from a favorable investment environment, and a \$0.7 million decrease in grant funds. Plant funds increased \$1.3 million primarily due to an increase in plant gift funds for capital projects, which included the Beeghly Center Bleachers project. Other increased \$0.2 million due to an increase in undistributed investment earnings on University quasi-endowments resulting from a favorable investment environment. The GASB 75 OPEB fund remained flat at \$6.7 million at June 30, 2023 and June 30, 2024.

Unrestricted net position is not subject to externally imposed restrictions and is designated for future operations, plant construction and maintenance, and debt service. The following table summarizes unrestricted net position at:

	June 30, 2025	June 30, 2024	June 30, 2023
Operating and designated funds	\$ 24,468,661	\$ 21,946,054	\$ 19,868,694
Operating reserves	8,837,982	8,837,982	8,837,981
Plant funds	56,083,891	12,549,506	11,339,119
Loan funds	22,519	22,519	22,519
Total without GASB 68	89,413,053	43,356,061	40,068,313
GASB 68 Pension fund	(94,111,023)	(97,749,817)	(100,423,848)
Total Unrestricted Net Position	<u>\$ (4,697,970)</u>	<u>\$ (54,393,756)</u>	<u>\$ (60,355,535)</u>

Total unrestricted net position was (\$4.7) million at June 30, 2025 compared to (\$54.4) million at June 30, 2024. The increase of \$49.7 million from fiscal year 2024 to fiscal year 2025 reflects an excess of revenues over expenses during fiscal year 2025 from noncapital activity. Total unrestricted net position without funds relating to pension increased \$46.1 million whereas the funds relating to pension increased \$3.6 million.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

The overall increase of \$46.1 million in unrestricted net position excluding GASB 68 was due to \$2.6 million increase in operating and designated funds and a \$43.5 million increase in plant funds. The \$2.6 million increase in operating and designated funds was primarily due to an increase in the fair market value of investments at June 30, 2025 as compared to June 30, 2024 due to a favorable market environment. The \$43.5 million increase in plant funds was due to proceeds received from the Series 2025 General Receipts bonds issued for the new student center project.

The GASB 68 Pension fund increased \$3.6 million from (\$97.7) million at June 30, 2024 to (\$94.1) million at June 30, 2025.

Total unrestricted net position was (\$54.4) million at June 30, 2024 compared to (\$60.4) million at June 30, 2023. The increase of \$6.0 million from fiscal year 2023 to fiscal year 2024 reflects an excess of revenues over expenses during fiscal year 2024 from noncapital activity. Total unrestricted net position without funds relating to pension increased \$3.3 million whereas the funds relating to pension increased \$2.7 million.

The overall increase of \$3.3 million in unrestricted net position excluding GASB 68 was due to \$2.1 million increase in operating and designated funds and a \$1.2 million increase in plant funds. The \$2.1 million increase in operating and designated funds was primarily due to an increase in the fair market value of investments at June 30, 2024 as compared to June 30, 2023 due to a favorable market environment.

The GASB 68 Pension fund increased \$2.7 million from (\$100.4) million at June 30, 2023 to (\$97.7) million at June 30, 2024.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

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

These statements present the operating results and the non-operating revenues and expenses of the University. Annual State appropriations, while budgeted for operations, are considered non-operating revenues according to generally accepted accounting principles. Pell grants dispersed to students and scholarships supported by restricted gifts are considered operating expenses, whereas the revenues supporting the expenses are considered nonoperating.

A summary of revenues, expenses, and changes in net position follows:

	June 30, 2025	June 30, 2024	June 30, 2023
Operating Revenues			
Net tuition, fees and other student charges	\$ 68,569,386	\$ 66,727,733	\$ 80,343,181
Auxiliary enterprises	16,834,919	17,336,934	17,542,203
Grants and contracts	22,053,143	18,132,953	15,603,351
Other	3,273,236	3,236,383	3,379,788
Total Operating Revenues	110,730,684	105,434,003	116,868,523
Operating Expenses	197,515,241	193,960,987	206,692,943
Operating Loss	(86,784,557)	(88,526,984)	(89,824,420)
Nonoperating Revenues (Expenses)			
State appropriations	51,014,617	48,856,576	46,396,314
Federal appropriations	-	-	352,430
Gifts, grants, and contracts	33,971,181	28,625,192	29,800,277
Investment income	10,333,519	10,429,463	6,373,244
Other	(1,357,250)	(729,950)	(1,442,229)
Net Nonoperating Revenues	93,962,067	87,181,281	81,480,036
Gain (Loss) Before Other Revenues, Expenses, and Changes	7,177,510	(1,345,703)	(8,344,384)
Other Revenues, Expenses, and Changes			
State capital appropriations	2,840,410	5,124,718	5,831,180
Capital grants and gifts	8,297,319	4,286,932	2,149,411
Other	(70,216)	(469,833)	7,697
Total Other Revenues, Expenses, and Changes	11,067,513	8,941,817	7,988,288
Change in Net Position	18,245,023	7,596,114	(356,096)
Net Position at Beginning of the Year	149,587,707	141,991,593	142,347,689
Net Position at End of the Year	<u>\$ 167,832,730</u>	<u>\$ 149,587,707</u>	<u>\$ 141,991,593</u>

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Revenues

Following is a recap of revenues by source (operating, non-operating, and other sources), which were used to fund the University's activities for the years ended:

	June 30, 2025	June 30, 2024	June 30, 2023
Net tuition, fees, and other student charges	\$ 68,569,386	\$ 66,727,733	\$ 80,343,181
Gifts, grants and contracts	64,321,643	51,045,077	47,553,039
State appropriations	51,014,617	48,856,576	46,396,314
Auxiliary enterprises	16,834,919	17,336,934	17,542,203
Investment income	10,333,519	10,429,463	6,373,244
Other revenue	4,263,162	4,706,466	3,824,934
State capital appropriations	2,840,410	5,124,718	5,831,180
Federal appropriations	-	-	352,430
Total Revenues	<u>\$ 218,177,656</u>	<u>\$ 204,226,967</u>	<u>\$ 208,216,525</u>

Overall, the University's total revenues increased \$14.0 million or 7% between fiscal year 2024 and fiscal year 2025 from \$204.2 million to \$218.2 million.

Net tuition, fees and other student charges increased \$1.8 million or 3% from fiscal year 2024 to fiscal year 2025. This was due to a combination of a \$7.7 million increase in gross tuition and a \$5.9 million increase in scholarship allowance. The increase in gross tuition from \$105.8 million in fiscal year 2024 to \$113.5 million in fiscal year 2025 can be attributed to increases in overall student enrollment, particularly in online programs, College Credit Plus (CCP), and on-campus associate degrees. Scholarship allowance was \$39.0 million in fiscal year 2024 compared to \$44.9 million in fiscal year 2025, an increase of \$5.9 million related to more scholarships awarded based on the increased enrollment. Gifts, grants and contracts revenue increased \$13.3 million or 26% from fiscal year 2024 to fiscal year 2025, primarily due to a combination of a \$0.7 million decrease in federal grants, a \$4.2 million increase in state grants largely due to an increase in eligibility for the Ohio College Opportunity Grant and new scholarships introduced such as the Governor's Merit Scholarship, a \$0.4 increase in private grants, a \$4.4 million increase in Pell grants related to increased enrollment, a \$0.9 million increase in private gifts related to an increase in the annual pledge from the YSU Foundation, a \$2.0 million increase in cash capital gifts attributed to gifts received for the construction of the new student center, and a \$2.1 million increase in capitalized gifts in kind primarily due to the land donation of the Williamson Innovation Park and equipment donated from America Makes to the Excellence Training Center. State appropriations increased \$2.2 million or 4% from fiscal year 2024 to fiscal year 2025 due to an increase in State support. State capital appropriations decreased \$2.3 million or 45% from fiscal year 2024 to fiscal year 2025 due to decreased activity on capital projects funded with State capital dollars.

YOUNGSTOWN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Overall, the University's total revenues decreased \$4.0 million or 2% between fiscal year 2023 and fiscal year 2024 from \$208.2 million to \$204.2 million.

Net tuition, fees and other student charges decreased \$13.6 million or 17% from fiscal year 2023 to fiscal year 2024. This was due to a combination of a \$2.0 million increase in gross tuition and a \$15.6 million increase in scholarship allowance. The increase in gross tuition from \$103.7 million in fiscal year 2023 to \$105.7 million in fiscal year 2024 can be attributed to increased enrollment, particularly in the graduate studies and accelerated online programs. The increase in scholarship allowance from \$23.4 million in fiscal year 2023 to \$39.0 million in fiscal year 2024 was mainly due to adopting a new methodology for calculating scholarship allowance to a method based on the individual student. This estimate reflects a more accurate amount that matches student financial aid with student tuition charges. Gifts, grants and contracts revenue increased \$3.5 million or 7% from fiscal year 2023 to fiscal year 2024, primarily due to a combination of a \$3.3 million increase in state grants largely due to an increase in the Ohio College Opportunity Grant and new scholarship grants and a new training grant awarded in fiscal year 2024, a \$1.4 million increase in cash capital gifts attributed to gifts received for construction of the new student center as well as renovations for the Beeghly Center gymnasium, a \$0.6 million increase in Pell grants related to increased enrollment, and a \$1.8 million decrease in private gifts. State appropriations increased \$2.5 million or 5% from fiscal year 2023 to fiscal year 2024 due to an increase in State support. Auxiliary enterprises remained flat between fiscal year 2023 to fiscal year 2024 however, \$1.8 million of scholarship allowance is reflected in fiscal year 2024 as the result of the change in methodology for calculating scholarship allowance. Investment income increased \$4.1 million or 64% from fiscal year 2023 to fiscal year 2024 primarily due to investment income and unrealized gains resulting from a favorable market environment. State capital appropriations decreased \$0.7 million or 12% from fiscal year 2023 to fiscal year 2024 due to decreased activity on capital projects funded with State capital dollars. Other revenue increased \$0.9 million or 23% from fiscal year 2023 to fiscal year 2024 primarily due to an insurance claim receivable for the Ward Beecher Planetarium fire.

Expenses

Operating expenses can be displayed by either functional classification or natural classification. The functional classification can be found on the Statements of Revenues, Expenses, and Changes in Net Position. The University has no control over the pension/OPEB expenses attributed to the implementations of GASBs 68 and 75; therefore, these expenses are segregated for presentation purposes.

YOUNGSTOWN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Following is a recap of total operating expenses by functional classification.

	June 30, 2025	June 30, 2024	June 30, 2023
Instruction	\$ 62,491,854	\$ 62,878,404	\$ 62,897,721
Research	3,881,963	4,129,001	4,936,481
Public service	6,245,745	5,496,186	5,427,647
Academic support	19,151,724	18,116,732	17,952,268
Student services	14,492,610	13,708,002	13,049,607
Institutional support	17,935,068	19,425,119	18,273,525
Operation and maintenance of plant	19,586,184	17,785,346	19,292,126
Scholarships	10,165,139	7,580,112	20,977,118
Auxiliary enterprises	30,555,456	29,128,248	27,577,345
Depreciation and amortization	19,034,032	18,611,833	17,944,329
Total operating expenses without GASBs 68 and 75 accruals	203,539,775	196,858,983	208,328,167
GASB 68 pension expense accruals	(3,638,794)	(2,674,031)	2,796,797
GASB 75 OPEB expense accrual	(2,385,740)	(223,965)	(4,432,021)
Total operating expenses	<u>\$ 197,515,241</u>	<u>\$ 193,960,987</u>	<u>\$ 206,692,943</u>

Following is a recap of total operating expenses by natural classification.

	June 30, 2025	June 30, 2024	June 30, 2023
Compensation	\$ 120,573,796	\$ 119,105,195	\$ 118,003,512
Operations	53,766,807	51,561,842	51,403,208
Scholarships	10,165,140	7,580,112	20,977,118
Depreciation and amortization	19,034,032	18,611,834	17,944,329
Operating expenses without GASBs 68 and 75 accruals	203,539,775	196,858,983	208,328,167
GASB 68 pension expense accruals	(3,638,794)	(2,674,031)	2,796,797
GASB 75 OPEB expense accrual	(2,385,740)	(223,965)	(4,432,021)
Total operating expenses	<u>\$ 197,515,241</u>	<u>\$ 193,960,987</u>	<u>\$ 206,692,943</u>

Excluding the impact of the pension and OPEB accruals, total operating expenses increased \$6.7 million or 3% from \$196.8 million during fiscal year 2024 to \$203.5 million during fiscal year 2025. The net increase was due to increases of \$1.5 million in compensation, \$2.2 million in operations, \$2.6 million in scholarships, and \$0.4 million in depreciation and amortization.

Overall compensation increased \$1.5 million or 1% from \$119.1 million in fiscal year 2024 to \$120.6 million in fiscal year 2025. Salaries and wages increased from \$88.2 million in fiscal year 2024 compared to \$89.7 million in fiscal year 2025; whereas fringe benefits remained flat at \$30.9 million in fiscal year 2024 and fiscal year 2025, respectively. Overall fringe benefits as a percentage of salaries and wages were 34% in fiscal year 2025 compared to 35% in fiscal year 2024.

Operations increased \$2.2 million or 4% from \$51.5 million in fiscal year 2024 to \$53.7 million in fiscal year 2025. Operations included a \$0.7 million increase in travel, a \$0.3 million increase in public relations and advertising, a \$0.6 million increase in repairs and maintenance, a \$1.0

YOUNGSTOWN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

million increase in overall utilities expense, a \$1.0 million increase in contractual fees and services, a \$0.3 million increase in other fees and services, a \$0.3 million increase in food service residents related to the increase in international student enrollment, and a \$2.0 million decrease in the loss on disposition of fixed assets related to completion of the project to remove the M30 parking deck.

A substantial portion of aid is classified as scholarship allowance on the Statement of Revenues, Expenses and Changes in Net Position. Overall, the University disbursed \$57.2 million to students in fiscal year 2025 compared to \$48.4 million in fiscal year 2024, an increase of \$8.8 million. The net increase included a \$0.9 million increase in scholarships supported by grant funds, a \$0.8 million increase in scholarships for international students related to increased enrollment, a \$4.4 million increase in federal Pell grants, and a \$2.7 million increase in the Ohio College Opportunity Grant.

Depreciation and amortization increased \$0.4 million or 2% from \$18.6 million in fiscal year 2024 to \$19.0 million in fiscal year 2025.

Pension expense attributed to GASB 68 decreased \$0.9 million from (\$2.7) million in fiscal year 2024 to (\$3.6) million in fiscal year 2025; whereas OPEB expense attributed to GASB 75 decreased \$2.2 million from (\$0.2) million in fiscal year 2024 to (\$2.4) million in fiscal year 2025. The \$0.9 million decrease in pension expense was due to a combination of a \$3.2 million decrease in the STRS Ohio plan and a \$2.3 million increase in the OPERS plan. The \$2.2 million decrease in the OPEB expense was due to a \$0.7 million decrease in the STRS Ohio plan and a \$1.5 million decrease in the OPERS plan. These expenses are the result of changes in the deferred outflows/inflows and liabilities related to pension/OPEB. The University has no control over the factors affecting these changes.

Excluding the impact of the pension and OPEB accruals, total operating expenses decreased \$11.5 million or 6% from \$208.3 million during fiscal year 2023 to \$196.8 million during fiscal year 2024. The net decrease was due to increases of \$1.1 million in compensation, \$0.1 million in operations, a decrease of \$13.4 million in scholarships, and a \$0.7 million increase in depreciation and amortization.

Overall compensation increased \$1.1 million or 1% from \$118.0 million in fiscal year 2023 to \$119.1 million in fiscal year 2024. Salaries and wages increased from \$86.8 million in fiscal year 2023 compared to \$88.2 million in fiscal year 2024; whereas fringe benefits remained relatively flat from \$31.2 million in fiscal year 2023 to \$30.9 million in fiscal year 2024. Overall fringe benefits as a percentage of salaries and wages were 35% in fiscal year 2024 compared to 36% in fiscal year 2023.

Operations remained relatively flat from \$51.4 million in fiscal year 2023 to \$51.5 million in fiscal year 2024. Operations included a \$0.8 million increase in student recruitment expense related to international student recruitment, a \$0.6 million decrease in public relations and advertising, a \$0.8 million increase in maintenance service agreements related to a new janitorial contract, a \$1.0 million decrease in repairs and maintenance, a \$0.7 million decrease in overall utilities expense, a \$1.4 million decrease in contractual fees and services, and a \$2.2 million increase in the loss on disposition of fixed assets related to the removal of the M60 parking deck.

YOUNGSTOWN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

A substantial portion of aid is classified as scholarship allowance on the Statement of Revenues, Expenses and Changes in Net Position. The University changed its methodology for calculating scholarship allowance in fiscal year 2024 to a method based on the individual student. This estimate reflects a more accurate amount that matches student financial aid with student tuition charges. The decrease in scholarship expense of \$13.4 million or 64% from \$21.0 million in fiscal year 2023 to \$7.6 million in fiscal year 2024 reflects the change in the scholarship allowance calculation methodology. Overall, the University disbursed \$48.4 million to students in fiscal year 2024 compared to \$44.3 million in fiscal year 2023, an increase of \$4.1 million. The net increase was primarily due to an increase of \$0.7 million of scholarships supported by the operating funds, which included a scholarship for transfer students due to the closure of Eastern Gateway Community College, an increase of \$1.0 million of scholarships supported by grant funds, an increase of \$0.7 million in federal Pell grants, and a \$1.7 million increase in state grants.

Depreciation and amortization increased \$0.7 million or 4% from \$17.9 million in fiscal year 2023 to \$18.6 million in fiscal year 2024.

Pension expense attributed to GASB 68 decreased \$5.5 million from \$2.8 million in fiscal year 2023 to (\$2.7) million in fiscal year 2024; whereas OPEB expense attributed to GASB 75 increased \$4.2 million from (\$4.4) million in fiscal year 2023 to (\$0.2) million in fiscal year 2024. The \$5.5 million decrease in pension expense was due to a \$2.5 million decrease in the STRS Ohio plan and a \$3.0 million decrease in the OPERS plan. The \$4.2 million increase in the OPEB expense was due to a \$1.0 million increase in the STRS Ohio plan and a \$3.2 million increase in the OPERS plan. These expenses are the result of changes in the deferred outflows/inflows and liabilities related to pension/OPEB. The University has no control over the factors affecting these changes.

See Note 13 for additional information on pension plans and other post-employment benefits (OPEB).

Total operating and non-operating expenses for the University were \$199,932,633, \$196,630,853, and \$208,572,621, in fiscal years 2025, 2024 and 2023, respectively.

YOUNGSTOWN STATE UNIVERSITY

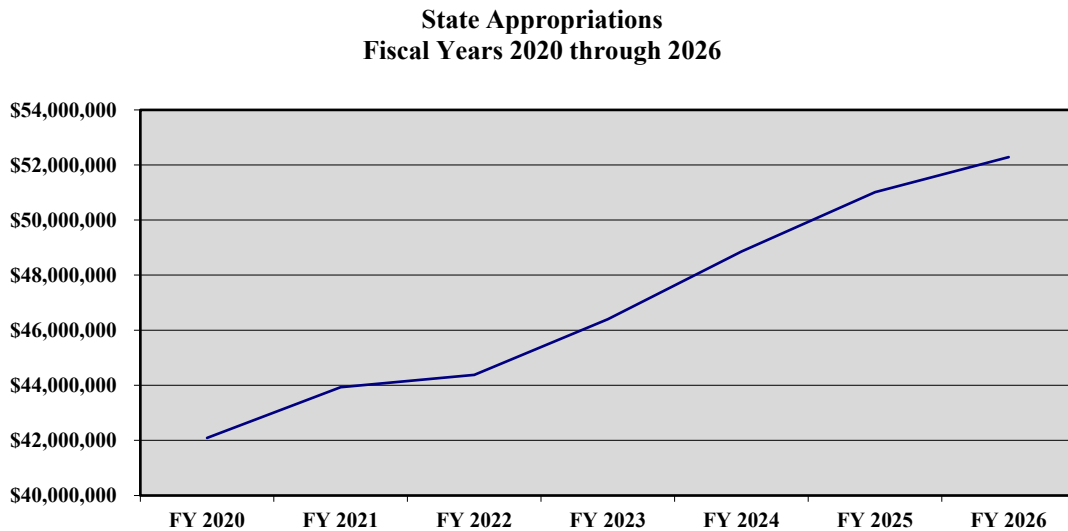
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Economic Factors for the Future

Looking to the future, management believes the University is well-positioned to continue its favorable financial condition and level of excellence in service to students.

Based on the most recent estimate provided by the Ohio Department of Higher Education, State Share of Instruction (SSI) funding for the University for fiscal year 2026 is expected to be 3.5% greater than the prior fiscal year 2025. This increase is partially attributable to a roughly 1% increase in the total statewide SSI appropriation that was enacted in the state of Ohio's operating budget legislation for the fiscal year 2026-fiscal year 2027 biennium. The University's increase in SSI funding is also driven by improved performance with respect to student success outcomes, as well as new SSI formula components that include data on employment and wage outcomes of college graduates. SSI formula allocations also continue to be tied to enrollment levels and other student success metrics, with degrees awarded and course completions serving as the primary drivers of SSI funding. Datasets used in the formula are based on a three-year rolling average and are weighted to consider various at-risk student characteristics.

The following graph reflects six years actual data for State Appropriations plus the budgeted amount for fiscal year 2026.

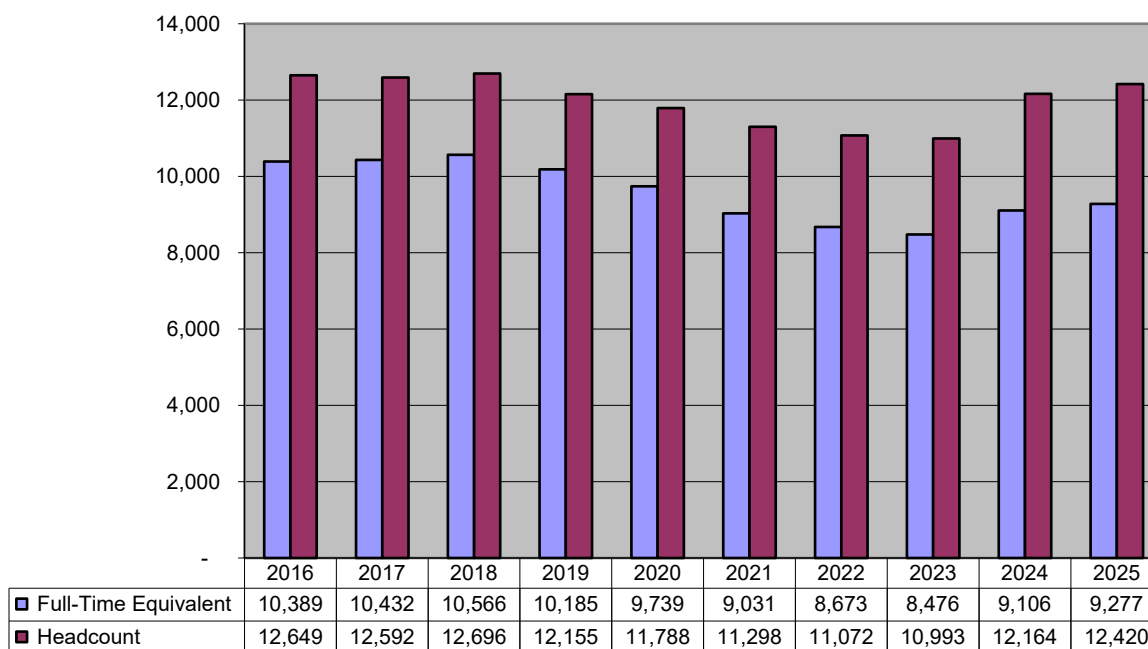


YOUNGSTOWN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Fall Semester Enrollment Trends 2016 through 2025

The following graph depicts the University's 14th day enrollment counts for the last 10 years.



Fall 2024 and 2025 student headcounts increased by 10.7% and 2.1%, respectively, while full-time equivalent (FTE) enrollment increased by 7.4% and 1.9%.

YSU experienced significant enrollment growth last Fall 2024 with an incoming class comprised of new first-time students, international students, and associate degree seeking students, as well as high school students enrolled in the state of Ohio's dual credit program known as College Credit Plus. Compared to Fall 2023, the increased enrollment for each of these groups was 205 (13%), 419 (44%), and 343 (41%), respectively. For the summer and fall 2024, and spring 2025, the University conferred 3,248 degrees, marking a 15.5% increase over the previous year.

The incoming Fall 2025 class consists of first-time undergraduate and graduate students, which grew by 2.5% and 6.9%, respectively. The number of doctoral students increased by 28%, while both College Credit Plus and online enrollment grew by 24%. In addition, the number of continuing students increased by 1.1%.

Management is pleased with Fall 2025 enrollment results, which it credits to a number of factors, including a more collaborative approach to the University's admissions and registration processes. The University's offices of Admissions and First Year Student Services worked collaboratively to optimize the process for registration. Analysis has demonstrated that students who attend orientation have a 90-93% matriculation rate. For most every comparison period, registration for orientation was consistently 20-25% ahead of the previous year. The University also placed a

YOUNGSTOWN STATE UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

major emphasis on registering international students as early as possible. For Fall 2025, 82% of new international students were registered in advance of orientation.

Management is sensitive to regional demographic shifts and the ongoing decline in college-going high school graduates, as well as evolving public sentiments about higher education in general. Between 2025 and 2041, the number of high school graduates is projected to decline by 13%. Another reality is that the number of high school graduates choosing to attend college has declined from 63% in 2008 to 53% in 2020. These realities have resulted in the University's Strategic Enrollment Plan that supports and aligns with the University's Academic Master Plan. Both plans are designed to improve the University's competitiveness by gaining enrollment market share through academic programs that are aligned with career opportunities and regional workforce demand.

In light of an increasingly competitive environment for higher education, management has over the years made substantial adjustments to its enrollment services operations. For instance, the University recently centralized admissions for all students - domestic, international, undergraduate and graduate. This approach has improved the effectiveness of the admissions process with decisions now being communicated to applicants more expeditiously. This is coupled with an improved financial aid process that makes it easier for admitted students to take the next steps of enrolling and registering for classes.

The University's Strategic Enrollment Plan places an emphasis on persistence, degree completion and post-graduate employment. One element of the plan is aimed at increasing the number of College Credit Plus students who matriculate to YSU. A study conducted by the University's Institutional Engagement Committee several years ago indicated that if matriculation increased from 38% to 50%, an additional 700 students might have enrolled. A new approach will be implemented for the Fall 2026 entering cohort; this new process will directly admit CCP students to the University. Two additional initiatives will also contribute to persistence: (1) a new centralized advising structure that will deliver consistent and high-quality advising services to students; and (2) make better use of the University's degree-audit system so that students can make timelier and informed decisions about courses and degree paths.

Management believes that it is imperative that the University continues to meet the region's workforce needs and the University is committed to its pivotal role in Northeast Ohio. As the region's anchor institution of higher education, YSU remains a major contributor to regional prosperity and economic growth.

YOUNGSTOWN STATE UNIVERSITY

STATEMENTS OF NET POSITION AT JUNE 30, 2025 AND 2024

	June 30, 2025	June 30, 2024
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 13,755,566	\$ 16,869,033
Investments	53,353,462	51,816,656
Restricted investments	12,802,966	1,590,803
Interest receivable	307,209	333,771
Accounts receivable, net	12,463,715	12,105,937
Pledges receivable, net	48,135	60,119
Inventories	49,636	68,559
Prepaid expenses and unearned charges	1,964,206	2,142,395
Total Current Assets	<u>94,744,895</u>	<u>84,987,273</u>
Noncurrent Assets		
Investments	22,441,611	16,747,373
Endowments and other restricted investments	44,917,172	15,301,324
Pledges receivable, net	-	43,968
Other noncurrent assets	157,258	153,548
Net OPEB asset	9,395,053	6,754,735
Nondepreciable capital assets	25,902,594	24,283,346
Depreciable capital assets, net	202,645,141	204,664,380
Total Noncurrent Assets	<u>305,458,829</u>	<u>267,948,674</u>
Total Assets	<u>400,203,724</u>	<u>352,935,947</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	20,111,754	26,798,980
Deferred outflows related to OPEB	1,013,059	2,560,380
Bond refunding	1,074,888	1,202,010
Total Deferred Outflows of Resources	<u>22,199,701</u>	<u>30,561,370</u>
LIABILITIES		
Current Liabilities		
Accounts payable	5,992,065	5,815,370
Construction payable	818,297	1,133,230
Payroll liabilities	8,357,844	8,819,729
Bonds payable	4,819,073	4,205,041
Notes payable	1,438,677	1,324,774
Leased liabilities - equipment	268,957	266,867
Leased liabilities - SBITAs	3,418,924	2,882,629
Compensated absences	911,406	863,131
Unearned revenue	9,309,813	10,663,598
Other liabilities	927,797	1,285,278
Total Current Liabilities	<u>36,262,853</u>	<u>37,259,647</u>
Noncurrent Liabilities		
Bonds payable, net	82,333,704	46,561,902
Notes payable	7,064,271	8,502,947
Leased liabilities - equipment	601,409	870,366
Leased liabilities - SBITAs	4,916,996	5,683,866
Compensated absences	5,093,264	5,241,139
Net pension liability	97,936,972	111,408,571
Total Noncurrent Liabilities	<u>197,946,616</u>	<u>178,268,791</u>
Total Liabilities	<u>234,209,469</u>	<u>215,528,438</u>
DEFERRED INFLOWS OF RESOURCES		
Service concession agreements	137,500	10,282
Deferred inflows related to pension	16,285,805	13,140,226
Deferred inflows related to OPEB	3,937,921	5,230,664
Total Deferred Inflows of Resources	<u>20,361,226</u>	<u>18,381,172</u>
NET POSITION		
Net investment in capital assets	124,760,613	159,851,343
Restricted, nonexpendable - endowments	5,986,229	5,924,614
Restricted, expendable - gifts, grants, and student loans	32,388,805	31,450,771
Restricted, expendable - OPEB asset	9,395,053	6,754,735
Unrestricted	(4,697,970)	(54,393,756)
Total Net Position	<u>\$ 167,832,730</u>	<u>\$ 149,587,707</u>

See accompanying notes to financial statements.

THE YOUNGSTOWN STATE UNIVERSITY FOUNDATION

STATEMENTS OF FINANCIAL POSITION AT JUNE 30, 2025 AND 2024

	June 30, 2025	June 30, 2024
ASSETS		
Cash and cash equivalents	\$ 3,443,101	\$ 1,805,813
Investments	369,863,398	335,271,682
Investment settlement receivable	-	6,232,592
Pledges receivable, net	7,671,868	3,111,410
Pledges receivable for Youngstown State University, net	10,376,088	9,423,803
Prepaid expenses and other assets	203,993	2,762,945
Right-of-use operating lease assets	369,444	436,111
Property and equipment, net	116,905	388,773
TOTAL ASSETS	<u>\$ 392,044,797</u>	<u>\$ 359,433,129</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 1,896,619	\$ 1,049,843
Grant commitments to Youngstown State University	11,477,875	11,485,975
Accrued liabilities and other	67,096	70,523
TOTAL LIABILITIES	<u>13,441,590</u>	<u>12,606,341</u>
 NET ASSETS		
Without donor restrictions	180,776,303	172,421,170
With donor restrictions	197,826,904	174,405,618
TOTAL NET ASSETS	<u>378,603,207</u>	<u>346,826,788</u>
 TOTAL LIABILITIES AND NET ASSETS	<u>\$ 392,044,797</u>	<u>\$ 359,433,129</u>

See accompanying notes to financial statements.

YOUNGSTOWN STATE UNIVERSITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	June 30, 2025	June 30, 2024
OPERATING REVENUES		
Tuition, fees, and other student charges (net of scholarship allowance of \$44,919,543 in 2025 and \$39,034,360 in 2024)	\$ 68,569,386	\$ 66,727,733
Federal grants and contracts	6,739,625	7,471,674
State grants and contracts	14,191,245	9,992,556
Local grants and contracts	443,848	346,700
Private grants and contracts	678,425	322,023
Sales and services	778,323	547,707
Auxiliary enterprises (net of scholarship allowance of \$2,124,996 in 2025 and \$1,847,941 in 2024)	16,834,919	17,336,934
Other operating revenues	2,494,913	2,688,676
Total Operating Revenues	<u>110,730,684</u>	<u>105,434,003</u>
OPERATING EXPENSES		
Instruction	54,832,222	59,024,552
Research	3,908,090	4,145,596
Public service	6,346,256	5,553,947
Academic support	19,481,892	18,315,981
Student services	14,765,961	13,865,188
Institutional support	18,305,930	19,636,986
Operation and maintenance of plant	19,811,254	17,919,387
Scholarships	10,165,140	7,580,112
Auxiliary enterprises	30,864,464	29,307,405
Depreciation and amortization	19,034,032	18,611,833
Total Operating Expenses	<u>197,515,241</u>	<u>193,960,987</u>
Operating Loss	<u>(86,784,557)</u>	<u>(88,526,984)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations	51,014,617	48,856,576
Federal grants	20,000,839	15,565,066
Private gifts	13,970,342	13,060,126
Unrestricted investment (loss) income, net of investment expense	7,845,558	7,867,738
Restricted investment (loss) income, net of investment expense	2,487,961	2,561,725
Interest on capital asset-related debt	(2,275,631)	(2,086,448)
Other nonoperating revenues, net	918,381	1,356,498
Net Nonoperating Revenues	<u>93,962,067</u>	<u>87,181,281</u>
Gain (Loss) Before Other Revenues, Expenses, and Changes	<u>7,177,510</u>	<u>(1,345,703)</u>
OTHER REVENUES, EXPENSES, AND CHANGES		
State capital appropriations	2,840,410	5,124,718
Capital grants and gifts	8,297,319	4,286,932
Other revenue (expense), net	(70,216)	(469,833)
Total Other Revenues, Expenses, and Changes	<u>11,067,513</u>	<u>8,941,817</u>
Change In Net Position	<u>18,245,023</u>	<u>7,596,114</u>
NET POSITION		
Net Position at Beginning of the Year	<u>149,587,707</u>	<u>141,991,593</u>
Net Position at End of the Year	<u>\$ 167,832,730</u>	<u>\$ 149,587,707</u>

See accompanying notes to financial statements.

THE YOUNGSTOWN STATE UNIVERSITY FOUNDATION

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	June 30, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions of cash and other financial assets	\$ 3,802,355	\$ 16,715,234	\$ 20,517,589
Contributions of nonfinancial assets	1,013,180	-	1,013,180
Investment earnings	2,876,022	2,674,018	5,550,040
Net realized gains on sale of investments	5,441,069	5,363,828	10,804,897
Net unrealized change in long-term investments	10,112,995	9,048,318	19,161,313
Net assets released from restrictions	10,380,112	(10,380,112)	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	33,625,733	23,421,286	57,047,019
EXPENSES			
Distribution to Youngstown State University for scholarships and other programs	22,829,394	-	22,829,394
Administrative expenditures	2,441,206	-	2,441,206
TOTAL EXPENSES	25,270,600	-	25,270,600
INCREASE IN NET ASSETS	8,355,133	23,421,286	31,776,419
Net Assets - Beginning of Year	172,421,170	174,405,618	346,826,788
Net Assets - End of Year	\$ 180,776,303	\$ 197,826,904	\$ 378,603,207

	June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions of cash and other financial assets	\$ 2,985,811	\$ 9,359,006	\$ 12,344,817
Contributions of nonfinancial assets	226,590	-	226,590
Investment earnings	2,460,603	2,107,674	4,568,277
Net realized gains on sale of investments	8,758,908	7,565,529	16,324,437
Net unrealized change in long-term investments	5,896,786	4,461,004	10,357,790
Net assets released from restrictions	7,294,074	(7,294,074)	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	27,622,772	16,199,139	43,821,911
EXPENSES			
Distribution to Youngstown State University for scholarships and other programs	16,640,841	-	16,640,841
Administrative expenditures	2,450,808	-	2,450,808
TOTAL EXPENSES	19,091,649	-	19,091,649
INCREASE IN NET ASSETS	8,531,123	16,199,139	24,730,262
Net Assets - Beginning of Year	163,890,047	158,206,479	322,096,526
Net Assets - End of Year	\$ 172,421,170	\$ 174,405,618	\$ 346,826,788

See accompanying notes to financial statements.

YOUNGSTOWN STATE UNIVERSITY

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	June 30, 2025	June 30, 2024
Cash Flows from Operating Activities		
Student tuition and fees	\$ 68,119,311	\$ 66,654,914
Federal, state, and local grants and contracts	21,084,578	18,141,900
Private grants and contracts	497,837	512,330
Sales and services of educational and other departmental activities	16,603,633	17,997,044
Payments to suppliers	(53,915,086)	(51,182,158)
Payments to employees	(90,066,544)	(87,837,946)
Payments for benefits	(31,038,656)	(31,073,736)
Payments for scholarships	(9,752,423)	(8,070,032)
Direct lending receipts	44,137,721	45,086,847
Direct lending disbursements	(44,362,516)	(45,346,349)
Other receipts, net	2,442,047	2,630,276
Total Cash Flows Used In Operating Activities	(76,250,098)	(72,486,910)
Cash Flows from Noncapital Financing Activities		
Federal grants	20,042,065	15,518,341
State educational appropriations	51,014,617	48,856,577
Private gifts	13,113,257	13,001,156
Other nonoperating expenses	1,686,733	(88,789)
Total Cash Flows Provided by Noncapital Financing Activities	85,856,672	77,287,285
Cash Flows from Investing Activities		
Proceeds from sale of investments	44,937,994	24,649,640
Purchase of investments	(90,396,422)	(27,488,813)
Interest on investments	7,759,454	4,295,893
Total Cash Flows (Used In)/Provided by Investing Activities	(37,698,974)	1,456,720
Cash Flows from Capital and Related Financing Activities		
State capital appropriations	3,182,827	5,535,122
Private capital gifts and grants	5,974,804	5,120,981
Purchase of capital assets	(13,294,578)	(11,526,876)
Principal payments on capital debt	(8,594,640)	(6,260,399)
Bonds payable proceeds	40,625,254	-
Interest payments on capital debt	(2,914,734)	(2,649,132)
Total Cash Flows Provided by/(Used In) Capital and Related Financing Activities	24,978,933	(9,780,304)
Change in Cash and Cash Equivalents	(3,113,467)	(3,523,209)
Cash and Cash Equivalents, Beginning of Year	16,869,033	20,392,242
Cash and Cash Equivalents, End of Year	\$ 13,755,566	\$ 16,869,033

YOUNGSTOWN STATE UNIVERSITY

STATEMENTS OF CASH FLOWS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Reconciliation of Operating Loss to Net Cash Used in Operating Activities

	June 30, 2025	June 30, 2024
Operating loss	\$ (86,784,557)	\$ (88,526,984)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	19,034,032	18,611,833
Provision for bad debts	104,189	(23,189)
Gain on sale of fixed asset	-	(3,076)
Gifts in kind	201,068	-
Changes in assets and liabilities:		
Accounts receivable, net	(875,824)	(1,961,388)
Inventories	18,923	(8,805)
Prepaid expenses and unearned charges	178,189	(637,640)
Net OPEB assets	(2,640,318)	(1,444,213)
Accounts payable	176,695	820,693
Accrued and other liabilities	(849,511)	73,379
Unearned revenue	(1,329,168)	2,206,565
Compensated absences	(99,600)	(140,302)
Net pension/OPEB liability	(13,471,599)	(16,232,955)
Deferred outflows-pensions and OPEB	8,234,547	16,833,778
Deferred inflows-pensions and OPEB	1,852,836	(2,054,606)
Net Cash Flows Used In Operating Activities	<u>\$ (76,250,098)</u>	<u>\$ (72,486,910)</u>

Noncash Investing and Financing Transactions

Right-to-use asset - SBITA	<u>\$ 3,559,649</u>	<u>\$ 4,309,676</u>
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See accompanying notes to financial statements.

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Note 1 – Organization and Summary of Significant Accounting Policies

Organization and Basis of Presentation

Youngstown State University (the University or YSU) is a coeducational, degree granting state-assisted metropolitan university and was established by the General Assembly of the State of Ohio in 1967. The University is a component unit of the State of Ohio. The University provides a wide range of opportunities in higher education primarily to residents in northeastern Ohio and western Pennsylvania. The University offers degrees at the associate, undergraduate, graduate, and doctoral levels.

In accordance with Governmental Accounting Standards Board (GASB) Statement No.14, *The Reporting Entity*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, the University's financial statements are included, as a non-major discretely presented component unit, in the State of Ohio's (State) Annual Comprehensive Financial Report. In accordance with GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, Youngstown State University Foundation's (YSUF or Foundation) financial statements are included, as a discretely presented component unit, in the University's financial report by presentation of the individual financial statements of the entity immediately following the University's respective GASB financial statements. See Note 15 for additional information regarding the University's component unit.

The University's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the GASB.

As required by the GASB, resources are classified for accounting and reporting purposes into the following four net position categories:

- Net investment in capital assets – Capital assets, net of accumulated depreciation and amortization, reduced by outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- Restricted, nonexpendable – Resources subject to externally imposed stipulations that they be maintained permanently by the University. Such resources include the University's permanent endowment funds.
- Restricted, expendable-gifts, grants, and student loans – Resources whose use by the University is 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.
- Restricted, expendable-OPEB asset – Resources related to pension and other postemployment benefits, whose use is subject to externally-imposed restrictions including limitations on the use of net assets imposed by enabling legislation.

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

- Unrestricted – Resources that are not subject to externally imposed stipulations. Unrestricted resources may be designated for specific purposes by action of management, Board of Trustees or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted resources are designated for academic and research programs and initiatives, capital projects, and operating reserves.

Summary of Significant Accounting Policies

The accompanying financial statements have been prepared on the accrual basis. The University reports as a business type activity, as required by the GASB. Business type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

Change in Accounting Principle – Effective for the fiscal year ended June 30, 2025, the University adopted GASB Statement No. 101, Compensated Absences. As a result, the liability for compensated absences in the statements of net position of the University have been calculated to comply with this new pronouncement. During fiscal year 2025, the University recorded a one-time adjustment of \$32,000 to compensated absences and operating expenses to record the adjustment as of July 1, 2024 instead of restating beginning of year net position. The University elected not to apply this Statement retrospectively as the cumulative effect of the change to beginning of fiscal year 2024 was approximately \$33,000 which was determined to be immaterial.

Cash Equivalents – The University considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents are stated at cost, which approximates fair value and excludes amounts restricted by board designation or whose use is limited.

Investments – Investments are reported at fair value based on quoted market prices. Changes in unrealized gains (losses) on the carrying value of investments are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position. Restricted investments are comprised of endowment corpus and related spending funds, and unspent bond proceeds. Alternative investments are generally less liquid than publicly traded securities. These alternative investments are intended to reduce market risk, credit risk and interest rate risk. The University believes the carrying amounts of these holdings (net asset values) are reasonable estimates of the fair values as of year-end. Because these investments are not readily marketable, the estimated value is subject to uncertainty, and therefore, may differ from the value that would have been used had a ready market for the investment existed. Such difference could be material.

Endowment Policy – Under Ohio law set forth in the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted in Ohio in 2009, the Board acts in a fiduciary capacity as trustee of its endowment funds. UPMIFA requires that the Board exercise its fiduciary duties prudently and consider both the charitable purposes and needs of the University and the purposes of the specific endowment regarding current expenditures and preservation of the purchasing power of the funds. The University Endowment Fund consists of 90 named funds. Each named fund is assigned a number of shares in the University Endowment Fund based on the value of the gifts to

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

that named fund. The University's endowment spending policy states that annual distributions each fiscal year are set to 5% of the twelve-quarter average of the market value for the preceding twelve calendar quarters ended September 30. Distributions greater than the calculated amount require written justification and Board of Trustees' approval.

Accounts Receivable – Accounts receivable consist of transactions relating to tuition and fees, auxiliary enterprise sales, grants and contracts, and miscellaneous sales and services. Accounts receivable are recorded net of allowance for uncollectible amounts.

Pledges Receivable – The University has a development services agreement with the Foundation. As part of the agreement, the majority of new pledges are recorded by the Foundation and payments on University pledges are collected by the Foundation and remitted to the University on a monthly basis. Prior to the agreement, the University received pledges and bequests of financial support from corporations, foundations, and individuals. Revenue is recognized when a gift representing an unconditional promise to pay is received and all eligibility requirements have been met. In the absence of a conditional pledge, revenue is recognized when the gift is received. Pledges are recorded net of an allowance for uncollectible amounts and are discounted to net present value.

Inventories – Inventories are stated at the lower of cost or fair value.

Capital Assets – Capital assets are stated at cost or acquisition value at date of gift. Right-to-use assets including equipment and subscription-based information technology arrangements (SBITAs) are stated at present value of the cost over the contract term. Infrastructure assets are included in the financial statements and are depreciated. The University's capitalization threshold for equipment, furniture, and vehicles is \$5,000; and for buildings, building improvements, improvements other than buildings, and right-to-use assets is \$100,000. Land is capitalized regardless of cost. Library purchases are excluded from capitalization and expensed as purchased.

Key estimates and judgments related to Right-to-use assets - SBITAs include how the university determines the discount rate it uses to discount the expected subscription payments to present value and the subscription term. The University uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the University generally uses its estimated incremental borrowing rate as the discount rate for subscriptions. The subscription term includes the noncancelable period of the subscription. The University monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability. Right-to-use assets - SBITAs are reported with other capital assets, and subscription liabilities are reported as leased liabilities – SBITAs in both the current and long-term sections of debt liabilities on the statement of net position.

Depreciation (including amortization of right-to-use assets) is computed using the straight-line method over the estimated useful life or subscription term of the asset and is not allocated to the functional expenditure categories. Historical collections, including assets that are held for public

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

exhibition, education, or research in furtherance of public service, which are protected and preserved, are not depreciated.

When capital assets or right-to-use assets are sold, or otherwise disposed of, the carrying value of such assets and any accumulated depreciation and amortization is removed from asset accounts and the net investment in capital assets. The costs of normal maintenance and repairs that do not add to the value of the capital asset or right-to-use assets or materially extend the capital asset's life are expensed when incurred. Estimated lives for right-to-use equipment assets are amortized over the lesser of the estimated useful life or the lease term using the straight-line method. Estimated lives for right-to-use SBITAs are amortized over the shorter of the subscription term or the useful life. Estimated lives are as follows:

Classification	Estimated Life
Buildings	50 years
Improvements to buildings	10 to 50 years
Improvements other than buildings	15 years
Moveable equipment, furniture, and vehicles	3 to 20 years
Right-to-use assets - equipment	3 to 20 years
Right-to-use assets – SBITAs	3 to 5 years

Unearned Revenue – Unearned revenue includes tuition and fee revenues billed or received prior to the end of the current fiscal year end but related to the period after the current fiscal year. Also included are amounts received from grants and contract sponsors that have not yet been earned and other resources received before the eligibility requirements are met.

Compensated Absences – It is the University's policy to permit employees to accumulate earned but unused sick leave and vacation. A leave liability is recognized due to the leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Deferred Outflows of Resources – In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expenses) until then. The University reports deferred outflows of resources for refunding of bonds and certain pension-related and OPEB-related amounts, including changes in expected and actual experience, changes in assumptions, change in proportionate share of contribution and certain contributions made to the plan subsequent to the measurement date. See Note 13 for more detailed information on the pension-related and OPEB-related amounts.

Deferred Inflow of Resources – In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The University reports deferred inflows of resources for service concession arrangements and certain pension-related and OPEB-related amounts, including changes in expected and actual experience, changes in

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

assumptions, and the difference between projected and actual earnings of the plan's investments. See Note 13 for more detailed information on the pension-related and OPEB-related amounts.

Service Concession Arrangements – Service concession arrangements consist of an agreement with a food service provider and an agreement with a beverage company for exclusive pouring rights. Funds received are contingent upon utilization of services over a specified time period and are amortized over the term of the contract arrangement. Unamortized amounts are reflected as deferred inflows of resources on the Statement of Net Position.

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

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

Income Taxes – The Internal Revenue Service has ruled that the University's income is generally exempt from Federal income taxes under Section 115 of the Internal Revenue Code. The University is subject to tax on unrelated business income.

Measurement Focus and Financial Statement Presentation – The accompanying financial statements have been prepared using the economic resource measurement focus, operating revenues and expenses generally result from providing educational and instructional service in connection with the University's principal ongoing operations. The principal operating revenues include student tuition, fees and other student charges. The University also recognizes as operating revenue grants classified as exchange transactions and auxiliary activities. Operating expenses include educational costs, administrative expenses and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition including State and Federal appropriations are reported as non-operating revenues and expenses.

Scholarship Allowances and Student Aid – Tuition, fees, and other student charges; and Auxiliary enterprises are reflected net of scholarship allowances in the Statements of Revenues, Expenses,

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

and Changes in Net Position. Certain aid (such as loans and funds awarded to students by third parties) is accounted for as a third party payment (credited to the student's account as if the student made the payment). The methodology for calculating the scholarship allowance is based on the individual student by matching student financial aid with student tuition charges, for a more accurate estimate using detailed student information. All other aid is reflected in the financial statements as operating expenses, or scholarship allowances, which reduce revenues. The amount reported as Scholarship expense in the Statement of Revenues, Expenses, and Changes in Net Position 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 or reduced Auxiliary (or specifically Housing) charges.

Release of Restricted Funds – When an expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the University's policy to apply restricted resources first, then unrestricted resources as needed.

Management's Estimates – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures in the notes to financial statements. Actual results could differ from these estimates.

Adoption of New Accounting Pronouncements – In fiscal year 2025, the provisions of the following GASB Statements became effective:

- GASB Statement No. 101, *Compensated Absences*, issued June 2022. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. 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.
- GASB Statement No. 102, *Certain Risk Disclosures*, issued December 2023. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

Refer to Change in Accounting Principle for details on the net position impact of GASB 101. The adoption of GASB 102 had no impact on the University's financial statements or disclosures.

Upcoming Accounting Pronouncements – As of the report date, the GASB issued the following statements not yet implemented by the University:

- GASB Statement No. 103, *Financial Reporting Model Improvements*, issued April 2024. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The objective of this Statement is to improve key components of the financial reporting model to

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

- GASB Statement No. 104, *Disclosure of Certain Capital Assets*, issued September 2024. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

The University has not yet determined the effect these Statements will have on the University's financial statements and disclosures.

Restatement – Certain restatements have been made to the fiscal year 2024 amounts to conform with the fiscal year 2025 presentation. On the Statements of Net Position, the Net Position restriction classification relating to the \$6,754,735 OPEB asset was reclassified from Restricted, expendable – gifts, grants, and student loans to Restricted, expendable – OPEB asset. The change did not result in any changes in total net position.

Note 2 – State and Federal Support

The University receives support from the State in the form of State appropriations and capital appropriations. As required by the GASB, these are reflected as non-operating revenues on the Statement of Revenues, Expenses, and Changes in Net Position.

State appropriations totaled \$51,014,617 in fiscal year 2025 compared to \$48,856,576 in fiscal year 2024. The State Share of Instruction (SSI) is determined annually by the Ohio Department of Higher Education.

Capital appropriations from the State totaled \$2,840,410 in fiscal year 2025 compared to \$5,124,718 in fiscal year 2024 and included funding for equipment and the construction/major renovations of plant facilities.

Funding for the construction of major plant facilities on the University campus is obtained from the issuance of revenue bonds by the Ohio Public Facilities Commission (OPFC).

University 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 of Ohio. 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.

Outstanding debt issued by OPFC is not included on the University's Statement of Net Position. In addition, the appropriations by the General Assembly to the Ohio Department of Higher Education for payment of debt service are not reflected as appropriation revenue received by the University, and the related debt service payments are not recorded in the University's accounts.

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Note 3 – Cash and Cash Equivalents

For financial statement presentation purposes, cash in banks has been combined with the University's cash equivalents and temporary investments.

Depository funds held in the name of the University are secured by a pool of securities with a value of at least 105% of the total value of monies on deposit at the depository bank. All collateral, both specific and pooled, is held by the Federal Reserve Bank or by a designated trustee as agent for the public depositories used by the University.

Cash and Cash Equivalents at June 30, 2025 and June 30, 2024 consist of the following:

	2025	2024
Carrying Amount	<u>\$ 13,755,566</u>	<u>\$ 16,869,033</u>
FDIC Insured	\$ 305,251	\$ 500,000
Uninsured but collateralized by pools of securities pledged by the depository banks	1,930,936	852,237
Uninsured but assets held in name of YSU not pledged as collateral elsewhere	<u>12,381,913</u>	<u>16,562,378</u>
Bank Balance	<u>\$ 14,618,100</u>	<u>\$ 17,914,615</u>

The difference in carrying amount and bank balance is caused by items in transit and outstanding checks. Deposits held in safekeeping by a bank, as trustee or escrow agent, included in cash totaled \$1,192,555 at June 30, 2025 and \$585 at June 30, 2024, which approximates market. These deposits, including interest on the investments, are retained in the trust for payment of principal and interest on outstanding indebtedness.

Credit risk for deposits is the risk that, in the event of a bank failure, the University's deposits may not be returned to the University. At June 30, 2025 and June 30, 2024, all uncollateralized or uninsured deposits of the University are exposed to credit risk. The University's investment policy and asset allocation guidelines facilitate the management and monitoring of credit risk.

Note 4 – Investments

The University's investment policy authorizes the University to invest non-endowed and endowed University funds in compliance with provisions of the Ohio Revised Code including House Bill 524, Section 3345.05 of the Ohio Revised Code, and all other applicable laws and regulations.

In accordance with the Policies of the Board of Trustees of the University, investment types are not specifically limited but shall be made with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Furthermore, investments shall be managed for the use and benefit of the University in a diversified

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

portfolio that focuses, over time, on the preservation of capital, minimization of cost and risk, and maintenance of required levels of liquidity in the overall portfolio to meet cash flow requirements. The University utilizes an investment advisor and investment manager for non-endowment funds.

The University's investments measured and reported at fair value are classified according to the following hierarchy:

Level 1 – Investments reflect prices quoted in active markets.

Level 2 – Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable sources.

Net Asset Value (NAV) – Investments valued at net asset value, therefore not subject to the hierarchy classification.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Assets classified in Level 1 of the fair value hierarchy are valued directly from a primary external pricing vendor. Level 2 inputs are valued using a matrix pricing model.

As of June 30, 2025, the University had the following investments measured at fair value:

Investment Type	Fair Value Measurement				
	Level 1	Level 2	Level 3	NAV	Total
U.S. Governmnet Obligations	\$ -	\$ 47,281,553	\$ -	\$ -	\$ 47,281,553
Corporate Bonds	-	13,960,139	-	-	13,960,139
Foreign Bonds	-	2,380,897	-	-	2,380,897
U.S. Government Bonds	-	1,547,357	-	-	1,547,357
Municipal Bonds		821,525	-	-	821,525
Bond Mutual Funds	9,455,566	-	-	-	9,455,566
Common Stock	12,034,357	-	-	-	12,034,357
Equity Mutual Funds	26,155,634	-	-	-	26,155,634
Interval Funds	2,626,050	-	-	-	2,626,050
Public Equity Investment	8,892,646	-	-	-	8,892,646
Alternative Investments	-	-	-	8,359,487	8,359,487
Totals	\$ 59,164,253	\$ 65,991,471	\$ -	\$ 8,359,487	\$ 133,515,211

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

As of June 30, 2024, the University had the following investments measured at fair value:

Investment Type	Fair Value Measurement			NAV	Total
	Level 1	Level 2	Level 3		
U.S. Government Obligations	\$ -	\$ 9,949,677	\$ -	\$ -	\$ 9,949,677
Corporate Bonds	-	10,118,206	-	-	10,118,206
Foreign Bonds	-	345,751	-	-	345,751
U.S. Government Bonds	-	989,730	-	-	989,730
Bond Mutual Funds	5,637,350	-	-	-	5,637,350
Common Stock	10,561,992	-	-	-	10,561,992
Equity Mutual Funds	38,284,381	-	-	-	38,284,381
Interval Funds	2,030,997	-	-	-	2,030,997
Alternative Investments	-	-	-	7,538,072	7,538,072
Totals	<u>\$ 56,514,720</u>	<u>\$ 21,403,364</u>	<u>\$ -</u>	<u>\$ 7,538,072</u>	<u>\$ 85,456,156</u>

Because alternative investments have no active market, they are valued using NAV, which is based on information such as historical and current performance of the underlying assets; cash flow projections, liquidity and credit premiums required by a market participant; and financial trend analysis with respect to the individual fund manager. Furthermore, the liquidity of these investments may be impacted by the lack of a present market of the interest in the funds, lock-up periods, redemption notice periods and limits to the frequency of redemptions.

The following table provides additional information for those investments valued using NAV:

	Fair Value June 30		Redemption Frequency	Redemption Notice Period	Unfunded Commitment
	2025	2024			
Alternative investments:					
Hedge funds (A)	\$ 5,752,437	\$ 5,211,508	Quarterly	65 days	\$ -
Private credit (B)	<u>2,607,050</u>	<u>2,326,564</u>	Annual	30 days	<u>2,630,174</u>
Totals	<u>\$ 8,359,487</u>	<u>\$ 7,538,072</u>			<u>\$ 2,630,174</u>

(A) This category includes hedge funds through a limited partnership interest. The underlying hedge fund managers invest primarily in marketable securities that trade in well-established and liquid markets. Styles of managers include equity long-short, relative value, event driven, credit, or macro, among other sub-styles and specialties. The objective of the hedge funds is to achieve an attractive risk-adjusted return relative to other asset classes and provide diversification and long-term growth. The hedge funds are valued at fair value that are reported in the investment manager financial statements, based on net asset value of the fund at the end of the depicted time period.

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

(B) This category is a private credit strategy that originates loans for private companies. The fund provides senior secured loans to performing U.S. lower to middle market borrowers/companies with \$8-\$40 million in earnings before interest, taxes, depreciation and amortization (EBITDA). The fund provides customized credit solutions structured with strong downside protection characteristics to deliver consistent results through market cycles.

As of June 30, 2025, the University had the following investments and maturities using the segmented time distribution method:

Investment Type	Fair Value	Investment maturities (in years)			
		Less than 1	1-5	6-10	More than 10
U.S. Government Obligations	\$ 47,281,553	\$ 6,096,965	\$ 39,025,206	\$ 1,811,280	\$ 348,102
Corporate Bonds	13,960,139	4,162,235	8,626,897	1,104,057	66,950
Foreign Bonds	2,380,897	2,015,968	364,929	-	-
U.S. Government Bonds	1,547,357	570	248,528	292,127	1,006,132
Municipal Bonds	821,525	85,199	672,356	63,970	-
Bond Mutual Funds	9,455,566	9,455,566	-	-	-
Common Stock	12,034,357	12,034,357	-	-	-
Equity Mutual Funds	26,155,634	26,155,634	-	-	-
Interval Funds	2,626,050	2,626,050	-	-	-
Public Equity Investment	8,892,646	8,892,646	-	-	-
Alternative Investments	8,359,487	8,359,487	-	-	-
Totals	<u>\$ 133,515,211</u>	<u>\$ 79,884,677</u>	<u>\$ 48,937,916</u>	<u>\$ 3,271,434</u>	<u>\$ 1,421,184</u>

All callable stocks were assumed to mature in less than one year.

As of June 30, 2024, the University had the following investments and maturities using the segmented time distribution method:

Investment Type	Fair Value	Investment maturities (in years)			
		Less than 1	1-5	6-10	More than 10
U.S. Government Obligations	\$ 9,949,677	\$ 1,821,089	\$ 7,536,394	\$ 592,194	\$ -
Corporate Bonds	10,118,206	812,292	8,463,123	832,798	9,993
Foreign Bonds	345,751	192,184	153,567	-	-
U.S. Government Bonds	989,730	-	60,389	440,438	488,903
Bond Mutual Funds	5,637,350	5,637,350	-	-	-
Common Stock	10,561,992	10,561,992	-	-	-
Equity Mutual Funds	38,284,381	38,284,381	-	-	-
Interval Funds	2,030,997	2,030,997	-	-	-
Alternative Investments	7,538,072	7,538,072	-	-	-
Totals	<u>\$ 85,456,156</u>	<u>\$ 66,878,357</u>	<u>\$ 16,213,473</u>	<u>\$ 1,865,430</u>	<u>\$ 498,896</u>

All callable stocks were assumed to mature in less than one year.

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

As of June 30, 2025, investments had the following quality credit ratings:

Investment Type	Fair Value	Aaa	Aa	A	Baa	Unrated
Corporate Bonds	\$13,960,139	\$ 1,210,784	\$ 3,849,161	\$4,778,859	\$2,612,733	\$1,508,602
Foreign Bonds	2,380,897	396,186	1,001,161	983,550	-	-
U.S. Government Bonds	1,547,357	1,547,357	-	-	-	-
Municipal Bonds	821,525	105,883	326,289	170,999	-	218,354
Bond Mutual Funds	9,455,566	6,920,537	351,010	807,828	1,010,604	365,587
Totals	<u>\$28,165,484</u>	<u>\$10,180,747</u>	<u>\$ 5,527,621</u>	<u>\$ 6,741,236</u>	<u>\$3,623,337</u>	<u>\$2,092,543</u>

As of June 30, 2024, investments had the following quality credit ratings:

Investment Type	Fair Value	Aaa	Aa	A	Baa	Unrated
Corporate Bonds	\$10,118,206	\$1,924,884	\$309,145	\$3,524,877	\$2,973,428	\$1,385,872
Foreign Bonds	345,751	-	-	345,751	-	-
U.S. Government Bonds	989,730	989,730	-	-	-	-
Bond Mutual Funds	5,637,350	3,239,992	337,694	731,058	1,107,782	220,824
Totals	<u>\$17,091,037</u>	<u>\$6,154,606</u>	<u>\$646,839</u>	<u>\$4,601,686</u>	<u>\$4,081,210</u>	<u>\$1,606,696</u>

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’s investment policy and asset allocation guidelines facilitate the management and monitoring of its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit quality, as commonly expressed in terms of credit ratings issued by nationally recognized statistical rating organizations such as Moody’s Investors Services, Standard & Poor’s or Fitch rating provides a current depiction of potential variable cash flows and credit risk. The University’s investment policy and asset allocation guidelines contain provisions to manage credit risk.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the University will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. Investments that are both unregistered and uninsured are exposed to custodial credit risk if investments are held by the counterparty or are held by the counterparty’s trust department or agent but not in the name of the University. At June 30, 2025 and 2024, the University had no exposure to custodial credit risk. The University does not address custodial credit risk in its investment policy and asset allocation guidelines.

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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, 2025, the University had no exposure to concentration of credit risk. As of June 30, 2024, \$5,251,856 or 6% of the University's portfolio was held in an intermediate bond fund.

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. At June 30, 2025 and 2024, the University had no material exposure to foreign currency risk. The University does not address foreign currency risk in its investment policy and asset allocation guidelines.

Note 5 – Accounts Receivable

Accounts receivable at June 30, 2025 and June 30, 2024 consist of the following:

	2025	2024
Accounts receivable, net:		
Student accounts, net of allowance for doubtful accounts of \$1,479,054 in 2025 and \$1,602,620 in 2024	\$ 5,694,154	\$ 5,205,103
Grants and contracts, net of allowance for doubtful accounts of \$845 in 2025 and \$978 in 2024	3,170,746	3,132,867
State capital appropriations	100,726	443,142
Other receivables, net of allowance for doubtful accounts of \$31,929 in 2025 and \$21,376 in 2024	3,498,089	3,324,825
Accounts receivable, net	<u>\$ 12,463,715</u>	<u>\$ 12,105,937</u>

Note 6 – Pledges Receivable

Unconditional promises to give to the University recorded as pledges receivable at June 30, 2025 and June 30, 2024 were as follows:

	2025	2024
Pledges receivable, net of present value discount of \$1,865 in 2025 and \$6,032 in 2024	\$ 48,135	\$ 104,087
Less: current portion	<u>48,135</u>	<u>60,119</u>
Pledges receivable, noncurrent portion	<u>\$ -</u>	<u>\$ 43,968</u>

Pledges receivable have been deemed fully collectible. Pledges have been discounted to net present value using June 30, 2025 and June 30, 2024 U.S. Treasury Note rates of 3.875% (5-year) in fiscal year 2025 and 4.25% (5-year) in fiscal year 2024.

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Note 7 – Capital Assets

Capital assets activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Additions/ Transfers	Reductions	Ending Balance
Nondepreciable assets:				
Land	\$ 18,648,679	\$ 1,421,910	\$ -	\$ 20,070,589
Construction in progress	4,578,179	208,423	11,085	4,775,517
Historical treasures	1,056,488	-	-	1,056,488
Depreciable assets:				
Buildings	284,602,195	-	-	284,602,195
Improvements to buildings	131,908,264	8,491,400	266,492	140,133,172
Improvements other than buildings	48,470,145	2,064,367	-	50,534,512
Moveable equipment and furniture	48,841,884	2,993,051	490,952	51,343,983
Vehicles	1,886,712	358,216	25,060	2,219,868
Right-to-use assets - equipment	2,103,263	-	-	2,103,263
Right-to-use assets - SBITAs	17,053,748	3,559,649	230,274	20,383,123
Total cost	559,149,557	19,097,016	1,023,863	577,222,710
Less accumulated depreciation and amortization:				
Buildings	201,438,435	4,475,092	-	205,913,527
Improvements to buildings	44,938,770	5,133,136	47,829	50,024,077
Improvements other than buildings	29,833,650	2,410,836	-	32,244,486
Moveable equipment and furniture	42,566,003	3,044,676	488,000	45,122,679
Vehicles	1,570,923	146,599	25,060	1,692,462
Right-to-use assets - equipment	1,512,625	402,145	-	1,914,770
Right-to-use assets - SBITAs	8,341,425	3,460,767	39,218	11,762,974
Total accumulated depreciation and amortization	330,201,831	19,073,251	600,107	348,674,975
Capital assets, net	\$ 228,947,726	\$ 23,765	\$ 423,756	\$ 228,547,735

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Capital assets activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions/ Transfers	Reductions	Ending Balance
Nondepreciable assets:				
Land	\$ 18,608,679	\$ 40,000	\$ -	\$ 18,648,679
Construction in progress	5,410,041	(822,262)	9,600	4,578,179
Historical treasures	1,056,488	-	-	1,056,488
Depreciable assets:				
Buildings	289,234,754	-	4,632,559	284,602,195
Improvements to buildings	125,515,342	6,451,770	58,848	131,908,264
Improvements other than buildings	51,339,588	4,384,779	7,254,222	48,470,145
Moveable equipment and furniture	46,470,162	3,263,995	892,273	48,841,884
Vehicles	1,834,950	77,667	25,905	1,886,712
Right-to-use assets - equipment	2,102,837	-	(426)	2,103,263
Right-to-use assets - SBITAs	12,901,289	4,309,676	157,217	17,053,748
Total cost	554,474,130	17,705,625	13,030,198	559,149,557
Less accumulated depreciation and amortization:				
Buildings	201,564,410	4,490,635	4,616,610	201,438,435
Improvements to buildings	40,181,885	4,782,974	26,089	44,938,770
Improvements other than buildings	32,570,915	2,386,564	5,123,829	29,833,650
Moveable equipment and furniture	40,105,331	3,335,135	874,463	42,566,003
Vehicles	1,473,763	123,065	25,905	1,570,923
Right-to-use assets - equipment	1,110,480	402,145	-	1,512,625
Right-to-use assets - SBITAs	5,340,078	3,091,315	89,968	8,341,425
Total accumulated depreciation and amortization	322,346,862	18,611,833	10,756,864	330,201,831
Capital assets, net	<u>\$ 232,127,268</u>	<u>\$ (906,208)</u>	<u>\$ 2,273,334</u>	<u>\$ 228,947,726</u>

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Note 8 – Payroll and Other Liabilities

Payroll and other liabilities at June 30, 2025 and 2024 consist of the following:

	2025	2024
Payroll liabilities		
Accrued compensation	\$ 4,926,294	\$ 5,399,921
Accrued benefits	218,474	226,137
Accrued health care benefits and insurance payable	1,531,981	1,552,981
Retirement system contribution payable	1,681,095	1,640,690
Totals	<u>\$ 8,357,844</u>	<u>\$ 8,819,729</u>
Other liabilities		
Deposits held in custody	\$ 314,414	\$ 693,623
Interest payable	413,362	383,218
Other liabilities	200,021	208,437
Totals	<u>\$ 927,797</u>	<u>\$ 1,285,278</u>

Estimated expenses ultimately to result, if unperformed commitments in process at June 30, 2025 are completed, totaled \$57.2 million compared to \$13.0 million at June 30, 2024. These amounts do not constitute expense incurred or liabilities.

Note 9 – Bonds

In March 2025, the University issued \$38,895,000 in Series 2025 General Receipts bonds to provide funding for a portion of the costs associated with the renovation of the student center and pay costs of issuance of the Series 2025 bonds. As of June 30, 2025, the outstanding principal of the 2025 General Receipts bonds was \$38,985,000. Payment made in fiscal year 2025 was bond interest payment only. In connection with the issuance of the Series 2025 General Receipts bonds, the University also recognized a net bond premium in the amount of \$1,640,254, which will be amortized against interest expense over the life of the bond.

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NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Details of the bonds payable for the General Receipts Bonds, Series 2025 as of June 30, 2025 follow:

Bond Component	Rate	Yield	Maturity Through	Original Principal
Serial Bond	0.000%	0.00%	2026	\$ -
Serial Bond	0.000%	0.00%	2027	-
Serial Bond	0.000%	0.00%	2028	-
Serial Bond	0.000%	0.00%	2029	-
Serial Bond	0.000%	0.00%	2030	-
Serial Bond	5.000%	2.90%	2031	755,000
Serial Bond	5.000%	2.94%	2032	790,000
Serial Bond	5.000%	3.04%	2033	835,000
Serial Bond	5.000%	3.07%	2034	875,000
Serial Bond	5.000%	3.19%	2035	920,000
Serial Bond	5.000%	3.24%	2036	965,000
Serial Bond	5.000%	3.32%	2037	1,015,000
Serial Bond	5.000%	3.40%	2038	1,070,000
Serial Bond	5.000%	3.46%	2039	1,125,000
Serial Bond	5.000%	3.54%	2040	1,180,000
Serial Bond	5.000%	3.65%	2041	1,240,000
Term Bond	5.000%	4.16%	2042	1,305,000
Term Bond	5.000%	4.16%	2043	1,375,000
Term Bond	5.000%	4.16%	2044	1,445,000
Term Bond	5.000%	4.16%	2045	1,515,000
Term Bond	5.000%	4.16%	2046	1,595,000
Term Bond	5.000%	4.31%	2047	1,675,000
Term Bond	5.000%	4.31%	2048	1,760,000
Term Bond	5.000%	4.31%	2049	1,855,000
Term Bond	5.000%	4.31%	2050	1,950,000
Term Bond	5.000%	4.31%	2051	2,050,000
Term Bond	4.250%	4.50%	2052	2,145,000
Term Bond	4.250%	4.50%	2053	2,235,000
Term Bond	4.250%	4.50%	2054	2,335,000
Term Bond	4.250%	4.50%	2055	2,435,000
Term Bond	4.250%	4.50%	2056	2,540,000
Total				<u>\$ 38,985,000</u>

In July 2021, the University issued \$28,065,000 in Series 2021 General Receipts bonds. The proceeds from the bond sale were used for an advanced refunding of the Series 2010 General Receipts bonds and Series 2011 General Receipts bonds. As a result, \$20,305,000 of the 2010 bonds and \$13,185,000 of the 2011 bonds refunded are considered to be defeased and the liability was removed from the University's long-term obligations. For this current refunding, the reacquisition price exceeds the net carrying amount of the old debt by \$29,017. This amount was recorded as a deferred outflow of resources and will be amortized over the remaining life of the new debt. As of June 30, 2025 and 2024, the amount recorded as a deferred outflow was \$19,760 and \$22,097, respectively. As of June 30, 2025 and 2024, the outstanding principal of the 2021

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

General Receipts bond was \$26,015,000 and \$27,960,000, respectively. In connection with the issuance of the Series 2021 General Receipts bonds, the University also recognized a net bond premium in the amount of \$5,872,342 which will be amortized against interest expense over the life of the bond.

Details of the bonds payable for the General Receipts Bonds, Series 2021 as of June 30, 2025 follow:

Bond Component	Rate	Yield	Maturity Through	Original Principal
Serial Bond	4.000%	0.44%	2026	\$ 2,465,000
Serial Bond	4.000%	0.57%	2027	2,560,000
Serial Bond	4.000%	0.78%	2028	2,660,000
Serial Bond	4.000%	0.90%	2029	2,770,000
Serial Bond	4.000%	0.99%	2030	2,875,000
Serial Bond	4.000%	1.09%	2031	2,990,000
Serial Bond	4.000%	1.17%	2032	3,110,000
Serial Bond	4.000%	1.22%	2033	3,240,000
Serial Bond	3.000%	1.43%	2034	3,345,000
Total				<u>\$ 26,015,000</u>

In January 2017, the University issued \$25,525,000 in Series 2016 General Receipts bonds. The proceeds from the bond sale were used for a partial advanced refunding of the Series 2009 General Receipts bonds and to construct a bookstore. As a result, \$19,930,000 of the 2009 bonds advanced refunded were considered to be defeased and the liability was removed from the University's long-term obligations. In addition, a deferred outflow of resources was recorded and will be amortized over the remaining life of the new debt. As of June 30, 2025 and 2024, the amount recorded as a deferred outflow was \$1,055,128 and \$1,179,913, respectively. As of June 30, 2025 and 2024, the outstanding principal of the 2016 General Receipts bond was \$17,505,000 and \$18,960,000, respectively. In connection with the issuance of the Series 2016 General Receipts bonds, the University also recognized a net bond premium in the amount of \$1,578,181 which will be amortized against interest expense over the life of the bond.

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NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Details of the bonds payable for the General Receipts Bonds, Series 2016 as of June 30, 2025 follow:

Bond Component	Rate	Yield	Maturity Through	Original Principal
Serial Bond	5.000%	3.09%	2026	\$ 1,525,000
Serial Bond	5.000%	3.23%	2027	1,600,000
Serial Bond	3.000%	3.32%	2028	1,665,000
Serial Bond	3.250%	3.49%	2029	1,710,000
Serial Bond	5.000%	3.44%	2030	1,780,000
Serial Bond	5.000%	3.50%	2031	1,870,000
Serial Bond	3.500%	3.74%	2032	1,945,000
Serial Bond	3.625%	3.86%	2033	2,010,000
Serial Bond	3.625%	3.92%	2034	2,085,000
Term Bond	4.000%	4.12%	2035	310,000
Term Bond	4.000%	4.12%	2036	320,000
Term Bond	4.000%	4.12%	2037	335,000
Term Bond	4.000%	4.12%	2038	350,000
Total				<u>\$ 17,505,000</u>

In June 2011, the Board of Trustees of Youngstown State University authorized through a Board resolution the issuance of General Receipts Bonds, Series 2011 in the amount of \$18,660,000. The \$19,006,093 in bond proceeds were received in July 2011. The Series 2011 Bonds were utilized to pay costs associated with acquiring the University Courtyard Apartments, any necessary related improvements thereto and to pay costs of issuing the Series 2011 Bonds. In July 2021, the remaining principal balance of \$13,185,000 was refunded with the issuance of the Series 2021 General Receipts bonds and the liability was removed from the University's long-term obligation.

As part of the American Recovery and Reinvestment Act of 2009, states and local governments are permitted to issue two types of taxable obligations, referred to as Build America Bonds (BABs). The BABs include federal subsidies to offset a portion of interest costs as an alternative to issuing traditional tax-exempt obligations.

In March 2010, the University issued \$25,335,000 of General Receipts Bonds (Taxable Build America Bonds), Series 2010 to provide funding to pay costs associated with facilities planning for the University's College of Science, Technology, Engineering and Mathematics (STEM), convert the old college of business building for use as a laboratory, office and classroom space, renovate Kilcawley Center, reconfigure and replace campus parking facilities, construct the WATTS Center, relocate certain existing outdoor athletic facilities and pay the costs of issuance of the Series 2010 Bonds. In September 2011, approximately \$9.9 million was re-allocated from the Kilcawley Center project to Academic building renovation projects. In July 2021, the remaining principal balance of \$20,305,000 was refunded with the issuance of the Series 2021 General Receipts bonds and the liability was removed from the University's long-term obligation.

The University designated the Series 2010 Bonds both as Build America Bonds and as Qualified Bonds and intends to apply for Credit Payments pursuant only to the extent that the Series 2010

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Bonds remain Qualified Bonds, which requires the University to comply with certain covenants and to establish certain facts and expectations with respect to the Series 2010 Bonds, the use and investment of proceeds thereof and the use of property financed thereby.

In March 2009, the University issued \$31,255,000 of General Receipts Bonds, Series 2009 to acquire, construct and equip the new Williamson College of Business Administration building, renovate and replace portions of the existing Wick Pollock Inn, refund the remaining General Receipts Bonds, Series 1997 and Series 1998, refund the General Receipts Bond Anticipation Notes, Series 2008 (BAN), and pay a portion of the costs of issuance of the bonds. In January 2017, \$19,930,000 of the bonds were advanced refunded with the issuance of the Series 2016 General Receipts bonds. The balance of the amount defeased and put in escrow was \$13,690,000 at June 30, 2025 and \$14,860,000 at June 30, 2024.

The indebtedness created through all issues of the General Receipts Bonds is bound by the Amended and Restated Trust Indenture dated as of March 1, 2009, the First Supplemental Trust Indenture dated February 2010, the Second Supplemental Trust Indenture dated July 1, 2011, the Third Supplemental Trust Indenture dated December 1, 2010, the Series 2021 Bonds are also bound by the Fourth Supplemental Trust Indenture dated June 1, 2021, and the Series 2025 Bonds are also bound by the Fifth Supplemental Trust Indenture dated March 1, 2025. The debt is secured by a pledge of all University general receipts, excluding state appropriations and receipts previously pledged or otherwise restricted. The University has complied with all covenant requirements.

Maturities of all bonds payable and debt service for fiscal years subsequent to June 30, 2025 follow (also see Note 12):

Fiscal Year	General Receipts Bonds		
	Principal	Interest	Total
2026	\$ 3,990,000	\$ 3,494,694	\$ 7,484,694
2027	4,160,000	3,316,069	7,476,069
2028	4,325,000	3,146,694	7,471,694
2029	4,480,000	2,985,331	7,465,331
2030	4,655,000	2,800,144	7,455,144
2031-2035	25,080,000	10,580,725	35,660,725
2036-2040	6,360,000	7,683,250	14,043,250
2041-2045	6,880,000	6,099,875	12,979,875
2046-2050	8,835,000	4,145,500	12,980,500
2051-2055	11,200,000	1,778,238	12,978,238
2056	2,540,000	53,975	2,593,975
Totals	<u>\$ 82,505,000</u>	<u>\$ 46,084,495</u>	<u>\$ 128,589,495</u>

Interest expense on indebtedness was \$1,599,524 in fiscal year 2025 and \$1,165,710 in fiscal year 2024.

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NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

The University's Trust Agreement governing all outstanding general receipts bonds contains a provision that in an event of default, the Trustee shall, within five business days after having knowledge of that event of default, give written notice to the University. The trustee shall also give the original purchasers of each series of Bonds then outstanding, and to the bondholders and any other paying agents notice of each event of default within 90 days after having knowledge of the occurrence thereof. The Trust Agreement also contains a provision, that in the case an event of default has occurred, the Trustee may, upon written request of the holders of at least 25% in aggregate principal amount of the bonds then outstanding, declare the principal of all bonds outstanding and the interest accrued to be due and payable immediately.

The following constitutes an event of default under the Trust Agreement:

- a. Failure to pay any interest on any Bond, when it becomes due and payable;
- b. Failure to pay the principal of or any redemption premium on any Bond, when it becomes due and payable, whether at maturity or by acceleration or call for redemption;
- c. Failure to perform or observe any other covenant, condition or agreement contained in the Bonds or the Trust Agreement and to be performed by the University, which failure shall have continued for a period of 30 days after written notice of it to the University given by the Trustee or the holders of at least 25% in aggregate principal amount of the bonds then outstanding.

Note 10 – Notes Payable

During fiscal year 2016, the University entered into a 14-year performance contract with Johnson Controls for campus energy savings measures. The contract amount of \$16.0 million includes an assured performance providing for an annual measured cost savings of not less than \$2.0 million per year and was financed as a direct borrowing through PNC Equipment Finance over 14 years at an interest rate of 3.366% and requires annual installment payments. In September 2020, PNC Equipment Finance sold, assigned, and transferred the note payable to Huntington Public Capital Corporation. Security of the debt is limited to the revenues appropriated for such purpose.

Details of the revised installment schedule follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 1,438,677	\$ 286,051	\$ 1,724,728
2027	1,549,702	237,652	1,787,354
2028	1,712,894	185,518	1,898,412
2029	1,869,393	127,894	1,997,287
2030	1,932,282	65,005	1,997,287
Totals	<u>\$ 8,502,948</u>	<u>\$ 902,120</u>	<u>\$ 9,405,068</u>

Interest expense on indebtedness was \$289,470 in fiscal year 2025 and \$333,723 in fiscal year 2023.

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

The following constitutes an event of default under the master agreement:

- a. Failure to make payment as it becomes due, and any such failure continues for ten (10) days after the due date;
- b. Failure to perform or observe any obligations under Section 12.1, 14 or 18.1 hereof;
- c. Failure to perform or observe any other covenant, condition or agreement to be performed or observed by it under the agreement and such failure is not cured within thirty (30) days after receipt by the borrower of written notice thereof by the lender.

Note 11 – Leased Liabilities

The University leases certain assets from various third parties. The assets leased includes print shop and printer/copier equipment. Payments are generally fixed monthly. Future principal and interest payment requirements related to the University's lease liability at June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 268,957	\$ 5,663	\$ 274,620
2027	271,086	3,534	274,620
2028	270,369	1,366	271,735
2029	59,954	46	60,000
Total	<u>\$ 870,366</u>	<u>\$ 10,609</u>	<u>\$ 880,975</u>

The University obtains the right to use vendors' information technology software through various long-term contracts. Payments are generally fixed quarterly or annually. Future principal and interest payment requirements related to the University's subscription liability at June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 3,418,924	\$ 235,675	\$ 3,654,599
2027	3,235,831	101,360	3,337,191
2028	895,056	37,670	932,726
2029	570,566	13,629	584,195
2030	215,543	2,217	217,760
Total	<u>\$ 8,335,920</u>	<u>\$ 390,551</u>	<u>\$ 8,726,471</u>

See Note 7 Capital Assets for the total amount of right-to-use assets and the related accumulated amortization.

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Note 12 – Long-Term Liabilities (excluding net pension/OPEB assets/liabilities)

Long-term liability activity (also see Notes 9, 10, and 11) for the year ended June 30, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds payable					
General receipts bonds principal	\$ 46,920,000	\$ 38,985,000	\$ 3,400,000	\$ 82,505,000	\$ 3,990,000
Unamortized premium/discount	3,846,943	1,640,254	839,420	4,647,777	829,073
Bonds payable, net	50,766,943	40,625,254	4,239,420	87,152,777	4,819,073
Note payable	9,827,721	-	1,324,773	8,502,948	1,438,677
Leased liabilities - equipment	1,137,233	-	266,867	870,366	268,957
Leased liabilities - SBITAs	8,566,495	3,630,007	3,860,582	8,335,920	3,418,924
Compensated absences	6,104,270	9,400	109,000	6,004,670	911,406
Total long-term liabilities	<u>\$ 76,402,662</u>	<u>\$ 44,264,661</u>	<u>\$ 9,800,642</u>	<u>\$ 110,866,681</u>	<u>\$ 10,857,037</u>

Long-term liability activity (also see Notes 9, 10, and 11) for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds payable					
General receipts bonds principal	\$ 48,405,000	\$ -	\$ 1,485,000	\$ 46,920,000	\$ 3,400,000
Unamortized premium/discount	4,712,998	-	866,055	3,846,943	805,041
Bonds payable, net	53,117,998	-	2,351,055	50,766,943	4,205,041
Note payable	11,030,839	-	1,203,118	9,827,721	1,324,774
Leased liabilities - equipment	1,404,500	426	267,693	1,137,233	266,867
Leased liabilities - SBITAs	7,415,065	4,526,923	3,375,493	8,566,495	2,882,629
Compensated absences	6,244,572	-	140,302	6,104,270	863,131
Total long-term liabilities	<u>\$ 79,212,974</u>	<u>\$ 4,527,349</u>	<u>\$ 7,337,661</u>	<u>\$ 76,402,662</u>	<u>\$ 9,542,442</u>

Note 13 – Employee Benefit Plans

Plan Descriptions

The University participates in the State Teachers Retirement System of Ohio (STRS Ohio) and the Ohio Public Employees Retirement System (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 multiple retirement plan options available to its members, with three options in STRS Ohio and two options OPERS. Each system provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The systems also each provide post-employment health care benefits (including Medicare B premiums) to retirees and beneficiaries who elect to receive those benefits.

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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

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

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

Contributions

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

Member contributions are set at the maximums authorized by the ORC. The plans' 2025 and 2024 employer and member contribution rates on covered payroll to each system are:

	Employer Contribution Rate					Member Contribution Rate
	Pension	Post-Retirement Healthcare	Death Benefits	Medicare B	Total	Total
STRS Ohio	14.0%	0.0%	0.0%	0.0%	14.0%	14.0%
OPERS-State/Local	14.0%	0.0%	0.0%	0.0%	14.0%	10.0%
OPERS-Law Enforcement	18.1%	0.0%	0.0%	0.0%	18.1%	13.0%

The University's required and actual contributions to the plans are:

	For the years ended June 30,			
	2025		2024	
	Pension	OPEB	Pension	OPEB
STRS	\$ 4,444,770	\$ -	\$ 4,195,270	\$ -
OPERS	5,987,245	-	5,808,068	-
	<u>\$10,432,015</u>	<u>\$ -</u>	<u>\$10,003,338</u>	<u>\$ -</u>

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.)

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Benefits Provided

STRS Ohio

Plan benefits are established under Chapter 3307 of the ORC, as amended by Substitute Senate Bill 342 in 2012, gives the Retirement Board the authority to make future adjustments to the member contribution rate, retirement age and service requirements, and the cost-of-living adjustment as the need or opportunity arises, depending on the retirement system's funding progress.

Effective August 1, 2017-July 1, 2019, any member may retire who has (1) five years of service credit and attained age 60; (2) 27 years of service credit and attained age 55; or (3) 30 years of service credit regardless of age. Effective August 1, 2019-July 1, 2021, any member may retire with reduced benefits who has (1) five years of service credit and age 60; (2) 28 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Beginning August 1, 2015, eligibility requirements for an unreduced benefit changed. The maximum annual retirement allowance, payable for life, considers years of credited service, final average salary (3-5 years) and multiplying by a factor ranging from 2.2% to 2.6% with 0.1% incremental increases for years greater than 30-31, depending on retirement age.

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

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

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

OPERS

Plan benefits are established under Chapter 145 of the 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' 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 (5-30 years), age (48-62 years) and final average salary, using a factor ranging from 1.0% to 2.5%.

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NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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

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

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

Net Pension Liability, Deferrals, and Pension Expense

At June 30, 2025 and 2024, the University reported a liability for its proportionate share of the net pension liability of STRS Ohio and OPERS. For June 30, 2025, the net pension liability was measured as of June 30, 2024 for STRS Ohio and December 31, 2024 for the OPERS plan. For June 30, 2024, the net pension liability was measured as of June 30, 2023 for STRS Ohio and December 31, 2023 for the OPERS plan. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The University's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating Universities, actuarially determined.

Plan	Measurement Date	Net Pension Liability		Proportionate Share		Percent Change	Percent Change
		2025	2024	2025	2024	2024-25	2023-24
STRS Ohio	June 30	\$ 43,239,605	\$ 52,351,320	0.224719%	0.243099%	-0.018380%	-0.018571%
OPERS	December 31	54,697,367	59,057,251	0.223252%	0.228356%	-0.005104%	-0.008778%
		<u>\$ 97,936,972</u>	<u>\$ 111,408,571</u>				

For the years ended June 30, 2025 and 2024, the University recognized pension expense of \$6,793,221 and \$7,329,307, respectively.

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

At June 30, 2025 and 2024, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,804,540	\$ 23,678	\$ 2,946,188	\$ 193,616
Changes of assumptions	1,993,057	1,499,944	4,340,918	3,245,256
Net difference between projected and actual earnings on pension plan investments	6,455,897	3,717,727	12,210,554	156,898
Changes in proportion and differences between University contributions and proportionate share of contributions	323,902	11,044,456	113,254	9,544,456
University contributions subsequent to the measurement date	7,534,358	-	7,188,066	-
Totals	<u>\$ 20,111,754</u>	<u>\$ 16,285,805</u>	<u>\$ 26,798,980</u>	<u>\$ 13,140,226</u>

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

Year Ended June 30,	Amount
2026	\$ (4,151,362)
2027	8,334,411
2028	(5,519,296)
2029	(2,409,441)
2030	16,626
Thereafter	20,653
Totals	<u>\$ (3,708,409)</u>

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

Net OPEB Asset, Deferrals, and OPEB Expense

At June 30, 2025, the University reported an asset for its proportionate share of the net OPEB asset of STRS Ohio and OPERS. For June 30, 2025, the net OPEB asset was measured as of June 30, 2024 for STRS Ohio and December 31, 2024 for the OPERS plan. For June 30, 2024, the net OPEB asset was measured as of June 30, 2023 for STRS Ohio and December 31, 2023 for the OPERS plan. The total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of those dates, except OPERS which used an actuarial valuation dated December 31, 2023 and 2022, respectively, rolled forward to the measurement date by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year for the defined benefit health care plans.

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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

For plan years ending June 30, 2024 and 2023, STRS Ohio did not allocate employer contributions to the OPEB plan. Therefore, STRS Ohio's calculation of the employers' proportionate share is based on total contributions to the plan for both pension and OPEB.

For plan years ending December 31, 2024 and 2023, OPERS did not allocate employer contributions to the OPEB plan. Therefore, OPERS's calculation of the employers' proportionate share is based on total contributions to the plan for both pension and OPEB.

Plan	Measurement Date	Net OPEB Asset		Proportionate Share		Percent Change	Percent Change
		2025	2024	2025	2024	2024-25	2023-24
STRS Ohio	June 30	\$ 4,262,000	\$ 4,728,000	0.224693%	0.243102%	-0.018409%	-0.018587%
OPERS	December 31	5,133,053	2,026,735	0.218965%	0.224563%	-0.005598%	-0.007861%
		<u>\$ 9,395,053</u>	<u>\$ 6,754,735</u>				

For the years ended June 30, 2025 and 2024, the University recognized a credit to OPEB (revenue)/expense of \$2,385,740 and \$223,965, respectively. At June 30, 2025 and 2024, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 185,000	\$ 708,836	\$ 7,000	\$ 1,009,463
Changes of assumptions	525,000	2,662,654	1,217,783	3,990,233
Net difference between projected and actual earnings on OPEB investments	105,696	183,000	1,226,170	-
Changes in proportion and differences between University contributions and proportionate share of contributions	197,363	383,431	109,427	230,968
University contributions subsequent to the measurement date	-	-	-	-
Totals	<u>\$ 1,013,059</u>	<u>\$ 3,937,921</u>	<u>\$ 2,560,380</u>	<u>\$ 5,230,664</u>

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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

Year Ended June 30,	Amount
2026	\$ (1,343,583)
2027	79,434
2028	(998,755)
2029	(529,395)
2030	(246,423)
Thereafter	113,860
Totals	<u>\$ (2,924,862)</u>

In addition, if applicable, the contributions subsequent to the measurement date will be included as a reduction of the net OPEB asset in the next year.

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Actuarial Assumptions

The total pension liability and OPEB asset is based on the results of an actuarial valuation and were determined using the following actuarial assumptions for the University's current year.

	STRS Ohio	OPERS
Valuation date - Pension	June 30, 2024	December 31, 2024
Valuation date - OPEB	June 30, 2024	December 31, 2023
Actuarial cost method	Entry age normal	Individual entry age
Cost of living	None	2.05% - 3.00%
Salary increases, including inflation	2.50% - 8.50%	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	-10.94% to 1.33% initial, 4.14% ultimate	5.50% initial, 3.50% ultimate in 2039
Experience study date	Period of 5 years ended June 30, 2021	Period of 5 years ended December 31, 2020
Mortality basis	Post-Retirement: Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020 Pre-Retirement: Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020 Post-Retirement Disabled: Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020	Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

The following are actuarial assumptions for the University's prior year:

	STRS Ohio	OPERS
Valuation date - Pension	June 30, 2023	December 31, 2023
Valuation date - OPEB	June 30, 2023	December 31, 2022
Actuarial cost method	Entry age normal	Individual entry age
Cost of living	None	2.05% - 3.00%
Salary increases, including inflation	2.50% - 8.50%	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	-10.94% to 1.33% initial, 4.14% ultimate	5.50% initial, 3.50% ultimate in 2038
Experience study date	Period of 5 years ended June 30, 2021	Period of 5 years ended December 31, 2020
Mortality basis	Post-Retirement: Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020 Pre-Retirement: Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020 Post-Retirement Disabled: Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020	Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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 liability for STRS Ohio was 7.00% for both the plan years ended June 30, 2024 and 2023. The discount rate used to measure the total pension liability for OPERS was 6.90% for both the plan years ended December 31, 2024 and 2023, respectively.

OPEB Discount Rate

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

STRS Ohio OPEB Discount Rate - The discount rates used to measure the total OPEB asset was 7.00% for the plan years ended June 30, 2024 and 2023. At June 30, 2024 and 2023, the plan's fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB asset.

OPERS OPEB Discount Rate - The discount rate used to measure the total OPEB assets was 6.00% and 5.70% for the plan years ended December 31, 2024 and 2023, respectively. At December 31, 2024, the plan's fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to projected costs through the year 2124, the duration of the projection period through which projected health care payments are fully funded. At December 31, 2023, the plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments for current active and inactive employees. Therefore, a blended rate was used, which consisted of the long-term expected rate of return on OPEB plan investments (6.00%) for the funded benefit payments and Fidelity Index's 20-Year Municipal GO AA Index of 3.77% as of December 31, 2023.

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

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

expected inflation. OPERS has two different portfolios of investment, a defined benefit portfolio for pension and health care portfolio for OPEB. As a result, there are different target allocations and long-term expected real rates of return disclosed for each portfolio. The target allocation and best estimates of arithmetic (geometric for STRS Ohio) real rates of return for each major asset class are summarized in the following table as of the dates listed below:

STRS Ohio as of 6/30/24			OPERS as of 12/31/24				
Investment Category	Target Allocation	Long-Term Expected Real Rate of Return	Investment Category	Pension Portfolio		Health Care Portfolio	
				Target Allocation	Long-Term expected Real Rate of Return	Target Allocation	Long-Term expected Real Rate of Return
Domestic Equity	26.0%	6.90%	Fixed Income	24.0%	2.42%	37.0%	2.37%
International Equity	22.0%	7.70%	Domestic Equities	21.0%	5.70%	26.0%	5.70%
Alternatives	19.0%	9.10%	Real Estate	13.0%	4.17%	0.0%	0.00%
Fixed Income	22.0%	4.50%	Private Equity	15.0%	8.40%	0.0%	0.00%
Real Estate	10.0%	5.10%	International Equity	20.0%	6.10%	26.0%	6.10%
Liquidity Reserves	1.0%	2.40%	Risk Parity	2.0%	4.40%	3.0%	4.40%
			REITs	0.0%	0.00%	5.0%	5.00%
Totals	<u>100.0%</u>		Other Investments	<u>5.0%</u>	<u>2.54%</u>	<u>3.0%</u>	<u>2.50%</u>
				<u>100.0%</u>		<u>100.0%</u>	

STRS Ohio as of 6/30/23			OPERS as of 12/31/23				
Investment Category	Target Allocation	Long-Term Expected Real Rate of Return	Investment Category	Pension Portfolio		Health Care Portfolio	
				Target Allocation	Long-Term expected Real Rate of Return	Target Allocation	Long-Term expected Real Rate of Return
Domestic Equity	26.0%	6.60%	Fixed Income	24.0%	2.85%	37.0%	2.82%
International Equity	22.0%	6.80%	Domestic Equities	21.0%	4.27%	25.0%	4.27%
Alternatives	19.0%	7.38%	Real Estate	13.0%	4.46%	0.0%	0.00%
Fixed Income	22.0%	1.75%	Private Equity	15.0%	7.52%	0.0%	0.00%
Real Estate	10.0%	5.75%	International Equity	20.0%	5.16%	25.0%	5.16%
Liquidity Reserves	1.0%	1.00%	Risk Parity	2.0%	4.38%	3.0%	4.38%
			REITs	0.0%	0.00%	5.0%	4.68%
Totals	<u>100.0%</u>		Other Investments	<u>5.0%</u>	<u>3.46%</u>	<u>5.0%</u>	<u>2.43%</u>
				<u>100.0%</u>		<u>100.0%</u>	

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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 liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate.

		2025 (\$ in thousands)			
Plan	1% Decrease	Current Discount Rate		1% Increase	
STRS Ohio	6.00% \$ 69,753	7.00%	\$ 43,240	8.00%	\$ 20,814
OPERS	5.90% 89,498	6.90%	54,697	7.90%	25,778
	<u>\$ 159,251</u>		<u>\$ 97,937</u>		<u>\$ 46,592</u>

		2024 (\$ in thousands)			
Plan	1% Decrease	Current Discount Rate		1% Increase	
STRS Ohio	6.00% \$ 80,505	7.00%	\$ 52,351	8.00%	\$ 28,541
OPERS	5.90% 93,742	6.90%	59,057	7.90%	30,223
	<u>\$ 174,247</u>		<u>\$ 111,408</u>		<u>\$ 58,764</u>

Sensitivity of the net OPEB liability/(asset) to changes in the discount rate

The following presents the net OPEB liability/(asset) of the University, calculated using the discount rate listed below, as well as what the University's net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

		2025 (\$ in thousands)			
Plan	1% Decrease	Current Discount Rate		1% Increase	
STRS Ohio	6.00% \$ (3,466)	7.00%	\$ (4,262)	8.00%	\$ (4,956)
OPERS	5.00% (2,549)	6.00%	(5,133)	7.00%	(7,289)
	<u>\$ (6,015)</u>		<u>\$ (9,395)</u>		<u>\$ (12,245)</u>

		2024 (\$ in thousands)			
Plan	1% Decrease	Current Discount Rate		1% Increase	
STRS Ohio	6.00% \$ (4,002)	7.00%	\$ (4,728)	8.00%	\$ (5,361)
OPERS	4.70% 1,114	5.70%	(2,027)	6.70%	(4,628)
	<u>\$ (2,888)</u>		<u>\$ (6,755)</u>		<u>\$ (9,989)</u>

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Sensitivity of the net OPEB liability/(asset) to changes in the health care cost trend rate

The following presents the net OPEB liability/(asset) of the University, calculated using the healthcare cost trend rate listed below, as well as what the University's net OPEB liability/(asset) would be if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate:

		2025 (\$ in thousands)	
Plan	1% Decrease	Current Trend Rate	1% Increase
STRS Ohio	\$ (5,003)	\$ (4,262)	\$ (3,372)
OPERS	(5,211)	(5,133)	(5,045)
	<u>\$ (10,214)</u>	<u>\$ (9,395)</u>	<u>\$ (8,417)</u>

		2024 (\$ in thousands)	
Plan	1% Decrease	Current Trend Rate	1% Increase
STRS Ohio	\$ (5,390)	\$ (4,728)	\$ (3,931)
OPERS	(2,111)	(2,027)	(1,931)
	<u>\$ (7,501)</u>	<u>\$ (6,755)</u>	<u>\$ (5,862)</u>

Pension plan and OPEB plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued STRS Ohio and OPERS financial report.

Assumption changes

During the measurement periods ended June 30, 2024 and December 31, 2024, respectively, certain assumption changes were made by the plans. STRS Ohio healthcare trends were updated, which impacted the annual actuarial valuation for OPEB prepared as of June 30, 2024. The OPERS OPEB discount rate increased from 5.70% to 6.00%, which impacted the annual actuarial valuation for OPEB prepared as of December 31, 2024.

Benefit changes

There were no significant benefit terms changes for the pension or OPEB plans since the prior two measurement dates for OPERS. Effective for 2024, STRS Ohio pension implemented a one-time 1% cost-of-living adjustment effective on the anniversary of a benefits recipient's retirement date for those eligible during fiscal year 2024 and a plan change to provide unreduced retirement benefits to those with 34 years of service, which was scheduled to extend through fiscal year 2028. Additionally, STRS Ohio pension approved changes effective June 1, 2024: the eligibility rule requiring 34 years of service for an unreduced full retirement was made permanent; eligibility for a reduced retirement benefit was lowered from 30 years of service to 29 years of service. Further, in October 2024, the STRS Ohio Board approved a one-time supplemental benefit payment for eligible participants who started receiving benefits in or prior to January 2024. In November 2024, the Board also approved two benefit changes for active members retiring between June 1, 2025 and July 31, 2027: the required years of service for an unreduced retirement benefit is lowered to 33 years from 34 years at any age; eligibility for a reduced retirement benefit is lowered to 28 years of service from 29 years of service.

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Changes since the measurement date

There were no significant changes since the measurement date.

Payable to the Pension Plans and OPEB Plans

The University reported a payable of \$1,681,095 and \$1,640,334 for the outstanding amount of contributions to the STRS Ohio and OPERS pension plans and OPEB plans required for the years ended June 30, 2025 and June 30, 2024, respectively

Defined Contribution Pension Plan

The Alternative Retirement Plan (ARP) is a defined contribution pension plan, under IRS Section 401(a), and established by Ohio Amended Substitute House Bill 586 (ORC 3305.02) on March 31, 1998, for public institutions of higher education. The University's Board of Trustees adopted the University's plan on December 11, 1998. Full-time employees are eligible to choose a provider, in lieu of STRS Ohio or OPERS, from the list of nine 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 Ohio and OPERS are required for the ARP, less any amounts required to be remitted to the state retirement system in which the employee would otherwise have been enrolled.

Eligible employees have 120 days from their date of hire to make an irrevocable election to participate in the ARP. Under this plan, employees who would have otherwise been required to be in STRS Ohio or OPERS, and who elect to participate in the ARP, must contribute the employee's share of retirement contributions to one of nine private providers approved by the Ohio Department of Insurance. The legislation mandates that the employer must contribute an amount to the state retirement system to which the employee would have otherwise belonged, based on an independent actuarial study commissioned by the Ohio Retirement Study Council and submitted to the Ohio Board of Regents. For STRS Ohio, that amount is 2.91% for the years ended June 30, 2025 and 2024. For OPERS, that amount is 2.24% for the years ended June 30, 2025 and 2024. If the employee was hired on or after August 2005, the employer contributes 6.00%. The employer also contributes what would have been the employer's contribution under STRS Ohio or OPERS, less the aforementioned percentages, to the private provider selected by the employee. The University plan provides these employees with immediate plan vesting. The ARP does not provide disability benefits, survivor benefits, or post-retirement health care. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options. STRS Ohio 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, 2025 and 2024, employee contributions totaled \$1,225,599 and \$1,188,592, and the University recognized pension expense of \$1,160,166 and \$1,120,024, respectively.

Note 14 – Contingencies and Risk Management

The University is a defendant in various lawsuits. It is the opinion of University management that disposition of pending litigation will not have a material adverse effect on the financial statements of the University. The University receives grants and contracts from certain federal, state, and local agencies to fund research and other activities. The costs, both direct and indirect, that have been

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

charged to the grants or contracts are subject to examination and approval by the granting agency. It is the opinion of the University's administration that any disallowance or adjustment of such costs would not have a material effect on the financial statements.

The University is self-insured for all medical and drug employee health care benefits and fully insured for dental and vision employee health care benefits. The self-insured plan includes stop loss provisions.

Liabilities for estimates of outstanding claims and claims incurred but not reported under self-insurance programs have been recorded. Changes in the self-insured health care liabilities included in accrued health care benefits payable (also see Note 8) at June 30 were as follows:

	2025	2024	2023
Liability at beginning of fiscal year	\$ 1,540,147	\$ 1,605,140	\$ 1,653,862
Current year claims including changes in estimates	11,745,482	15,787,928	16,274,348
Claim payments	<u>(11,762,596)</u>	<u>(15,852,921)</u>	<u>(16,323,070)</u>
Liability at end of fiscal year	<u>\$ 1,523,033</u>	<u>\$ 1,540,147</u>	<u>\$ 1,605,140</u>

Health insurance 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 in the Statements of Revenues, Expenses, and Changes in Net Position.

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. The University has joined with other state-assisted universities in Ohio to form an insurance 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 insurance value to the pool. Future contributions will be adjusted based upon each university's loss history. The University had no significant reductions in coverage from the prior year. Insurance settlements have not exceeded insurance coverage for each of the past three fiscal years.

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 the past experience, as well as other considerations including the nature of each claim or incident and relevant trend factors. Participants in the Plan annually fund the workers' compensation liability based on rates set by the Bureau to collect the cash needed in subsequent fiscal years to pay the workers' compensation claims of participating State agencies and universities.

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Note 15 – Component Unit

Youngstown State University Foundation is a legally separate nonprofit organization exempt from federal income tax and classified as a public charity. YSUF is devoted to the support, expansion, and development of educational programs at the University that are useful to the student and beneficial to the University community. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the University, the Foundation is considered a component unit of the University.

YSUF is a nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. With the exception of necessary presentation adjustments, no modifications have been made to YSUF's financial information in the University's financial report for these differences.

The following tables present information about the Foundation's assets measured at fair value on a recurring basis at June 30, 2025 and 2024 and the valuation techniques used by the Foundation to determine those fair values:

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2025			
	Quoted Prices in Active markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2025
Investments				
Cash and cash equivalents	\$ 339,531	\$ -	\$ -	\$ 339,531
Common stock - U.S. stocks	154,793,550	-	-	154,793,550
Common stock - Non-U.S. stocks	5,926,039	-	-	5,926,039
Mutual funds:				
Exchange traded	65,868,092	-	-	65,868,092
Money market	8,061,062	-	-	8,061,062
Fixed income	13,934,375	20,930,396	-	34,864,771
Equity	36,059,936	-	-	36,059,936
Total mutual funds	123,923,465	20,930,396	-	144,853,861
Alternative investments:				
Private equity	-	-	49,059,500	49,059,500
Commodities hedge funds	-	-	1,099,007	1,099,007
Total alternative investments	-	-	50,158,507	50,158,507
Total	\$ 284,982,585	\$ 20,930,396	\$ 50,158,507	356,071,488
Investments measured at NAV -				
Hedge funds				13,791,910
Total assets				\$ 369,863,398

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2024			
	Quoted Prices in Active markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2024
Investments				
Cash and cash equivalents	\$ 405,538	\$ -	\$ -	\$ 405,538
Common stock - U.S. stocks	104,377,148	-	-	104,377,148
Common stock - Non-U.S. stocks	8,714,864	-	-	8,714,864
Mutual funds:				
Exchange traded	63,421,502	-	-	63,421,502
Money market	14,435,037	-	-	14,435,037
Fixed income	13,120,040	34,017,069	-	47,137,109
Equity	46,876,799	-	-	46,876,799
Total mutual funds	137,853,378	34,017,069	-	171,870,447
Alternative investments:				
Private equity	-	-	38,633,650	38,633,650
Commodities hedge funds	-	-	1,240,850	1,240,850
Total alternative investments	-	-	39,874,500	39,874,500
Total	<u>\$ 251,350,928</u>	<u>\$ 34,017,069</u>	<u>\$ 39,874,500</u>	<u>325,242,497</u>
Investments measured at NAV -				
Hedge funds				<u>10,029,185</u>
Total assets				<u>\$ 335,271,682</u>

Net assets without donor restrictions at June 30, 2025 and 2024 consist of the following:

	2025	2024
Current operations	\$ 174,154,155	\$ 165,807,595
Amounts committed to the University to be disbursed	<u>6,622,148</u>	<u>6,613,575</u>
Total net assets without donor restrictions	<u>\$ 180,776,303</u>	<u>\$ 172,421,170</u>

YOUNGSTOWN STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Net assets with donor restrictions as of June 30 are available for the following purposes:

	2025	2024
Subject to the Foundation's spending policy and appropriation -		
Investments in perpetuity (including original gift amount of \$138,013,362 and \$130,644,910, as of June 30, 2025 and 2024, respectively), which, once appropriated, is expendable to support various activities	\$ 176,473,307	\$ 158,319,894
Subject to appropriation and expenditures when a specified event occurs:		
Funds available to assist the University's Department of Philosophy and Religious Studies in the scholarly study of religion, history, and culture	1,819,865	1,770,441
Funds available to assist the University in land acquisitions	733,901	720,335
Land received in kind	-	255,804
Other	(719,508)	(533,078)
Subtotal	1,834,258	2,213,502
Subject to the passage of time - Pledges receivable for the benefit of the University for scholarships and other programs or endowments	19,519,339	13,872,222
Net assets with donor restrictions	<u>\$ 197,826,904</u>	<u>\$ 174,405,618</u>

Financial support from YSUF was \$11,485,975 for the fiscal year ended June 30 2025 and \$10,902,150 for the fiscal year ended June 30, 2024. Financial support from YSUF has been committed for fiscal year 2026 in the amount of \$11,477,875.

Complete financial statements for the Youngstown State University Foundation can be requested from The Youngstown State University Foundation.

YOUNGSTOWN STATE UNIVERSITY

REQUIRED SUPPLEMENTARY INFORMATION

Schedules of the University's Proportionate Share of the Net Pension Liability Plan Years Ended 2015 to 2024

Plan Year	University's proportion of the collective STRS Ohio and OPERS net pension liability (asset) as a percentage	University's proportion of the collective STRS Ohio and OPERS net pension liability (asset) amount	University's covered employee payroll	University's proportional share of the collective pension liability (amount) as a percentage of the University's covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
State Teachers Retirement System (STRS Ohio)					
2024	0.224719%	\$ 43,239,605	\$ 33,903,821	127.54%	82.50%
2023	0.243099%	\$ 52,351,320	\$ 37,681,441	138.93%	80.00%
2022	0.261670%	\$ 58,169,556	\$ 38,239,538	152.12%	78.90%
2021	0.281650%	\$ 36,011,446	\$ 38,933,561	92.49%	87.80%
2020	0.314635%	\$ 76,130,559	\$ 42,404,403	179.53%	75.50%
2019	0.328794%	\$ 72,710,830	\$ 43,128,083	168.59%	77.40%
2018	0.325960%	\$ 71,671,389	\$ 41,735,926	171.73%	77.31%
2017	0.330156%	\$ 78,429,268	\$ 41,199,747	190.36%	75.30%
2016	0.348370%	\$ 116,609,806	\$ 41,521,217	280.84%	66.80%
2015	0.361214%	\$ 99,828,954	\$ 42,774,459	233.38%	72.10%
Ohio Public Employees Retirement System (OPERS)					
2024	0.223252%	\$ 54,697,367	\$ 45,597,015	119.96%	81.01%
2023	0.228356%	\$ 59,057,251	\$ 44,345,688	133.17%	79.39%
2022	0.237134%	\$ 69,471,970	\$ 42,517,459	163.40%	76.07%
2021	0.234737%	\$ 19,455,611	\$ 40,205,249	48.39%	93.01%
2020	0.223270%	\$ 32,376,291	\$ 38,248,636	84.65%	87.21%
2019	0.244668%	\$ 47,840,867	\$ 40,601,178	117.83%	82.44%
2018	0.258405%	\$ 70,477,168	\$ 41,119,217	171.40%	78.00%
2017	0.259492%	\$ 40,346,952	\$ 40,446,282	99.75%	79.00%
2016	0.259332%	\$ 58,744,558	\$ 39,595,195	148.36%	80.00%
2015	0.269315%	\$ 46,516,739	\$ 39,715,198	117.13%	80.00%

The plan year ends on June 30 for STRS Ohio and December 31 for OPERS.

YOUNGSTOWN STATE UNIVERSITY

REQUIRED SUPPLEMENTARY INFORMATION (CONT.)

Schedules of the University's Pension Contributions

Fiscal Year	Statutorily required contribution	Contributions in relation to the actuarially determined contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percent of covered employee payroll
State Teachers Retirement System (STRS Ohio)					
2025	\$ 4,444,770	\$ 4,444,770	\$ -	\$ 35,895,069	12.38%
2024	\$ 4,195,270	\$ 4,195,270	\$ -	\$ 33,903,821	12.37%
2023	\$ 4,595,362	\$ 4,595,362	\$ -	\$ 37,681,441	12.20%
2022	\$ 4,766,737	\$ 4,766,737	\$ -	\$ 38,239,538	12.47%
2021	\$ 4,865,815	\$ 4,865,815	\$ -	\$ 38,933,561	12.50%
2020	\$ 5,318,458	\$ 5,318,458	\$ -	\$ 42,404,403	12.54%
2019	\$ 5,404,211	\$ 5,404,211	\$ -	\$ 43,128,053	12.53%
2018	\$ 5,195,369	\$ 5,195,369	\$ -	\$ 41,735,926	12.45%
2017	\$ 5,107,383	\$ 5,107,383	\$ -	\$ 41,199,747	12.40%
2016	\$ 5,153,427	\$ 5,153,427	\$ -	\$ 41,521,217	12.41%
Ohio Public Employees Retirement System (OPERS)					
2025	\$ 5,987,245	\$ 5,987,245	\$ -	\$ 46,542,111	12.86%
2024	\$ 5,808,068	\$ 5,808,068	\$ -	\$ 45,094,198	12.88%
2023	\$ 5,557,191	\$ 5,557,191	\$ -	\$ 43,340,039	12.82%
2022	\$ 5,391,644	\$ 5,391,644	\$ -	\$ 41,781,130	12.90%
2021	\$ 4,816,380	\$ 4,816,380	\$ -	\$ 37,506,171	12.84%
2020	\$ 5,171,188	\$ 5,171,188	\$ -	\$ 40,296,691	12.83%
2019	\$ 5,189,816	\$ 5,189,816	\$ -	\$ 40,481,204	12.82%
2018	\$ 5,104,871	\$ 5,104,871	\$ -	\$ 41,095,514	12.42%
2017	\$ 5,043,147	\$ 5,043,147	\$ -	\$ 39,901,665	12.64%
2016	\$ 4,994,138	\$ 4,994,138	\$ -	\$ 39,458,926	12.66%

Changes of benefit terms STRS Ohio – Effective for 2025, STRS Ohio made the eligibility rule requiring 34 years of service for an unreduced full retirement permanent. A one-time supplemental benefit payment for eligible participants who started receiving benefits in or prior to January 2024 was approved. Further, STRS Ohio reduced the required years of service for an unreduced retirement benefit to 33 years from 34 years and eligibility for a reduced retirement benefit was lowered to 28 years of service from 29 years of service.

Effective for 2024, STRS Ohio implemented a one-time 1% cost-of-living adjustment effective on the anniversary of a benefits recipient's retirement date for those eligible during fiscal year 2024 and a plan change to provide unreduced retirement benefits to those with 34 years of service, which previously extended through fiscal year 2028.

Further, in October 2024, the STRS Ohio Board approved a one-time supplemental benefit payment for eligible participants who started receiving benefits in or prior to January 2024. In November 2024, the Board also approved two benefit changes for active members retiring between June 1, 2025 and July 31, 2027: the required years of service for an unreduced retirement benefit is lowered to 33 years from 34 years at any age; eligibility for a reduced retirement benefit is lowered to 28 years of service from 29 years of service.

YOUNGSTOWN STATE UNIVERSITY

REQUIRED SUPPLEMENTARY INFORMATION (CONT.)

Effective for 2023, STRS Ohio implemented a one-time 3% cost-of-living adjustment effective on the anniversary of a benefits recipient's retirement date for those eligible during fiscal year 2023 and eliminated the age 60 requirement (effective August 1, 2026).

There were no changes to benefit terms affecting the OPERS plan.

Changes of assumptions

STRS Ohio – During the plan year ended June 30, 2024 and 23, there were no changes to key assumptions for STRS Ohio.

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

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

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

OPERS – During the plan years ended December 31, 2024, 2023 and 2022, there were no changes to key assumptions.

During the plan year ended December 31, 2021, there were changes to several assumptions for OPERS. The discount rate was reduced from 7.50% to 6.90%. The wage inflation dropped from 3.25% to 2.75%. The projected salary increase range changed from 3.25%-10.75% to 2.75%-10.75%. The experience study changed from the 5 year period ended December 31, 2015 to the 5 year period ended December 31, 2020. The mortality tables used changed from RP2014 to PUB-2010.

During the plan year ended December 31, 2018, the discount rate was reduced from 7.50% to 7.20%.

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

YOUNGSTOWN STATE UNIVERSITY

REQUIRED SUPPLEMENTARY INFORMATION (CONT.)

Schedules of the University's Proportionate Share of the Net OPEB Liability (Asset) Plan Years Ended 2017 to 2024

Plan Year	University's proportion of the collective STRS Ohio and OPERS net OPEB liability/(asset) as a percentage	University's proportion of the collective STRS Ohio and OPERS net OPEB liability/(asset) amount	University's covered payroll	University's proportionate share of the collective OPEB liability/(asset) amount as a percentage of the University's covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability/(asset)
State Teachers Retirement System (STRS Ohio)					
2024	0.224693%	\$ (4,262,000)	\$ 33,903,821	12.57%	158.00%
2023	0.243102%	\$ (4,728,000)	\$ 37,681,441	12.55%	168.50%
2022	0.261689%	\$ (6,776,000)	\$ 38,239,538	17.72%	230.70%
2021	0.281650%	\$ (5,938,000)	\$ 38,933,561	15.25%	174.70%
2020	0.314652%	\$ (5,530,000)	\$ 42,404,403	13.04%	182.10%
2019	0.327941%	\$ (5,446,000)	\$ 43,128,083	12.63%	174.70%
2018	0.325960%	\$ (5,237,852)	\$ 41,735,926	12.55%	176.00%
2017	0.330156%	\$ 12,881,469	\$ 41,199,747	31.27%	47.10%
Ohio Public Employees Retirement System (OPERS)					
2024	0.218965%	\$ (5,133,053)	\$ 45,597,015	11.26%	121.51%
2023	0.224563%	\$ (2,026,735)	\$ 44,345,688	4.57%	107.76%
2022	0.232424%	\$ 1,465,478	\$ 42,517,459	3.45%	94.79%
2021	0.232723%	\$ (7,289,241)	\$ 40,205,249	18.13%	128.23%
2020	0.222075%	\$ (3,956,443)	\$ 38,248,636	10.34%	115.57%
2019	0.242319%	\$ 33,470,549	\$ 40,601,178	82.44%	47.80%
2018	0.256109%	\$ 33,390,568	\$ 41,119,217	81.20%	46.33%
2017	0.255940%	\$ 27,793,199	\$ 40,446,282	68.72%	54.14%

The plan year ends on June 30 for STRS Ohio and December 31 for OPERS.

YOUNGSTOWN STATE UNIVERSITY

REQUIRED SUPPLEMENTARY INFORMATION (CONT.)

Schedules of the University's OPEB Contributions

Fiscal Year	Statutorily required contribution	Contributions in relation to the actuarially determined		Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
		contractually required contribution				
State Teachers Retirement System (STRS Ohio)						
2025	\$ -	\$ -		\$ -	\$ 35,895,069	0.00%
2024	\$ -	\$ -		\$ -	\$ 33,903,821	0.00%
2023	\$ -	\$ -		\$ -	\$ 37,681,441	0.00%
2022	\$ -	\$ -		\$ -	\$ 38,239,538	0.00%
2021	\$ -	\$ -		\$ -	\$ 38,933,561	0.00%
2020	\$ -	\$ -		\$ -	\$ 42,404,403	0.00%
2019	\$ -	\$ -		\$ -	\$ 43,128,053	0.00%
2018	\$ -	\$ -		\$ -	\$ 41,735,926	0.00%
Ohio Public Employees Retirement System (OPERS)						
2025	\$ -	\$ -		\$ -	\$ 46,542,111	0.00%
2024	\$ -	\$ -		\$ -	\$ 45,094,198	0.00%
2023	\$ -	\$ -		\$ -	\$ 43,340,039	0.00%
2022	\$ -	\$ -		\$ -	\$ 41,781,130	0.00%
2021	\$ -	\$ -		\$ -	\$ 37,506,171	0.00%
2020	\$ -	\$ -		\$ -	\$ 40,296,691	0.00%
2019	\$ -	\$ -		\$ -	\$ 40,481,204	0.00%
2018	\$ 190,221	\$ 190,221		\$ -	\$ 41,095,514	0.46%

Changes of benefit terms

STRS Ohio – During the plan year ended June 30, 2024, there were no significant changes in benefit terms

During the plan year ended June 30, 2023, the subsidy percentage and the base amount for all retiree Non-Medicare Eligible (NME) participants, from 2.2% per year in last year's valuation to 2.5% per year, capped at 75%, as well as the unfreezing of the NME subsidy, the removal of the 6% cap on the year over year subsidy increase for Medicare Eligible (ME) participants, the changes in deductible and office visits copays for Aetna's Medicare Advantage plan, and updates in the medical and PBM vendor contracts.

There were no significant changes in benefit terms affecting the OPERS plan.

Changes of assumptions

STRS Ohio – During the plan year ended June 30, 2024, there were no significant changes in benefit terms.

During the plan year ended June 30, 2023, there were changes in the healthcare and trend assumptions based on emerging claims and recoveries experience as well as benefit changes effective January 1, 2024 for STRS Ohio.

YOUNGSTOWN STATE UNIVERSITY

REQUIRED SUPPLEMENTARY INFORMATION (CONT.)

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

During the plan year ended June 30, 2021, the investment rate of return decreased from 7.45% to 7.00%. The health care cost trend rates also decreased from 4.93% to 9.62% initial and 4.00% ultimate for plan year ended June 30, 2020, to 16.20% to 30.00% initial and 4.00% ultimate for plan year ended June 30, 2021.

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

OPERS – During the plan year ended December 31, 2024, the health care cost trend rate changed to 5.50% initial, 3.50% ultimate in 2039 from 5.50% initial, 3.50% ultimate in 2038 in 2023. In addition, the discount rate increased from 5.70% to 6.00% and the municipal bond rate increased from 3.77% to 4.08%.

During the plan year ended December 31, 2023, the health care cost trend rate changed to 5.50% initial, 3.50% ultimate in 2038 from 5.50% initial, 3.50% ultimate in 2036 in 2022. In addition, the discount rate was increased from 5.22% to 5.70% and the municipal bond rate was decreased from 4.05% to 3.77%.

During the plan year ended December 31, 2022, the health care cost trend rate changed to 5.50% initial, 3.50% ultimate in 2036 from 5.50% initial, 3.50% ultimate in 2034 in 2021. In addition, the discount rate was reduced from 6.00% to 5.22%.

During the year ended December 31, 2021, there were changes to several assumptions for OPERS. The experience study changed from the 5-year period ended December 31, 2015 to the 5-year period ended December 31, 2020. The municipal bond rate decreased from 2.00% to 1.84%. Wage inflation decreased 3.25% to 2.75%. The projected salary increase range changed from 3.25%-10.75% to 2.75%-10.75%. Health care cost trend rate decreased from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.

During the plan year ended December 31, 2020, there were changes to several assumptions for OPERS. The health care cost trend rates decreased from 10.50% initial and 3.50% ultimate to 8.50% initial and 3.50% ultimate. The discount rate was increased from 3.16% to 6.00%.

During the plan year ended December 31, 2019, there were changes to several assumptions for OPERS. The health care cost trend rates decreased from 10.00% initial and 3.25% ultimate to 10.50% initial and 3.50% ultimate. The discount rate was reduced from 3.96% to 3.16%.

YOUNGSTOWN STATE UNIVERSITY

OTHER INFORMATION

Board of Trustees

Dr. Sergul A. Erzurum	<i>Surgeon and Owner Center for Advanced Eye Surgery</i>
Richard C. Fryda	<i>President and CEO Compco Industries</i>
Charles T. George	<i>Chief Executive Hapco, Inc., Strangepresse and Triptech</i>
Dr. Anita A. Hackstedde	<i>President and Chief Executive Officer Salem Regional Medical Center</i>
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Sterling A. Williams	<i>Owner Sterling McCullough Williams Funeral Home</i>
Nadia Zarbaugh	<i>Student Trustee</i>

YOUNGSTOWN STATE UNIVERSITY

OTHER INFORMATION (CONT.)

Executive Officers

Bill Johnson

President

Jennifer Pintar, Ph.D.

Provost and Vice President for Academic Affairs

Neal P. McNally, M.P.A.

Vice President for Finance and Business Operations

Holly A. Jacobs, J.D.

Vice President for Legal Affairs

Mike Sherman, Ph.D.

Vice President of Institutional Effectiveness and Board Professional

Sarah Keeler

Vice President of Government Affairs

Tim Harrington

Vice President of Strategic Communications and Chief of Staff

Ron Strollo

Vice President and Athletic Director

Joy Byers

Interim Vice President of Student Affairs and Dean of Students

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

Independent Auditor's Report

To Management and the Board of Trustees
Youngstown State University

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Youngstown State University (the "University"), a component unit of the State of Ohio, as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 13, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

To Management and the Board of Trustees
Youngstown State University

Purpose of this Report

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

Plante & Moran, PLLC

October 13, 2025

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

Independent Auditor's Report

To the Board of Trustees
Youngstown State University

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Youngstown 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, 2025. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

To the Board of Trustees
Youngstown State University

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

Plante & Moreau, PLLC

December 4, 2025

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Federal Agency/Pass-through Agency/Program Title	Assistance		Total Amount	
	Listing Number	Pass-through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
Clusters:				
Student Financial Assistance Cluster -				
U.S. Department of Education - Direct Programs:				
Federal Supplemental Educational Opportunity Grants	84.007	Not Applicable	\$ -	\$ 400,450
Federal Work Study Program	84.033	Not Applicable	-	414,168
Federal Pell Grant Program	84.063	Not Applicable	-	20,000,839
Federal Direct Student Loans	84.268	Not Applicable	-	44,362,516
Total Student Financial Assistance Cluster			-	65,177,973
Research and Development Cluster:				
U.S. Department of Commerce - Pass-through Programs:				
National Oceanic & Atmospheric Administration - The Ohio State University - Sea Grant Support	11.417	SPC-1000006439 GR126917	-	23,104
National Oceanic & Atmospheric Administration - The Ohio State University - Sea Grant Support	11.417	SPC-1000013761 GR137068	-	2,677
Total U.S. Department of Commerce			-	25,781
U.S. Department of Defense - Pass-through Programs:				
Army Research Institute - Case Western Reserve University Basic Scientific Research	12.431	RES600317	-	46,396
National Center for Defense Manufacturing and Machining (NCDMM) - Air Force Defense Research Sciences Program	12.800	Not Available	-	273,068
National Center for Defense Manufacturing and Machining (NCDMM) - Air Force Defense Research Sciences Program	12.800	Not Available	-	322,165
Total U.S. Department of Defense			-	641,629
U.S. Department of Justice - Direct Program - National Institute of Justice Research, Evaluation, and Development Project Grants				
U.S. Department of Transportation - Pass-through Program - Tennessee Department of Transportation - University of Tennessee Highway Planning and Construction	16.560	Not Applicable	-	116,665
U.S. Department of Transportation - Pass-through Program - Tennessee Department of Transportation - University of Tennessee Highway Planning and Construction	20.205	A25-0281-S001	-	25,000
National Aeronautics and Space Administration - Pass-through Program - Ohio Space Grant Consortium - Science	43.001	Not Available	-	2,570
National Science Foundation - Direct Programs:				
Engineering	47.041	Not Applicable	-	81,172
Mathematical and Physical Sciences	47.049	Not Applicable	-	170,040
Biological Sciences	47.074	Not Applicable	-	34,341
STEM Education	47.076	Not Applicable	42,513	399,001
Technology, Innovation, and Partnerships	47.084	Not Applicable	-	74,563
National Science Foundation - Pass-through Program - Florida Polytechnic University - Mathematical and Physical Sciences				
Polytechnic University - Mathematical and Physical Sciences	47.049	GR-24NSF1-SB	-	25,015
Total National Science Foundation			42,513	784,132
U.S. Department of Energy - Direct Program - Office of Science Financial Assistance Program				
Financial Assistance Program	81.049	Not Applicable	-	227,946

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2025

Federal Agency/Pass-through Agency/Program Title	Assistance	Pass-through Entity Identifying Number	Total Amount	
	Listing Number		Provided to Subrecipients	Federal Expenditures
Clusters (continued):				
Research and Development Cluster (continued):				
U.S. Department of Education - Pass-through Programs:				
Ohio Department of Education - The University of Cincinnati - Special Education Grants to States	84.027	015291-00002	\$ -	\$ (700)
Ohio Department of Education - The University of Cincinnati - Special Education Grants to States	84.027	016233-00002	-	24,910
Total U.S. Department of Education			-	24,210
U.S. Department of Health and Human Services - Direct Program - Nurse Anesthetist Traineeships	93.124	Not Applicable	-	45,600
Total Research and Development Cluster			42,513	1,893,533
Total clusters			42,513	67,071,506
Other federal awards:				
U.S. Department of Commerce - Pass-through Program - University Corp for Atmospheric Research - NOAA Mission-Related Education Awards	11.008	Not Available	-	4,500
U.S. Department of Defense - Pass-through Programs:				
State of Ohio, Department of Development - Procurement Technical Assistance for Business Firms	12.002	APXG20240527	-	118,035
State of Ohio, Department of Development - Procurement Technical Assistance for Business Firms	12.002	APXG20250527	-	41,596
Total U.S. Department of Defense			-	159,631
U.S. Department of Labor - Pass-through Program - Ohio Department of Job and Family Services - WIOA National Dislocated Worker Grants/WIA National Emergency Grants	17.277	G-2425-15-0157	290,483	536,678
U.S. Department of the Treasury - Pass-through Programs:				
Mahoning County Board of Commissioners - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Available	-	86,902
Ohio Department of Public Safety, Office of Criminal Justice Services - Coronavirus State and Local Fiscal Recovery Funds	21.027	2022-AR-SWP-1206	-	34,927
Total U.S. Department of the Treasury			-	121,829
Appalachian Regional Commission - Direct Program - Appalachian Area Development	23.002	Not Applicable	-	457,842
National Aeronautics and Space Administration - Direct Program - Science	43.001	Not Applicable	-	7,500

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2025

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
Other federal awards (continued):				
Small Business Administration - Pass-through Programs:				
State of Ohio, Department of Development - Small Business Development Centers	59.037	OSBG-24-326	\$ -	\$ 132,987
State of Ohio, Department of Development - Small Business Development Centers	59.037	OSBG-25-326	-	138,881
Total Small Business Administration			-	271,868
U.S. Department of Education - Direct Program - Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	Not Applicable	-	2,875
U.S. Department of Education - Education Stabilization Fund - Pass-through Program - Ohio Department of Education - COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER I and II)	84.425U	1899	-	71,574
U.S. Department of Education - Pass-through Programs:				
State of Ohio Department of Education - Twenty-First Century Community Learning Centers	84.287	17307	-	157,626
State of Ohio Department of Education - Twenty-First Century Community Learning Centers	84.287	19472	-	192,979
State of Ohio Department of Education - Twenty-First Century Community Learning Centers	84.287	19471	-	172,533
Total State of Ohio Department of Education - Twenty-First Century Community Learning Centers			-	523,138
Total U.S. Department of Education			-	597,587
U.S. Department of Health and Human Services - Direct Program - Centers for Disease Control and Prevention - Racial and Ethnic Approaches to Community Health	93.304	Not Applicable	-	591,970
U.S. Department of Health and Human Services - Pass-through Programs:				
State of Ohio Department of Jobs and Family Services - Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2223-06-0083	-	10,206
State of Ohio Department of Jobs and Family Services - Foster Care - Title IV-E	93.658	G-2223-06-0083	-	59,544
State of Ohio Department of Jobs and Family Services - Social Services Block Grant	93.667	G-2223-06-0083	-	28,007
Total U.S. Department of Health and Human Services			-	689,727
Total other federal awards			290,483	2,847,162
Total federal awards			\$ 332,996	\$ 69,918,668

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Note 1 - Basis of Presentation

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

Note 2 - Summary of Significant Accounting Policies

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

The University has elected not to use the *de minimis* rate to recover indirect costs, as allowed under the Uniform Guidance, and instead uses indirect cost rates ranging from 8 percent to 26.3 percent per the respective grant agreements or current federally negotiated indirect cost rate.

Note 3 - Loans Balances

Federal Direct Loan Program

The University participates in the Federal Direct Student Loan Program (84.268). The University originates, but does not provide funding for, federal direct loans (FDL). The amount presented on the schedule of expenditures of federal awards represents the value of new FDL processed by the University for the year ended June 30, 2025.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported
- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
Various	Student Financial Assistance Cluster	Unmodified
Various	Research and Development Cluster	Unmodified

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None



YOUNGSTOWN STATE UNIVERSITY

1 Tressel Way, Youngstown, Ohio 44555

Youngstown State University

June 30, 2025

Summary Schedule of Prior Audit Findings

Prior Year Finding Number:

2024-001

Fiscal Year in Which the Finding Initially Occurred:

2024

Federal Program, Assistance Listing Number and Name:

84.063, 84.268, U.S. Department of Education, Student Financial Assistance Cluster – Federal Pell Grant Program, Federal Direct Student Loans

Original Finding Description:

During our testing of Pell or Direct Loan borrowers that had a change in enrollment reporting status, enrollment status in NSLDS was not accurately reported for certain students tested.

Status/Partial Corrective Action (as applicable):

Fully corrected

Planned Corrective Action:

N/A

Controller's Office

Jones Hall, Room 2011

330.941.3160 | Fax 330.941.3396



Youngstown State University does not discriminate on the basis of race, color, national origin, sex, sexual orientation, gender identity and/or expression, disability, age, religion or veteran/military status in its programs or activities. Please visit www.ysu.edu/ada-accessibility for contact information for persons designated to handle questions about this policy.