

Youngstown State University

(A State University of Ohio)

General Receipts Bonds, Series 2021

General Receipts Bonds, Series 2016

CUSIP: 987720

Continuing Disclosure

As of June 30, 2021

Pursuant to the Continuing Disclosure Certificates the following operating data has been updated for the fiscal year ending June 30, 2021.

NON-DISCRIMINATION STATEMENT

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.yсу.edu/accessibility for contact information for persons designated to handle questions about this policy.

ENROLLMENT

The following table sets forth the Fall term student headcount and FTE enrollment for the year indicated:

Academic Year	Total Headcount	FTE *		
		Undergraduate	Graduate	Total
2017-18	12,592	9,722	710	10,432
2018-19	12,615	9,901	665	10,566
2019-20	12,113	9,519	666	10,185
2020-21	11,837	8,974	765	9,739
2021-22	11,298	8,052	979	9,031

* Total Fall credit hours divided by 15. The state employs a different formula for determining the subsidy-eligible FTE enrollment upon which the University's state appropriations are based.

Enrollment has decreased each of the last three years, in part due to demographic and population trends in northeast Ohio and in the surrounding region, which is characterized by a declining number of high school graduates forecasted over the next 5-7 years. For the 2020-21 and 2021-22 academic years, enrollment was also negatively impacted by the uncertainty brought about by the COVID-19 pandemic. The University is taking great strides to stabilize enrollment and recently allocated more than \$1 million in institutional resources to expand its student recruitment-focused marketing campaign.

Additionally, the University has been engaged contractually since 2016 with EAB (formally Royall & Company), a private firm that specializes in student recruitment and admissions. This relationship with EAB has significantly improved the University's ability to recruit and admit new students, and has mitigated the effects of regional demographic shifts vis-à-vis student enrollment.

In 2020, the University launched an in-depth examination of its more than 140 academic programs. With the substantial participation of deans, department chairs, faculty and selected members of the Academic Senate, each program was assessed for alignment with mission, market and margin, and each was placed into one of five categories, ranging from Grow+ (for programs with significant growth potential) to Sunset (for those facing ongoing enrollment challenges). Those assessments were shared with the University campus in June 2021 and accepted by the Board of Trustees in September 2021. In October 2021, with the support of the Board of Trustees, the University decided to deactivate 26 academic programs identified as "sunset." The programs will be phased out to enable all students to complete their programs. They are the only programs being deactivated, with all of the other more than 100 academic programs remaining intact.

STUDENT ADMISSIONS

The table below sets forth the total number of freshman applications received, applications accepted, the number of freshman enrolled and the percentage of the accepted freshman applicants that became enrollees for the academic years indicated.

Academic Year	Applications Received *	Accepted	Acceptance Rate *	Freshman Matriculates	Rate Enrolled
2017-18	9,593	6,215	64.8%	2,278	36.7%
2018-19	10,451	7,062	67.6%	2,379	33.7%
2019-20	9,137	6,160	67.4%	2,010	32.6%
2020-21	8,461	5,941	70.2%	1,822	30.7%
2021-22	6,736	5,265	78.2%	1,629	30.7%

* Applications received include applications ultimately not accepted due to incomplete submission of required information.

The University has achieved some growth and greater stability as it relates to applications. This is partially the result of greater outreach and recruitment efforts on the part of campus admission staff and the University's ongoing engagement with EAB (formally Royall & Company). As shown by the data above, undergraduate admissions have been challenged as a result of COVID-19. However, the University has adapted by creating virtual interactions and recruitment strategies that promote YSU degree programs to students and parents.

In 2013-14, the University changed its admission policy from open admissions to become more selective. A student's high school grades, strength of curriculum, and standardized test scores are all taken into account. Admission does not guarantee students' entrance to their choice of a college major, as many academic programs have selective admissions. Students must be academically prepared from high school in order to be directly admitted to their chosen major, depending on the selectivity of the program. The following table depicts average high school grade point averages and average composite ACT scores for incoming freshman for the past five years.

Academic Year	Average High School GPA	Average Composite ACT Score
2017-18	3.31	21.8
2018-19	3.35	21.7
2019-20	3.40	21.6
2020-21	3.48	21.6
2021-22	3.51	21.3

STUDENT RETENTION & GRADUATION RATES

The University’s commitment to the academic success of its students is foundational to its strategic plan as it relates to student futures and lifelong learning. In addition to the 2013-14 change in admissions policy, the University has also made substantial personnel investments in the form of academic advisors, student success coordinators, academic coaches and career counselors. As a result, the University has seen notable improvements in its graduation rates. Retention and graduation rates for the past five years are shown on the following table:

Fiscal Year	Retention Fall to Fall	Graduation Rates	
		4-year	6-year
2017	76.3%	13.7%	34.9%
2018	74.9%	13.0%	37.1%
2019	74.0%	17.1%	40.5%
2020	75.2%	24.7%	47.1%
2021	74.1%	20.3%	43.7%

FACULTY AND STAFF

Widely regarded as one of the region’s best places to work, the University employs over 2,000 faculty and staff. In 2015, the University’s Student Affairs division was named one of the “15 Most Promising Places to Work” by the Center for Higher Education Enterprise. The University emphasizes workplace diversity, staffing best practices and a healthy work environment. The University offers a robust employee wellness program, competitive salaries and benefits, and professional development opportunities for faculty and staff.

State of Ohio public employee collective bargaining laws apply generally to public employee relations and collective bargaining. The University is a party to the following collective bargaining agreements: a) with the Ohio Education Association (“OEA”) for full-service faculty (current agreement expires in July 2023; b) with the Association of Classified Employees (“ACE”) for classified civil service employees in positions as certified by the State Employment Relations Board (current agreement expires July 2023; c) with the Fraternal Order of Police, Ohio Labor Council, Inc. (“FOP”) for full-time police officers and dispatchers (current agreement expired July 2021. New agreement expected to be approved by Board in March 2021); and d) with the Association of Professional and Administrative Staff (“APAS”) for professional staff in positions as certified by the State Employment Relations Board (current agreement expires June 2024).

University employees not represented by a labor organization are exempt in accordance with Ohio Revised Code Chapter 4117 or by provisions of the respective labor agreements. In the judgment of the Board and upper administrative staff, the University’s relations with its employees are stable. The University knows of no reason why it will not be able to negotiate new contracts with its unions upon the expiration of the current contracts.

The composition of University employees, as of November 1 of the years indicated, is presented in the following table. As of Fall 2020, 85% of full-time faculty held a terminal degree.

Occupational Category	Appointment Status	As of November 1 *				
		2016	2017	2018	2019	2020
Postsecondary Teachers	Full Time	399	399	409	400	377
	Part Time	591	582	568	536	440
Postsecondary Total		990	981	977	936	817
Graduate Assistants - Teaching	Part Time	86	76	66	57	50
Graduate Assistants - Research	Part Time	136	129	142	155	130
Graduate Assistants - Other	Part Time	58	47	37	42	40
Graduate Assistants Total		280	252	245	254	220
Archivists, Curators, and Museum Technicians	Full Time	-	-	-	-	-
	Part Time	1	1	7	11	1
Archivists, Curators, and Museum Technicians Total		1	1	7	11	1
Librarians and Library Technicians	Full Time	18	16	22	14	14
	Part Time	-	-	1	1	1
Librarians and Library Technicians Total		18	16	23	15	15
Management	Full Time	148	165	165	163	74
	Part Time	3	2	2	2	-
Management Total		151	167	167	165	74
Business and Financial Operations	Full Time	33	38	34	37	72
	Part Time	-	-	-	-	3
Business and Financial Operations Total		33	38	34	37	75
Computer, Engineering and Science	Full Time	52	55	58	58	61
	Part Time	3	1	3	13	2
Computer, Engineering and Science Total		55	56	61	71	63
Community Service, Legal, Arts and Media	Full Time	126	134	150	150	122
	Part Time	54	64	38	25	13
Community Service, Legal, Arts and Media Total		180	198	188	175	135
Healthcare Practitioners and Technical	Full Time	1	-	1	-	6
	Part Time	2	1	1	1	2
Healthcare Practitioners and Technical Total		3	1	2	1	8
Service	Full Time	44	40	40	38	43
	Part Time	49	57	47	43	20
Service Total		93	97	87	81	63
Sales and Related	Full Time	-	-	-	-	-
	Part Time	1	1	1	1	-
Sales and Related Total		1	1	1	1	-
Office and Administrative Support	Full Time	142	142	134	131	129
	Part Time	32	19	26	21	13
Office and Administrative Total		174	161	160	152	142
Natural Resources, Construction and Maintenance	Full Time	19	21	21	21	27
	Part Time	-	-	-	8	1
Natural Resources, Construction and Maintenance Total		19	21	21	29	28
Production, Transportation, and Material Moving	Full Time	13	13	13	13	6
	Part Time	9	17	15	5	8
Production, Transportation, and Material Moving Total		22	30	28	18	14
Student and Academic Affairs and Other Educ. Svc.	Full Time	48	53	27	26	53
	Part Time	5	6	3	-	12
Student and Academic Affairs and Other Educ Svc. Total		53	59	30	26	65
	Total Full Time	1,043	1,076	1,074	1,051	984
	Total Part Time	1,030	1,003	957	921	736
Grand Total		2,073	2,079	2,031	1,972	1,720

* Represents November 1 census point

Postsecondary Teachers: Report all persons whose specific assignments customarily are made for the purpose of providing instructions or teaching, conducting research, or carrying out public services activities, regardless of title, academic rank, or tenure status.

Descriptions/Definitions: for the remaining occupational categories are available through the U.S. Department Labor at http://www.bls.gov/soc/soc_2010_definitions.pdf

Source: Integrated Postsecondary Education Data System (IPEDS) Human Resources survey response for 2016, 2017, 2018, 2019 and 2020.

TUITION AND FEES

The University operates its academic programs on a two semester plus summer session basis. All students are charged an instructional, general and information services fee. Part-time fees, charged on a per-hour basis, apply to students carrying fewer than 12 credit hours per term. Further, non-Ohio students, are charged an additional fee, referred to as a non-resident surcharge.

In the fall of 2018, the University introduced the *Penguin Promise*, a tuition guarantee program authorized by the state of Ohio that enables state universities to annually increase tuition for incoming students, so long as tuition remains frozen and unchanged for each cohort of students for four (4) consecutive academic years. Consequently, the University has two sets of undergraduate tuition rates, one for non-guarantee undergraduates enrolled prior to fall 2018, and another set for each Penguin Promise cohort class.

Tuition and Fees for Ohio Residents* (non-guarantee rates)		
Academic Year	Undergraduate	Graduate
2017-18	\$ 8,087	\$ 11,909
2018-19	\$ 8,087	\$ 12,115
2019-20	\$ 8,249	\$ 12,358
2020-21	\$ 8,414	\$ 12,390
2021-22	\$ 8,582	\$ 12,906

* Tuition is defined as the combination of the instructional fee, general fee, and information services fee.

Penguin Promise Guarantee Tuition for Ohio Residents	
Cohort 1st Year	Undergraduate
2018-19	\$8,899
2019-20	\$9,211
2020-21	\$9,588
2021-22	\$9,953

For the 2022-23 academic year, the University plans to increase tuition by 2% for non-guarantee cohort undergraduates, as permitted by state budget legislation. The University will also raise the new Penguin Promise rate by 4.6% for the next incoming freshman cohort. Though not be restricted by state law, graduate level tuition will be flat again next year, with just a 0.6% increase projected at this time.

First introduced in 2010, the University continues to offer the Affordable Tuition Advantage (“ATA”), featuring a reduced nonresident surcharge for students from twenty-two (22) border counties in western Pennsylvania, northern West Virginia, and western New York State, which are within an approximately 100-mile radius around the campus (the “Region”). The ATA recognizes the fact that the University is located within close proximity to three other states and has proved effective at growing enrollment from this Region, and boosting the regional economic corridor between the greater Cleveland and Pittsburgh metropolitan areas.

The following table sets forth for recent academic years YSU's tuition for nonresident students (inclusive of tuition and the nonresident surcharge).

Affordable Tuition Advantage ("ATA") and Non-Regional (non-guarantee rates)				
Academic Year	Undergraduate		Graduate	
	ATA	Non-Regional*	ATA	Non-Regional*
2017-18	\$8,447	\$14,087	\$12,269	\$17,909
2018-19	\$8,447	\$14,087	\$12,475	\$18,115
2019-20	\$8,609	\$14,249	\$12,718	\$18,358
2020-21	\$8,774	\$14,414	\$12,750	\$18,390
2021-22	\$8,942	N/A	\$13,266	N/A

* Effective for the 2021-22 academic year, the non-regional surcharge was eliminated.

Penguin Promise Guarantee Tuition for Non-Residents			
Cohort	1st Year	ATA	Non-Regional*
	2018-19	\$9,859	\$14,899
	2019-20	\$9,571	\$15,211
	2020-21	\$9,948	\$15,588
	2021-22	\$10,313	N/A

Comparative information concerning the academic year 2020-21 annualized instructional and general fees charged to Ohio residents by the University and other State universities as of fall 2020 follows.

Tuition * - Ohio State Universities, 2021-22		
	Undergraduate	Graduate **
Bowling Green State University	\$12,975	\$12,791
Central State University	\$7,262	\$14,300
Cleveland State University	\$11,690	\$15,312
Kent State University	\$11,923	\$11,766
Miami University	\$16,704	\$14,950
Ohio State University	\$11,936	\$12,425
Ohio University	\$12,840	\$9,510
Shawnee State University	\$8,906	\$10,156
University of Akron	\$11,880	\$9,362
University of Cincinnati	\$12,598	\$14,902
University of Toledo	\$11,463	\$16,429
Wright State University	\$10,390	\$14,298
Youngstown State University	\$10,021	\$13,203

* Based on Fall 2021 full-time charges of at least twelve credit hours and 2 semesters. Amounts shown include both instructional and general/facilities fees and other mandatory fees uniformly assessed.

** Graduate fees reflect tuition for general masters and doctoral level programs; medical, law and other specialty programs are not included.

Source: Ohio Department of Higher Education Fall Survey of Student charges for Academic Year 2021-22

The following table sets forth room and board charges for recent academic years:

Room and Board Charges	
Academic Year	Room and Board
2017-18	\$9,090
2018-19	\$9,400
2019-20	\$9,700
2020-21	\$9,700
2021-22	\$9,775

GRANTS AND RESEARCH CONTRACTS

The following table sets forth the amounts of grants and research contracts received by the University during five fiscal years, identified by source.

	FY2017	FY2018	FY2019	FY2020	FY2021
Federal	\$ 25,518,908	\$ 26,337,581	\$ 25,667,297	\$ 24,771,565	\$ 22,139,723
State	5,059,050	5,554,639	5,057,381	6,128,576	6,093,136
Local and Private	894,549	1,003,411	1,164,591	1,051,826	5,192,566
Federal Appropriations	-	-	-	6,063,592	24,976,068
Total	<u>\$ 31,472,507</u>	<u>\$ 32,895,631</u>	<u>\$ 31,889,269</u>	<u>\$ 38,015,559</u>	<u>\$ 58,401,493</u>

Federal Appropriations in Fiscal Year 2021 totaled \$25 million, including \$19.1 million of Higher Education Emergency Relief Funds (“HEERF”), \$5.7 million of Coronavirus Relief Funds (CRF), and \$0.2 million in other grant revenue for the University’s radio station.

GENERAL RECEIPTS

The General Receipts of the University for the Fiscal Years 2017-2021, are as follows:

	FY2017	FY2018	FY2019	FY2020	FY2021
Tuition, fees and other student charges	\$ 106,803,302	\$ 109,119,384	\$ 110,819,189	\$ 110,911,646	\$ 108,950,986
Auxiliary enterprises	20,049,797	20,124,228	19,786,312	17,060,256	13,261,789
Other general income	8,348,595	7,061,379	6,917,163	4,796,318	14,075,213
Total	<u>\$ 135,201,694</u>	<u>\$ 136,304,991</u>	<u>\$ 137,522,664</u>	<u>\$ 132,768,220</u>	<u>\$ 136,287,988</u>

OUTSTANDING OBLIGATIONS

The outstanding General Receipts Bonds of the University consist of the following at June 30, 2021:

General Receipt Bonds	Original Amount	Amount Outstanding
Series 2010 (Taxable Build America Bonds)	\$ 25,335,000	\$ 20,305,000
Series 2011	18,660,000	13,185,000
Series 2016	25,525,000	22,915,000
Total	<u>\$ 69,520,000</u>	<u>\$ 56,405,000</u>

In July 2021, the University issued \$28,065,000 in Series 2021 General Receipt bonds. The proceeds from the bond sale were used for the current 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 obligation in fiscal year 2022.

STUDENT FINANCIAL AID

Total financial aid support, exclusive of student wages, amounted to approximately \$54.5 million for the Fiscal Year ended June 30, 2021. In addition, the University administered federal and other external loan programs exceeding \$51.3 million. Approximately 11,700 students received some type of financial aid during the 2020-2021 academic year. Tuition revenue, discount and funded financial aid dollars for the most recent five fiscal years follow.

	FY2017	FY2018	FY2019	FY2020	FY2021
Student tuition and fees	\$ 106,803,302	\$ 109,119,384	\$ 110,819,189	\$ 110,911,646	\$ 108,950,986
Scholarship allowance	(26,026,072)	(28,791,176)	(30,888,809)	(29,581,588)	(26,673,403)
Net student tuition and fees	<u>\$ 80,777,230</u>	<u>\$ 80,328,208</u>	<u>\$ 79,930,380</u>	<u>\$ 81,330,058</u>	<u>\$ 82,277,583</u>
Scholarship allowance as a percentage of student tuition and fees	24.4%	26.4%	27.9%	26.7%	24.5%
Scholarship expense *	\$ 19,897,529	\$ 20,518,590	\$ 20,854,114	\$ 25,295,390	\$ 27,886,962
Total financial aid	\$ 45,923,601	\$ 49,309,766	\$ 51,742,923	\$ 54,876,978	\$ 54,515,822
Total financial aid as a percentage of student tuition and fees	43.0%	45.2%	46.7%	49.5%	50.0%

* Includes scholarships classified as Auxiliary enterprises on the Statement of Revenues, Expenses, and changes in Net Position through FY2019.

A substantial portion of funds provided to students are derived from outside sources. All programs furnished by the federal and state governments are subject to appropriations and funding. There can be no assurance that the amounts of federal and state financial aid to students will be available in the future at the same levels, and availability of federal and state student financial aid may affect the University's enrollment; the impact of any such changes cannot be assessed.

The following table summarizes the amounts of financial aid (excluding wages and loans) provided to University students by funding source:

	FY2017	FY2018	FY2019	FY2020	FY2021
Federal	\$ 19,633,771	\$ 20,114,547	\$ 20,567,178	\$ 19,458,802	\$ 17,524,338
State	4,094,009	4,480,528	4,809,389	5,292,302	4,720,732
University	14,111,007	16,937,045	18,168,624	18,019,231	15,934,952
External Funds	8,084,814	7,777,646	8,197,732	8,906,643	9,158,668
Higher Education Emergency Relief Fund (HEERF)	-	-	-	3,200,000	7,177,132
Total	\$ 45,923,601	\$ 49,309,766	\$ 51,742,923	\$ 54,876,978	\$ 54,515,822

STATE APPROPRIATIONS TO THE UNIVERSITY

All state universities in Ohio receive State financial assistance for both operations and designated capital improvements through appropriations by the General Assembly. These appropriations contribute substantially to the successful maintenance and operation of the University. Amounts received in the form of State appropriations are not included in the General Receipts pledged to secure payment of the Bonds.

Operating Appropriations

The University receives State appropriations for operating purposes through a complex funding formula that is allocated through the Ohio Department of Higher Education and is based, in part, on successful course completions and the number of degrees awarded.

In recent years, the University's annual share of SSI funds has ranged between \$42 million and \$44 million. Based on the most recent estimate provided by the Ohio Department of Higher Education, State Share of Instruction (SSI) is expected to be 1% greater than during fiscal year 2021. SSI dollars are allocated to campuses through a complex formula that takes into account a variety of variables, such as enrollment levels and varying discipline costs, as well as performance measures like course completions and degree attainment rates.

The following table shows unrestricted State operating appropriations (State share of instruction and performance funding) to the University for the past five fiscal years.

Fiscal Year	State Share of Instruction
2017	\$42,973,090
2018	\$43,261,001
2019	\$42,914,559
2020	\$42,089,994
2021	\$43,927,035

Capital Appropriations

Capital improvement allocations in the capital appropriations bill for the 2-year biennium ending on June 30, 2022, generally focus on necessary maintenance and upkeep of existing University assets. The University's allocation is \$11.21 million. Over the course of the biennium, the University will use these capital funds to renovate a number of instructional spaces, including classrooms and labs in Fedor Hall, Moser Hall, J.J. and Janet Cafaro Hall and Cushwa Hall. These state capital appropriations will also support

other important projects, including various building envelope renovations, the expansion and upgrade of the University’s utility distribution system, and elevator maintenance and repairs.

Capital appropriations are drawn down as they are utilized. The following table shows state capital appropriations to the University for the past five fiscal years.

Fiscal Year	State Capital Appropriations
2017	\$5,643,430
2018	\$6,659,994
2019	\$6,089,375
2020	\$5,186,305
2021	\$9,345,533

ENDOWMENT AND SIMILAR FUNDS

The University’s Endowment and Similar Funds include (i) endowment funds which are subject to the restrictions of gift instruments requiring that the principal be maintained and that only the income be utilized for donor-specified purposes; and (ii) funds functioning as endowments which represent expendable funds received, which by decision of the Board, have been retained and invested for future use. The total Endowment and Similar Fund balances as of June 30 for the past five fiscal years are shown below.

Fiscal Year	Endowments	Funds Functioning as Endowments
2017	\$8,995,017	\$7,904,931
2018	\$9,566,055	\$7,925,538
2019	\$10,045,546	\$7,964,545
2020	\$10,405,227	\$7,967,569
2021	\$13,570,860	\$8,894,944

Not included in the fund balances above are the funds of the Youngstown State University Foundation (the “Foundation”), an independent, not-for-profit corporation operated to provide support for the general educational needs of the University.

It is the policy of the YSU Board of Trustees to set annual distributions from the endowment for each Fiscal Year to 5% of the twelve-quarter average of the market value for the preceding twelve calendar quarters (three years).

FUNDRAISING ACTIVITIES

The University was founded more than a century ago to provide educational opportunities to the people of a region undergoing rapid industrialization and urbanization. Today, amidst ever-widening globalization and advancements in new industries and technologies, the University remains a driving force in the economic and cultural vitality of the region.

Opportunity has always been at the heart of the University. Since its founding at the YMCA in downtown Youngstown in 1908, the University’s highest priority has been to provide young men and women of all backgrounds the opportunity for an affordable and quality higher education and to offer the financial support to help those individuals find success.

In 2016, the University and its Foundation began the \$100 million We See Tomorrow Campaign—the largest campaign goal ever established by the University. Led by President James Tressel, along with Foundation President Paul McFadden, the campaign has resulted in overwhelming success. As of September 2021 at the conclusion of the We See Tomorrow campaign, the University raised \$126,187,126.

To address the strategic priorities of opportunity, excellence and regional impact, the We See Tomorrow campaign established clear fundraising objectives for a number of important initiatives. In addition to the Student Success Center, The Mahoning Valley Innovation and Commercialization Center, and many campus beautification projects; other important initiatives include:

- Scholarships and student work opportunities to redouble efforts to build an academic profile by recruiting students with excellent academic backgrounds and demonstrated leadership potential. The University has set a goal to significantly increase the number of high-caliber students participating in the honors program, from 160 to 1,300, or 10 percent of the student body.
- Endowed Chairs and Professorships to enhance the academic experience across all disciplines, to enable the University to become a national model for student-centered, comprehensive urban universities.
- Classrooms of the Future to embrace rapidly evolving instructional technologies through advanced learning environments for YSU students.

With its proud history of excellence and opportunity, the University will continue to exist as a comprehensive metropolitan research university, and a catalyst for economic and cultural advancement throughout the region and state.

FINANCIAL AND BUDGETING PROCEDURES

Budget and Budgeting Process

The University adopts a balanced annual operating budget in accordance with guidelines based on revenue projections and historical revenue and spending data. Requests are initiated through each Vice President to the Budget Advisory Council, which meets periodically during the budget development process to make related recommendations to ensure a budget that is consistent with the strategic goals of the University. The Budget Advisory Council employs a modified initiative-based budgeting model whereby budget allocations are based on strategic priorities. Once fully developed and finalized, the detailed line item budget document is forwarded through the President to the Board of Trustees for review and final approval. Once approved, spending against the budget is monitored closely at all levels.

Due to the uncertainty resulting from the COVID-19 pandemic, the normal budget process was not utilized for the development of the fiscal year 2021 budget. The Fiscal Year 2021 budget was originally based on a projected 15% decline in student enrollments and a 20% decline in State Share of Instruction (“SSI”) funding. However, the budget was modified in December 2020 to reflect actual enrollment levels, which declined by just 4.4%, resulting in significantly rosier estimates for tuition and fee revenue. The budget was also updated to reflect stable state funding appropriation levels that were reduced by just 3% instead of the 20% originally budgeted.

The fiscal year 2022 budget remained relatively flat compared to the modified fiscal year 2021 budget. The University is modeling moderate enrollment decline of between 3-5%, increases in undergraduate tuition ranging between 1.8% and 3.8%, and a 1% increase in SSI funding levels.

The University’s general fund budget is summarized in the table below, which depicts annualized revenue and expense budgets compared to actual financial activity two-quarters through Fiscal Year 2022. While revenues are relatively flat compared to the prior fiscal year, nearly all expense categories are trending upward as the prior year reflects the shifting of expenses from the general fund budget to federal COVID-19 relief funds. Taken altogether, these factors support management’s expectation of ending Fiscal Year 2022 with a positive operating fund balance, an improved net financial position, and additions to unrestricted reserves to support future operations and plant maintenance.

FY 2022 General Fund		
	Annual Budget	Actual, 2nd Qtr. 12/31/21
Revenues		
Tuition and mandatory fees	\$ 91,521,002	\$ 83,506,022
Other tuition and fees	9,413,282	9,673,303
Student charges	867,800	642,413
State appropriations	44,571,389	22,189,222
Recovery of indirect costs	2,996,413	907,579
Investment income	2,555,414	2,458,923
Other income	1,074,700	462,988
Total	\$ 153,000,000	\$ 119,840,450
Expenses and Transfers		
Wages	\$ 71,697,555	\$ 35,334,839
Benefits	26,900,894	16,318,515
Scholarships	13,688,625	9,711,998
Operations	15,465,099	8,239,986
Plant and maintenance	8,000,906	3,899,552
Fixed asset purchases	251,084	77,182
Transfers	16,995,837	17,049,473
Total	\$ 153,000,000	\$ 90,631,545

Financial Operations

The financial records of the University are maintained on the accrual basis and in accordance with the standards prescribed by the Governmental Accounting Standards Board (“GASB”), the American Institute of Certified Public Accountants and the National Association of College and University Business Officers. The financial statements of the University are available online at <https://ysu.edu/general-accounting>.

The Ohio Auditor of State is charged by law with the responsibility of inspecting and supervising the accounts and records of each taxing subdivision and most public agencies and institutions. Audits are performed by the office of the State Auditor, or by independent certified public accountants at the direction of that office, pursuant to Ohio law and under certain federal program requirements. Audited financial statements through Fiscal Year 2021 can be found on the Ohio Auditor of State’s website.

State laws impose additional financial reporting requirements on state colleges and universities which increase financial accountability by using a standard set of measures with which to monitor the fiscal health of campuses. Using the year-end audited financial statements submitted by each public institution, the Ohio Department of Higher Education annually applies these standards to monitor individual campus finances.

In accordance with GASBs 68 and 75, the University's statements include an annual pension/OPEB expense for the proportionate share of certain State of Ohio pension plan's change in net pension/OPEB asset/liability. GASB 68 was implemented in Fiscal Year 2015 and GASB 75 was implemented in Fiscal Year 2018. These expenses are allocated across functional categories in the Statements of Revenues, Expenses and Changes in Net Position.

Operating expenses can be displayed by either functional classification or natural classification. The functional classification can be found on the Statement of Revenues, Expenses, and Changes in Net Position. The following is a recap of total operating expenses by natural classification with the impact of the GASBs 68 and 75 accruals segregated.

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Compensation	\$ 115,235,986	\$ 118,788,153	\$ 119,481,839	\$ 120,288,141	\$ 110,767,229
Operations	44,929,371	48,769,105	47,736,039	43,637,982	43,431,298
Scholarships	19,897,530	20,518,590	20,854,114	25,269,042	27,842,419
Depreciation and amortization	11,985,243	12,735,133	13,452,543	14,098,787	14,105,532
Operating expenses without GASBs 68 and 75 accruals	192,048,130	200,810,981	201,524,535	203,293,952	196,146,478
GASB 68 pension expense accruals	8,821,859	(35,552,451)	8,196,479	3,477,338	(4,840,743)
GASB 75 OPEB expense accruals	-	(1,963,220)	(8,364,194)	1,437,418	(26,008,204)
Total	<u>\$ 200,869,989</u>	<u>\$ 163,295,310</u>	<u>\$ 201,356,820</u>	<u>\$ 208,208,708</u>	<u>\$ 165,297,531</u>

It should be noted that, in Ohio, employer contributions to the state's cost-sharing multi-employer retirement systems are established by statute. These contributions, which are payable to the retirement systems one month in arrears, constitute the full legal claim on the University for pension and OPEB funding. GASB Statement No. 68 pension adjustment and GASB 75 OPEB adjustments are both non-cash transactions and the adjustments in the table below have been presented to provide a clearer understanding of the University's actual financial condition. While the liabilities recognized under GASB Statement No. 68 and 75 meet the GASB's definition of an accounting liability, there is no legal means in Ohio to enforce the unfunded liability of any State of Ohio pension system as against the public employer, and there are no cash flows associated with the related expense.

Certain reclassifications have been made to prior fiscal year amounts to conform with the current fiscal year presentation. These reclassifications had no effect on the total net position or change in net position. The following table summarizes the University's year-end fund balances with the impact of GASBs 68 and 75 segregated.

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Net investment in capital assets	\$135,402,713	\$136,184,268	\$140,074,416	\$147,352,730	\$156,189,269
Restricted, nonexpendable endowments	5,202,624	5,435,363	5,470,553	5,534,526	5,674,506
Restricted, gifts, grants, and student loans	26,178,068	26,358,016	26,863,346	23,804,159	22,610,101
Unrestricted (without GASBs 68 and 75)	38,923,599	39,397,903	35,632,546	28,999,870	65,687,671
GASBs 68 and 75	(143,749,750)	(149,741,717)	(149,574,002)	(154,488,758)	(123,639,811)
Total Net Position	<u>\$ 61,957,254</u>	<u>\$ 57,633,833</u>	<u>\$ 58,466,859</u>	<u>\$ 51,202,527</u>	<u>\$ 126,521,736</u>

Youngstown State University
Statements of Revenues, Expenses, and Changes in Net Position

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
OPERATING REVENUES					
Tuition, fees, and other student charges	\$ 106,803,302	\$ 109,119,384	\$ 110,819,189	\$ 110,911,646	\$ 108,950,986
Less: Scholarship allowance	26,026,072	28,791,176	30,888,809	29,581,588	26,673,403
Net tuition, fees, and other student charges	80,777,230	80,328,208	79,930,380	81,330,058	82,277,583
Federal grants and contracts	5,728,561	6,083,592	4,980,497	5,115,766	4,656,571
State grants and contracts	5,059,050	5,554,639	5,057,381	6,128,576	6,093,136
Local grants and contracts	340,687	422,130	384,198	396,177	360,386
Private grants and contracts	553,862	581,281	780,393	655,649	4,832,180
Sales and services	565,764	501,089	590,165	458,986	240,227
Auxiliary enterprises	20,049,797	20,124,228	19,786,312	17,060,256	13,261,789
Other operating revenues	3,184,095	2,896,041	2,468,444	2,504,261	3,526,741
Total Operating Revenues	116,259,046	116,491,208	113,977,770	113,649,729	115,248,613
OPERATING EXPENSES					
Instruction	66,004,195	22,382,293	53,445,556	68,758,212	61,345,003
Research	4,057,587	4,693,888	4,377,528	4,183,300	2,452,821
Public service	6,563,742	6,782,854	6,878,611	5,666,888	2,729,059
Academic support	16,100,315	16,037,470	18,304,608	17,676,610	8,492,792
Student services	11,177,058	11,388,167	12,980,166	12,233,145	6,200,552
Institutional support	22,754,337	24,690,547	25,847,626	19,687,607	13,353,931
Operation and maintenance of plant	16,966,110	18,137,208	17,870,275	15,703,812	13,420,234
Scholarships	15,630,861	16,028,918	16,111,355	25,295,390	27,886,962
Auxiliary enterprises	29,630,541	30,418,832	32,088,552	24,904,957	15,310,645
Depreciation and amortization	11,985,243	12,735,133	13,452,543	14,098,787	14,105,532
Total Operating Expenses	200,869,989	163,295,310	201,356,820	208,208,708	165,297,531
Operating Loss	(84,610,943)	(46,804,102)	(87,379,050)	(94,558,979)	(50,048,918)
NONOPERATING REVENUES (EXPENSES)					
State appropriations	42,973,090	43,261,001	42,914,559	42,089,994	43,927,035
Federal appropriations	-	-	-	6,063,592	24,976,068
Federal grants	19,790,347	20,253,989	20,686,800	19,655,799	17,483,152
Private gifts	10,407,174	11,180,058	11,491,110	11,857,680	12,385,165
Unrestricted investment income, net of investment expense	4,598,736	3,664,249	3,858,554	1,833,071	10,308,245
Restricted investment income, net of investment expense	914,404	766,993	966,630	722,789	3,471,384
Interest on capital asset-related debt	(3,844,329)	(3,808,716)	(3,604,468)	(3,495,938)	(3,351,535)
Other nonoperating revenues, net	355,745	428,540	414,643	34,531	955,105
Net Nonoperating Revenues	75,195,167	75,746,114	76,727,828	78,761,518	110,154,615
Loss Before Other Revenues, Expenses and Changes	(9,415,776)	28,942,012	(10,651,222)	(15,797,461)	60,105,701
OTHER REVENUES, EXPENSES, AND CHANGES					
State capital appropriations	5,643,430	6,659,994	6,089,375	5,186,305	9,345,533
Capital grants and gifts	2,446,917	3,307,888	5,426,487	3,274,660	6,387,877
Other revenue (expense), net	111,782	274,323	(31,614)	72,164	(519,902)
Total Other Revenues, Expenses, and Changes	8,202,129	10,242,205	11,484,248	8,533,129	15,213,508
Change in Net Position	(1,213,647)	39,184,217	833,026	(7,264,332)	75,319,209
NET POSITION					
Net Position at Beginning of the Year	63,170,901	61,957,254	57,633,833	58,466,859	51,202,527
Cumulative effect of GASB 75 implementation	-	(43,507,638)	-	-	-
Net Position at End of the Year	\$ 61,957,254	\$ 57,633,833	\$ 58,466,859	\$ 51,202,527	\$ 126,521,736