BOARD OF TRUSTEES
FINANCE AND ADMINISTRATION COMMITTEE

December 1, 2023, 9:00 a.m.
Kricker Innovation Hub, Room 302
221 Chillicothe Street, Portsmouth, Ohio

Agenda

1.0 Call to Order

2.0 Roll Call

3.0 Information Item

Plante Moran representatives, Mr. Keith Martinez, Managing Partner, and Ms. Katie Veldman, Assurance Manager, will present the results of the University's FY23 financial audit.

4.0 Action Items

4.1 Resolution F29-23
Acceptance of Shawnee State University's FY2023 Financial Report

Mr. Greg Ballengee, Chief Financial Officer, will present this resolution to accept the FY2023 Financial Report.

4.2 Resolution F30-23
Approval of Efficiency Report

Mr. Joe Van Deusen, Director of Risk Management and Contract Services, will present this resolution to accept the FY2023 Efficiency Report.

4.3 Resolution F31-23
Approval of Updates to Policy 3.20Rev, University Housing

Mr. Ballengee will present this resolution which approves revisions to Policy 3.20Rev.

4.4 Resolution F32-23
Approval of Revisions to Policy 1.05Rev, Investment Policy

Mr. Ballengee will present this resolution which approves revisions to Policy 1.05Rev.

4.5 Resolution F33-23
Approval of Update to Policy 4.52, Leaves of Absence (Paid and Unpaid)

Ms. Malonda Johnson, Chief Operating Officer, will present this resolution that modifies the policy for Leaves of Absences, Paid and Unpaid.

4.6 Resolution F34-23
Approval of Policy 3.26, Name, Image, and Likeness for Student Athletes

Ms. Desiree Isaac, Assistant General Counsel, will present this policy regarding Name, Image, and Likeness for Student Athletes.

5.0 Information and Reports

5.1 Mr. Ballengee will discuss draft Senate Bill 6 ratios.

5.2 Ms. Aimee Welch, Director of Institutional Budgeting, will provide a year-to-date budget status report.

5.3 Mr. Ballengee will report on the cash reserves investment portfolio.

5.4 Ms. Johnson will update the committee on recent personnel activity.

5.5 Mr. John Temponeras, Director of Facilities, Planning and Construction, will update the committee on capital projects.

Shawnee State University

Board of Trustees

Finance and Administration Committee

December 1 , 2023

Shawnee State University
Agenda

- Shawnee State University Audit Team
- Required Communication
- Summary of Audit Differences
- New Pronouncements
- Appendix - Definitions

Shawnee State University
P&M Audit Team

Keith Martinez, Engagement Partner 614.222.9086
Keith.Martinez@plantemoran.com

Katie Veldman, Manager 614.222.9154
Katie.Veldman@plantemoran.com

Shawnee State University
Required Communications

Plante Moran Reports

- Opinion on FY 2023 University financial statements
  - Foundation presented as a component unit.
  - Issued an "unmodified opinion" on the financial statements.
- Our second report addresses internal control over financial reporting and compliance and other matters as required by *Generally Accepted Governmental Auditing Standards* (GAGAS).

Plante Moran Responsibilities under GAAS and GAGAS

- To gain a basic understanding of the internal controls, policies and procedures in order to design an effective and efficient audit approach, not for the purpose of providing assurance on the internal control structure.
- To test compliance with certain provisions of laws, regulations, contracts, and grants that have a direct and material effect.
- To gain an understanding of internal control over financial reporting.
- To express an opinion on the University's financial statements.
- To provide reasonable, not absolute, assurance of detecting material misstatements.

Shawnee State University
Required Communications (continued)

Significant Accounting Policies

- The significant accounting policies used by Shawnee State University are described in the notes, specifically footnote 2 to the financial statements.
- As described in Note 2, the University adopted the provisions of GASB 96, *Subscription-Based Information Technology Arrangements*, on a fully retrospective basis. As a result, the University now includes a liability for the present value of payments expected to be made and a subscription asset in the statement of net position.

Management Judgments and Accounting Estimates

- We are required to report to you amounts in the financial statements that are subject to management's judgment in what is recorded as well as items, that by their nature, are significant accounting estimates.
- Significant estimates made by management include:
- Student accounts receivable allowance for uncollectible accounts, footnote 5
- Liability for pending litigation, Notes 11 and 15
- Accounting for service concession arrangements (PPP's), Note 2
- Net pension and OPEB liability for STRS and OPERS, Note 14

Shawnee State University
Required Communications (continued)

Sensitive Disclosures

- The disclosures in the financial statements are neutral, consistent, and clear.
- We are required to report to you certain financial statement disclosures that are particularly sensitive.

Significant Auditing Adjustments

- There were no detected misstatements or passed adjustments as a result of audit procedures.

Quality of Accounting Policies

- Shawnee State University's accounting policies are consistent in their application and the information presented in the financial statements and related disclosures is complete and presented clearly.

Disagreements with Management

- There were no disagreements with Management on financial accounting and reporting matters.

Shawnee State University
Required Communications (continued)

Corrected and Uncorrected Misstatements

- Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.
- We did not detect any misstatements as a result of audit procedures

Consultations with Other Accountants

- To the best of our knowledge, Management has had no consultations with other independent accountants regarding accounting or auditing matters or alternative presentations.

Discussion Prior to Retention

- All discussions with Management occurred in the normal course of our professional relationship and the responses were not a condition of our retention. This was our 10th and final year as Shawnee State University's auditors.

Management Cooperation

- Management cooperated with us and provided us with complete access to the books and records of Shawnee State University.

Shawnee State University

Required Communications (continued)

Communications with Management

- There were no communications with Management other than our engagement letter, and Management's representation letter to us. In the course of our audit, the University's Internal Counsel provided us a schedule of current litigation and similar matters of a significant nature for our review.

Significant Additions to Management's Representations

- There were no significant additions to management's representations.

Independence

- The Plante Moran audit team was independent of Shawnee State University throughout the year in the performance of the audits.

Shawnee State University
Required Communications (continued)

Other Services

- Shawnee State University Development Foundation audit
- Shawnee State University single audit (audit of federal programs)
  - Major programs for testing were Student Financial Assistance Cluster and the IDEA Cluster
  - Deliverables
    - Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
    - Report on Internal Control Over Financial Reporting and Compliance and Other Matters as required by Generally Accepted Governmental Auditing Standards (GAGAS)
    - Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance
    - Schedule of Findings and Questioned Costs
      - 2023-001 – Financial Statement Significant Deficiency on Depreciation
      - 2023-002, 2023-003 and 2023-004 - Federal Program Material Weaknesses w/ Material Noncompliance with Laws and Regulations on Return of Title IV, Enrollment Reporting and Notifying Students Receiving Federal Direct Loans

Related Party Transactions

- The Shawnee State University Development Foundation is a related party to the University.

Shawnee State University
Upcoming Pronouncements

GASB 101– Compensated Absences

- Effective for the fiscal year ending June 30, 2025
- Updates the recognition and measurement guidance for compensated absences under a unified model.
- This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used.

Shawnee State University
Appendix - Definitions

- **Control Deficiency**
  - 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. Control deficiencies may involve one or more of the five interrelated components of internal control.
- **Significant Deficiency**
  - A "significant deficiency" is a deficiency, or 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.
- **Material Weakness**
  - A "material weakness" is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and correct on a timely basis.
- **FASB**
  - Financial Accounting Standards Board is the governing accounting body that issues reporting pronouncements for private sector organizations. The Foundation prepares its financial statements in accordance with these pronouncements and guidance.
- **Fraud**
  - The term "fraud" includes "misstatements" arising from fraudulent financial reporting and misstatements arising from misappropriation of assets.
  - "Misstatements" arising from "fraudulent financial reporting" are intentional misstatements, or omissions of amounts or disclosures in financial statements intended to deceive financial statement users.
  - "Misstatements" arising from "misappropriation of assets" involve the theft of assets where the effect of the theft causes the financial statements not to be presented in conformity with GAAP.
  - The University is responsible for the design and implementation of programs and controls to prevent and detect fraud.

Shawnee State University
Appendix - Definitions

- **GASB**
  - Governmental Accounting Standards Board is the governing accounting body that issues reporting pronouncements. SSU prepares its financial statements in accordance with these pronouncements and guidance.
- **GAAP**
  - Generally Accepted Accounting Principles. Used by almost all entities in the USA to prepare periodic financial statements.
- **GAAS**
  - Generally Accepted Auditing Standards. The standards that govern the conduct of independent audits of non-public companies, as determined by the Auditing Standards Board (ASB) of the AICPA.
- **GAGAS**
  - Generally Accepted Governmental Auditing Standards. Informally known as "Yellow Book," these standards guide all audits of governmental units.
- **Unmodified Opinion**
  - A signed representation by an auditor as to the reliability and fairness of a set of financial statements. The opinion could be qualified, unmodified, or adverse. For the University, the opinion is unmodified, which is the best opinion to have from an auditor.
- **Auditor Opinion Date**
  - The date the audit is completed and the auditor can provide their opinion. This is defined as the date the audit fieldwork and reviews are completed and the date management has reviewed the financial statements and provided a signed representation letter to the auditors.

Shawnee State University
Appendix - Definitions

- **Material Misstatement**
  - To present accidental or intentional untrue financial statement information that influences a company's value.
- **Significant Adjustments**
  - An error in financial reporting discovered by the auditor during performance of their audit fieldwork which was large enough that it was required to be booked to the financial statements and disclosed to the audit committee or board.
- **Passed Adjustments**
  - A summary of proposed account adjustments not recorded by management and reviewed by auditors and determined, individually or in the aggregate, not to have a significant effect on the financial reporting process and therefore they are not recorded in the financial statements.
- **Allowance**
  - An estimate determined by management, for instance, of the amount of receivables at June 30 not expected to be received.
- **990-T**
  - Corporate income tax form for exempt organization unrelated income. This primarily relates to income earned on limited partnerships that is considered taxable by the IRS (real estate and natural resources), and non-educational use of institutional property.

Shawnee State University
Appendix - Definitions

- **Uniform Prudent Management of Institutional Funds Act (UPMIFA)**
  - UPMIFA provides guidance and authority to charitable organizations concerning the management and investment of funds held by those organizations and imposes additional duties on those who manage and invest charitable funds. The objective is these duties will provide additional protections for charities and also protect the interests of donors who want to see their contributions used wisely.
- **Statement on Auditing Standards AU 265 – Communicating Internal Control-Related Matters Identified in an Audit**
  - Establishes requirements and provides guidance on communicating matters related to the Foundation's internal control over financial reporting identified during the audit of the financial statements. Depending on the severity of the issue, the internal control matter can be classified as a control deficiency, a significant deficiency or a material weakness. The definitions of these items per AU 265 are included on page 13
- **Statement on Auditing Standards AU 260 – The Auditor's Communication with Those Charged with Governance**
  - Requires two-way communications with those charged with governance (The Shawnee State University Finance and Administration Committee) before and after the audit.
  - Defines primary subjects required to be communicated.

Thank you!

We appreciate serving Shawnee State University for the last 10 years!

Shawnee State University
(A COMPONENT UNIT OF THE STATE OF OHIO)

SCIOTO COUNTY

FINANCIAL AUDIT REPORT

WITH SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED JUNE 30, 2023

AND JUNE 30, 2022

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Independent Auditor's Report

To the Board of Trustees
Shawnee 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 Shawnee State University (the "University"), a component unit of the State of Ohio, as of and for the years ended June 30, 2023 and 2022 and the related notes to the financial statements, which collectively comprise the University's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Shawnee State University as of June 30, 2023 and 2022 and the 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 opinion.

Emphasis of Matter

As described in Note 2 to the financial statements, in 2023, the University adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

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.

To the Board of Trustees
Shawnee State University

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.

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 schedule of the University's proportionate share of the net pension liability, the schedule of university pension contributions, the schedule of the University's proportionate share of the net OPEB liability, and the schedule of university OPEB contributions, as indicated in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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.

To the Board of Trustees
Shawnee State University

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise Shawnee 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* (the "Uniform Guidance"), 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 audits 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2023 on our consideration of Shawnee 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 Shawnee 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 Shawnee State University's internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 12, 2023

This unaudited section of Shawnee State University's (the "University") annual financial report presents a discussion and analysis of the financial performance of the University during the fiscal year ended June 30, 2023. This discussion, prepared by university management, provides an overview of the University's financial activities and should be evaluated in conjunction with the accompanying financial statements and footnotes.

This annual report consists of the statements of net position, revenue, expenses, and changes in net position, and cash flows. These statements have been prepared in accordance with the Governmental Accounting Standards Board's (GASB) Statements No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments,* and No. 35, *Basic Financial Statements and Management's Discussion and Analysis - for Public Colleges and Universities*, as amended.

In addition, 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*, GASB Statement No. 61, *The Financial Reporting Entity,* and GASB Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14 - Omnibus*, Shawnee State University Development Foundation's (the "Foundation") financial statements have been included in this annual report. This information has been provided on separate financial statements and in a note to the financial statements. Shawnee State University's management's discussion and analysis reflect only information related to the University.

Financial Highlights

Key financial highlights for 2023 are as follows:

- Total net position decreased $986,483. The decrease is primarily due to a $2,693,005 decrease in operating student tuition and fees revenue and a decrease of $1,533,812 in federal grants and contracts revenue. The $1,069,867 decrease in operating expenses mainly consisted of a $5,237,672 decrease in student service expenses, an increase of $2,240,945 in institutional support expenses, and a $2,238,950 increase in depreciation expenses.

- Total assets and deferred outflows of resources increased $854,143 mainly due to the decrease of $4,929,054 in accounts receivable and an increase of $5,616,092 in the deferred portion of the GASB Statement No. 68 pension and No. 75 OPEB expense adjustment.

- The $18,299,604 increase in total liabilities was primarily due to a $19,260,035 increase in net pension liability related to GASB Statement No. 68.

- Total deferred inflows of resources decrease of $16,458,978 is primarily due to the $14,335,443 decrease in deferred pension costs and the $2,227,055 decrease in deferred OPEB cost related to GASB Statement No. 68 and Statement No. 75, respectively.

- Total revenue decreased $11,369,200 from 2022 to 2023 compared with an increase of $3,810,565 from 2021 to 2022. The decrease was primarily due to a $9,204,364 decrease in nonoperating grant revenue, a decrease of $2,693,005 in student tuition and fees net of scholarship allowance discount, and an increase of $1,421,445 in investment income.

- Total expenses decreased $1,103,342 in 2023 due to a decrease of $740,916 in operating expenses. The 2023 decrease in operating expenses consisted of a $5,237,672 decrease in student services expenses, a $2,240,945 increase in institutional support expenses, a $2,238,950 increase in depreciation expenses, and a $1,715,138 increase in instruction and departmental research expenditures.

- Operating revenue decreased by $3,199,270 primarily due to a $2,693,005 decrease in Tuition, fees, and other student charges.

- Nonoperating revenue decreased $7,011,134 as a result of a $9,204,364 decrease in nonoperating grant revenue (grants that are not exchange transactions, such as Federal Higher Education Emergency Relief Fund (HEERF) and Coronavirus Relief Fund (CRF) grant and scholarship grants like Pell, Supplemental Educational Opportunity Grant (SEOG), Ohio College Opportunity Grants (OCOG) and a $1,421,445 increase in investment income.

<u>Using this Financial Report</u>

This annual report consists of two parts: (1) management's discussion and analysis and the basic financial statements for Shawnee State University, and (2) the basic financial statements for Shawnee State University Development Foundation. The basic financial statements for Shawnee State University include the statements of net position, revenue, expenses, and changes in net position, and cash flows. The basic financial statements for Shawnee State University Development Foundation include the statement of net assets and the statement of activities.

Statement of Net Position and Statement of Revenue, Expenses, and Changes in Net Position

The statement of net position and statement of revenue, expenses, and changes in net position present information about the University and its activities in a way that helps answer the question, "How did Shawnee State University do financially during 2023?" The statement of net position includes all short-term and long-term assets and liabilities, both financial and capital and deferred outflows or inflows of resources. The accrual basis of accounting is used for the recording of revenue and expenses. This basis of accounting records revenue when earned and expenses when incurred, regardless of when the cash is actually received or paid. Over time, increases or decreases in net position are one indicator of the improvement or deterioration of the University's financial health. Nonfinancial factors such as student retention rate, enrollment growth, and condition of facilities must also be considered.

Statement of Net Position

The statement of net position, which reports all assets and liabilities of the University, reflects the financial position of the University at the end of the fiscal year. Total assets and deferred outflows of resources minus total liabilities and deferred inflows of resources equal net position. The University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30, 2023, 2022, and 2021 are presented below:

	2023	2022, As Restated	2021
Assets			
Current assets	$ 12,546,804	$ 13,910,514	$ 12,703,603
Capital assets - Net	80,310,116	83,625,808	82,497,076
Other noncurrent assets	13,947,012	14,029,559	12,051,410
Total assets	106,803,932	111,565,881	107,252,089
Deferred Outflows of Resources	12,436,399	6,820,307	5,292,893
Liabilities			
Current liabilities	7,086,366	8,322,116	6,884,658
Noncurrent liabilities	55,861,371	36,326,017	50,780,762
Total liabilities	62,947,737	44,648,133	57,665,420
Deferred Inflows of Resources	6,590,281	23,049,259	13,470,141
Net Position			
Net investment in capital assets	62,967,975	65,378,140	63,094,859
Restricted, expendable	243,986	243,986	248,621
Unrestricted	(13,509,648)	(14,933,330)	(21,934,059)
Total net position	**$ 49,702,313**	**$ 50,688,796**	**$ 41,409,421**

The total assets of the University decreased $4,761,949 in 2023 and increased $4,313,792 in 2022. Current assets decreased $1,363,711 in 2023 following a $1,206,911 increase in 2022. A decrease of $4,929,054 in accounts receivables and a $3,569,915 increase in cash and cash equivalents were the largest components of the 2023 decrease in current assets. Noncurrent assets (excluding capital assets) decreased $82,547 in 2023 and increased $1,978,149 in 2022. The 2023 decrease and the 2022 increase are due to the GASB 96 adjustments.

The decreased expenditures for capital construction projects initiated in 2023 were below the 2023 depreciation expense amount which resulted in a decrease of $3,315,692 in net capital assets for 2023. The depreciation expense increased $2,238,950 due to adjustments made to buildings placed in service, see note 6 for more information. The increased number of capital construction projects initiated in 2022 resulted in an increase of $1,128,732 in net capital assets for 2022.

The $18,299,604 increase in 2023 and the $13,017,287 decrease in 2022 to total liabilities was primarily due to a $19,260,035 increase in 2023 and a $14,682,358 decrease in 2022 to the net pension liability.

These liability increases in 2023 were to recognize the reduction of the University's proportionate share of the net pension liability as determined by the two pension plans associated with the University, the State Teachers Retirement System and Ohio Public Employees Retirement System, as required by GASB Statement No. 68 and GASB Statement No. 75. See Note 14 to the financial statements for further details. The remainder of the increase in 2023 and the decrease in 2022 total liabilities was attributable to a $1,043,155 and $1,010,323 reduction in long-term debt, respectively.

Statement of Revenue, Expenses, and Changes in Net Position

The statement of revenue, expenses, and changes in net position presents the results of operations for the University. The change in net position during the fiscal year is a measurement of the change in the overall financial condition of the University. The University's revenue, expenses, and changes in net position for the fiscal years ended June 30, 2023, 2022, and 2021 are as follows:

	2023	2022, As Restated	2021
Operating revenue:			
Tuition, fees, and other student charges	$ 17,020,436	$ 19,713,441	$ 18,019,100
Grants and contracts	5,761,687	6,336,795	4,037,961
Sales and services	1,795,524	1,525,595	1,076,413
Miscellaneous income	782,596	983,684	741,935
Nonoperating revenue:			
Other grants	11,142,013	20,346,377	22,614,684
Investment income (loss)	619,882	(801,563)	612,212
Gain on disposal of capital assets	-	-	95,235
State appropriations	19,221,054	18,449,269	17,604,579
Capital appropriations	1,352,528	2,511,324	452,238
Total revenue	57,695,720	69,064,922	65,254,357
Operating expenses:			
Instruction and research	15,741,693	14,026,555	16,539,770
Public service	5,038,978	6,200,165	3,265,080
Academic support	2,039,681	1,718,214	1,368,340
Student services	3,337,790	8,575,462	6,467,306
Institutional support	10,502,408	8,261,463	8,422,387
Operation and maintenance of plant	3,935,770	3,514,998	2,413,010
Scholarships and fellowships	4,729,488	6,327,757	5,063,845
Depreciation and amortization expense	6,287,696	4,048,746	3,577,857
Auxiliary enterprises	6,529,151	6,539,164	4,427,643
Nonoperating expense:			
Interest on capital debt	539,548	573,023	605,178
Total expenses	58,682,203	59,785,547	52,150,416
(Decrease) increase in net position	**$ (986,483)**	**$ 9,279,375**	**$ 13,103,941**

Shawnee State University is dedicated to its mission of providing higher education that fosters competence in oral and written communication, scientific and quantitative reasoning, and critical analysis/logical thinking. To enrich the lives of the community, the University provides opportunities for continuing personal and professional development, intellectual discovery, and appreciation for the creative and performing arts. The University charges students' tuition and fees in accordance with approved university policy, as constrained by state laws. Beginning with the Fall 2018 term, the University implemented a new tuition guarantee program for all new first-time freshmen students. The Shawnee Advantage tuition plan guarantees students a flat tuition rate for up to five years while attending the University. Each new fiscal year, the tuition rate is adjusted for that year's incoming freshman class. The Fall 2022 incoming freshman class tuition and fee rate was $4,671. Based on state regulations or University policy, rates charged for continuing in-state and all out-of-state student tuition and fees increased 3.0 percent during 2023. The Fall 2023 incoming freshman class tuition rate is $4,811. There was no change to the tuition and fee rate charges to graduate students during 2023.

The University's 2023 revenue from student tuition and fees has decreased to $17,020,436 from $19,713,441 in 2022 following an increase from $18,019,100 in 2021 due to corresponding enrollment level and tuition rate changes over these years. Tuition and fees represent 29.5 percent of the University's total revenue in 2023, 28.5 percent in 2022 and 27.6 percent in 2021. The University's 2023 operating grants and contracts revenue decreased 9.1 percent to $5,761,689 from $6,336,795 in 2022 following an increase of 56.9 percent from $4,037,961 in 2021 due to the level of new federal and state operating grants, specifically the Higher Education Emergency Relief Fund (HEERF). The University continues initiatives to identify and obtain new grant funding.

Operating expenses decreased $1,069,867 in 2023. In 2023, public service expenditures decreased $1,161,187, and student services expenditures decreased $5,237,672 related to HEERF expenditures. In 2022, the University utilized the available HEERF Institutional award funding to assist with the increased costs related to the return of on-campus instruction and operation. Operating expenses in 2022 increased $7,667,286 due to expenditures related to addressing increased prices related to COVID 19 challenges. In 2023, pension and OPEB related operating expenses decreased $5,837,315 compared to 2022. Scholarship and fellowship expenses decreased $1,598,268 in 2023 following an increase in 2022 of $1,293,912 due to corresponding changes in enrollment for those years. The 2022 increase in operating expenses is partially a $2,108,156 increase in student services, an increase of $2,935,085 in public service expenses, and a $2,513,215 decrease in instruction and departmental research.

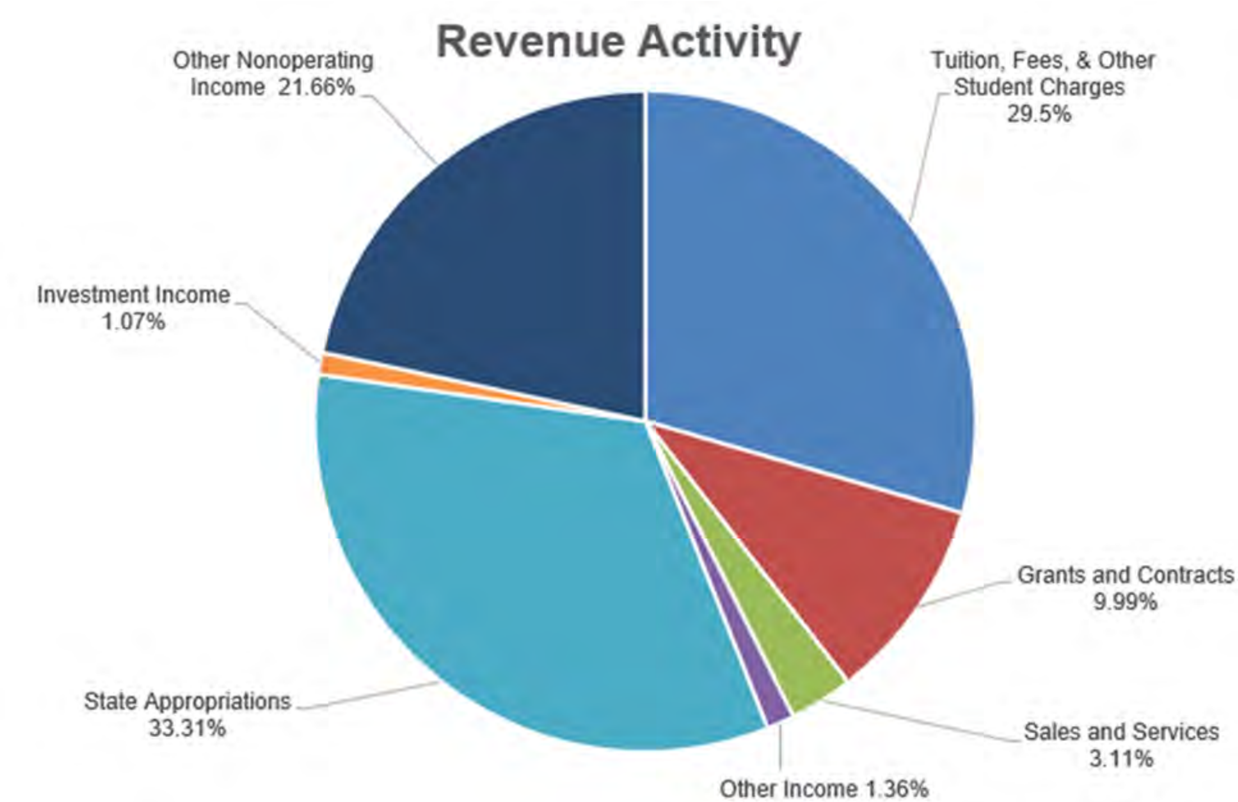
State appropriations represent 33.3 percent of the University's total revenue in 2023, 26.7 percent in 2022, and 26.9 percent in 2021. These percentages illustrate that tuition and fee revenue are not sufficient to cover operational expenses. The University has considerable dependency upon a predictable and relatively stable level of state appropriation funding.

During 2023, investment income/(loss) amounted to $619,882 as compared to ($801,563) during 2022 and $612,212 during 2021. This increase in investment income is the result of the impact of the general market increase for all investment segments and rising interest rates during 2023.

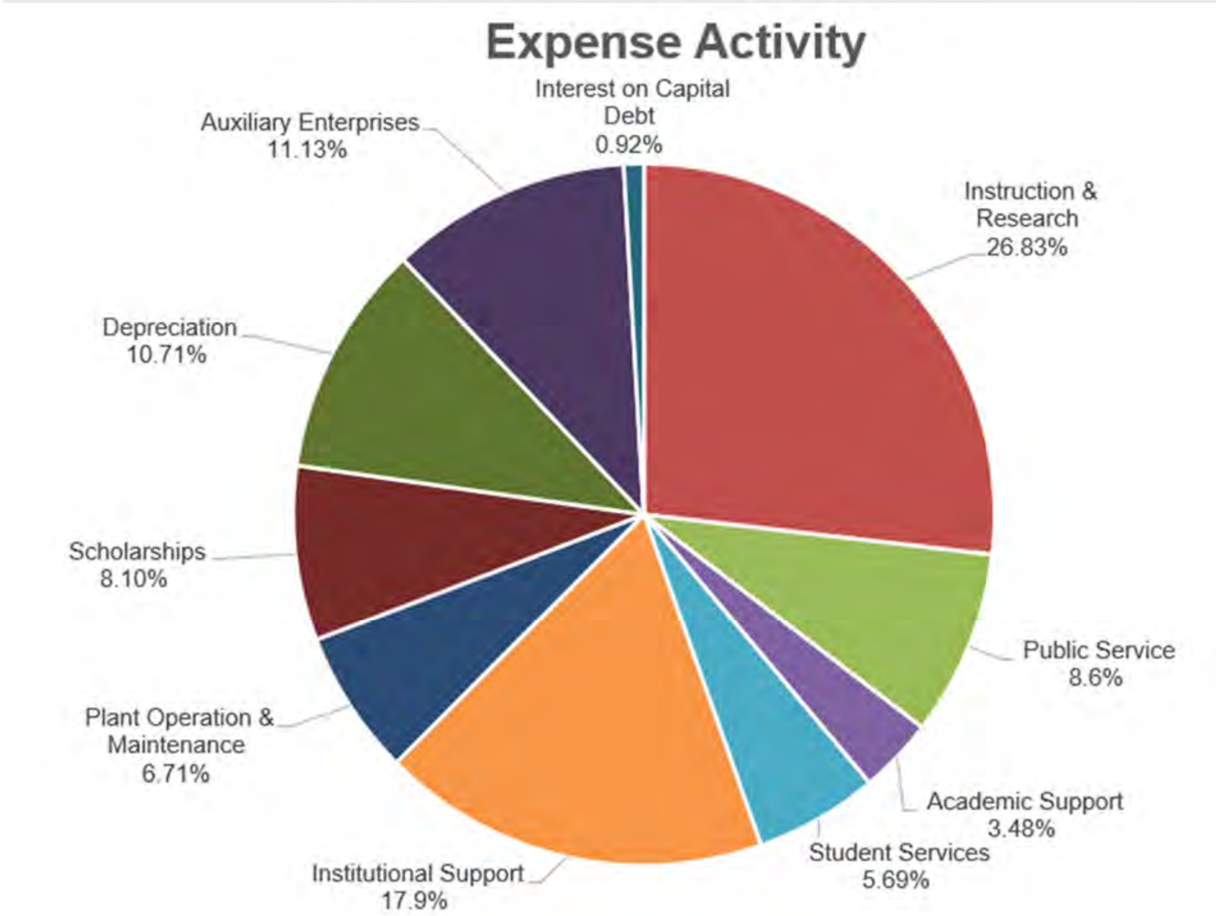
Pell Grants, HEERF grants, and certain other grants are considered nonexchange transactions and are reflected as nonoperating revenue. The $7,364,473 federal grants portion of nonoperating other grants and contract revenue experienced a 56.8 percent decrease in 2023 after experiencing a 7.7 percent decrease from $18,440,500 in 2021 to $17,025,774 in 2022. The 2023 decrease is due to the HEERF money being received in 2022. The 2022 decrease is primarily due to the one-time receipt of CRF programs awarded in 2021. In 2022, the University recorded revenue of $9,765,521 in HEERF funds. Income from federal aid programs such as Pell, SEOG, and Veteran's Benefits amounted to $7.4 million (excluding Covid-19 funding) in 2023, as compared with $6.9 million in 2022, and $6.5 million in 2021. Nonoperating grants revenue represents 19.3 percent of the University's total revenue in 2023, down from 29.5 percent in 2022, and down from 34.7 percent in 2021.

The capital appropriations revenue decreased to $1,352,528 in 2023, from $2,511,324 in 2022, as work on state capital projects finished in 2023. The increase to $2,511,324 in 2022 from $452,238 in 2021, reflects the increased state capital funding received to initiate new capital projects during 2022. Some projects that were completed in 2023 include the ATC roof, the university parking lot and the Kricker Hub.

The following graph illustrates Shawnee State University's revenue activity for the fiscal year ended June 30, 2023.



The following graph illustrates Shawnee State University's expense activity for the fiscal year ended June 30, 2023.



Statement of Cash Flows

The statement of cash flows provides information about the University's financial condition by reporting the cash sources (receipts) and the cash uses (payments) during the fiscal year ended June 30, 2023. A comparison of cash sources and uses during fiscal years 2023, 2022, and 2021 is presented below:

	2023	2022, As Restated	2021
Cash (Used in) Provided By			
Operating activities	$ (27,662,668)	$ (34,788,792)	$ (33,716,829)
Noncapital financing activities	34,356,408	37,992,792	36,050,717
Capital and related financing activities	(3,174,939)	(4,209,532)	(2,096,492)
Investment activities	51,113	45,255	774,136
Net increase (decrease) in cash and cash equivalents	3,569,915	(960,277)	1,011,532
Cash and Cash Equivalents			
Beginning of the year	1,494,949	2,455,226	1,443,694
End of the year	**$ 5,064,864**	**$ 1,494,949**	**$ 2,455,226**

The $3,569,915 increase in Cash and Cash Equivalents in 2023 is a result of increased cash inflows during the year attributable to an increase in state appropriations and private gifts, grants and contracts, as well as a decrease in payments to suppliers for goods and services and a decrease in tuition, fees and other student charges. Cash and cash equivalents decreased by $960,277 in 2022 as a result of the reduction in COVID-19 related grant funding from 2021 in addition to the increase in expenditures due to rising goods and services prices, utility costs, and expenditures due to the transition to on-campus activities.

Capital Assets and Debt Administration

At the end of fiscal year 2023, the University held $80,310,116 in net capital assets. This reflects a decrease of $3,315,692 in net capital assets from 2022. The depreciation expense increased $2,238,950 due to adjustments made to buildings placed in service, see note 6 for more information. The decrease was due to the decreased number of buildings and improvements during 2023. The 2023 construction projects funded by state capital appropriations or federal operating grants include such projects as the Library HVAC renovation, University parking lot renovation and the Kricker Innovation Hub renovation project.

Capital assets - Net of depreciation at June 30:

	2023	2022	2021
Land	$ 8,003,370	$ 8,003,370	$ 8,003,370
Land improvements	8,625,822	8,471,607	6,928,631
Buildings and improvements	58,779,180	62,273,378	65,054,745
Equipment	2,233,822	2,210,234	1,775,017
Library books	26,662	91,166	111,282
Construction in progress	2,641,260	2,576,053	624,031
Totals	**$ 80,310,116**	**$ 83,625,808**	**$ 82,497,076**

Debt Administration

In fiscal year 2017, the University issued $20,845,000 of General Receipts Bonds, Bond Series 2016. The net proceeds of the Series 2016 bonds were designated for various purposes. Bond proceeds of about $7,200,000 were allocated to pay for the costs of various improvements to the University’s campus. Those improvements include the renovation and rehabilitation of existing facilities for athletics and student recreation, health and fitness, student housing renovations, and other campus improvements. Secondly, the funds were utilized to advance refund all of the University’s outstanding General Receipts Bonds, Series 2007. The Series 2007 Bonds were issued on June 5, 2007 for the purpose of paying the costs to renovate and construct a new addition to its University Center and for refunding of prior bond issues. Lastly, the remaining Series 2016 bond proceeds were used to pay costs of issuance of the bonds.

The University recorded an increase of $2,045,152 in subscription liability as a result of implementation of GASB Statement No. 96, *Subscription-Based IT Arrangements (SBITAs)* in 2022. The decrease of $770,551 to subscription liability balance in 2023 was due to the scheduled SBITA payment.

Outstanding debt at year end:

	2023	2022	2021
Unamortized bond premium	$ 437,616	$ 477,939	$ 515,555
General revenue bonds payable - 2% to 4%	16,090,000	17,060,000	18,005,000
Total long-term debt	**$ 16,527,616**	**$ 17,537,939**	**$ 18,520,555**

Current Financial Issues and Concerns

Shawnee State University's operations continued to return to their pre-pandemic levels during 2023. The uncertainties and disruptions of the pandemic directly impacted the size of the incoming fall classes and other returning students in recent years and resulted in rates below historical trends. To compensate for the reduced enrollment levels, operations were limited during the fiscal year. With Covid-19 protocols lifting, the University anticipates a return to stronger financial performance in the coming fiscal year.

Enrollment, Tuition and Fees

Shawnee State saw an increase of nearly 20% in new degree-seeking undergraduates and graduate enrollment for the fall 2022 semester. Continuing undergraduate enrollment, which held stable during the first year of the pandemic, was impacted noticeably by the previous year's smaller entering class and lower retention rates, decreasing by 9%. Graduate students persisted at a higher rate than undergraduates but still experienced a 7% decrease over fall 2021. The net impact of these enrollment levels was a 1.2% decrease in total degree-seeking enrollment for the fall 2022 semester.

While enrollment continued to be challenged in 2023, there are positive indicators of a rebound for future entering classes. In-person recruitment activities resumed, and enrollments increased in the college credit plus program. The University is also launching a new Master of Business Administration in fall 2023. These are all key enrollment revenue streams and a proven pipeline for future enrollment.

State Funding

Shawnee State University relies on support from the State of Ohio to meet its educational mission and serve disadvantaged students in the region. The University's state subsidy has two components: State Share of Instruction (SSI), which is allocated to public institutions through a performance-based funding formula; and a line-item appropriation, the Shawnee State Supplement, which enables the University to maintain lower undergraduate tuition and fund scholarships that increase access for Appalachian Ohioans and other historically underrepresented groups. Total state support increased by 4.2% ($771,785) from 2022 to 2023, 4.8% ($844,690) from 2021 to 2022 and 3.3% ($564,470) from 2020 to 2021. The State of Ohio continues to support the University's mission with substantial increases to the Shawnee State Supplement. In the State of Ohio biennial budget bill passed in July 2023 for fiscal years 2024 and 2025, the University will receive $9,000,000 each year in Shawnee State Supplement support. This new appropriation amount represents an increase of 66.4% ($3,590,750) each fiscal year from the previous Shawnee State Supplement appropriation amount.

Expenses

Total expenses decreased in 2023 due to several factors. As students, faculty, and staff returned fully to campus, and on-site activities and events resumed, several expense categories such as instruction and departmental research, academic support, and institutional support expenditures increased accordingly. Expenses associated with the operation and maintenance of plant increased because of capital improvements, expanded building utilization, and escalating energy costs. Other expense categories such as public service and student services experienced reduced 2023 spending levels as a result of a reduced HEERF related expenses during previous fiscal years. Scholarship expense was impacted by an increase to scholarship allowance associated with more student borrowing as a result of fewer HEERF student financial aid awards during 2023.

Cash, Cash Equivalents and Investments

In response to the enrollment challenges noted earlier, Shawnee State University instituted new initiatives and cost containment measures in recent years to address actual and planned fiscal needs. As a result of these measures, the level of University's cash and investment balances experienced significant increases in 2023. The total of cash, cash equivalents and investments increased 43.6% from 2022 ($9,400,799) to 2023 ($13,501,729).

Statement of Net Position
University

	Year Ended June 30	
	2023	2022, As restated
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and cash equivalents	$ 5,064,864	$ 1,494,949
Receivables:		
Accounts - Net of allowance for doubtful accounts of $1,319,018 in 2023 and $1,670,381 in 2022	6,847,166	11,776,220
Notes receivable	196,750	155,385
Interest receivable	23,447	14,421
Inventory	11,498	20,329
Prepaid items	403,079	449,210
Total current assets	12,546,804	13,910,514
Noncurrent Assets		
Investments	8,436,865	7,905,850
Net OPEB asset	3,893,946	3,666,946
Right-of-use-asset - net	1,616,201	2,456,763
Capital assets - Net	80,310,116	83,625,808
Total noncurrent assets	94,257,128	97,655,367
Total assets	106,803,932	111,565,881
Deferred Outflows of Resources		
Pension costs	11,193,084	6,634,418
OPEB costs	1,243,315	185,889
Total deferred outflows of resources	12,436,399	6,820,307
Total Assets and Deferred Outflows of Resources	**$ 119,240,331**	**$ 118,386,188**

Statement of Net Position (Continued)
University

	Year Ended June 30 2023	Year Ended June 30 2022, As restated
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Accounts payable	$ 830,361	$ 1,821,243
Accrued wages and benefits	2,614,881	2,552,918
Compensated absences payable	186,425	184,714
Long-term debt	1,043,155	1,010,323
Accrued interest payable	47,069	49,569
Unearned revenue	1,391,351	1,759,657
Lease liability	73,178	70,906
Subscription liability	800,463	770,552
Deposits held by and due to others	99,483	102,234
Total current liabilities	7,086,366	8,322,116
Noncurrent Liabilities		
Compensated absences payable	1,679,534	1,662,423
Net pension liability	35,631,089	16,371,054
Net OPEB liability	2,175,004	-
Lease liability	417,145	490,324
Subscription liability	474,138	1,274,600
Long-term debt	15,484,461	16,527,616
Total noncurrent liabilities	55,861,371	36,326,017
Total liabilities	62,947,737	44,648,133
Deferred Inflows of Resources		
Service concession agreements	483,152	347,597
Pension costs	3,716,855	18,052,298
OPEB costs	2,037,908	4,264,963
Bond refunding	352,366	384,401
Total deferred inflows of resources	6,590,281	23,049,259
Net Position		
Net investment in capital assets	62,967,975	65,378,140
Restricted:		
Expendable		
Loans	212,906	212,907
Other	31,079	31,079
Unrestricted	(13,509,648)	(14,933,330)
Total net position	49,702,313	50,688,796
Total Liabilities, Deferred Inflows of Resources, and Net Position	**$ 119,240,331**	**$ 118,386,188**

Statement of Net Assets
Development Foundation

	June 30	
	2023	2022
Assets		
Cash and cash equivalents	$ 2,005,258	$ 1,461,089
Investments	19,850,997	18,372,375
Contributions receivable - Net	1,388,572	390,831
Lease receivable from related party	13,330	15,499
Grant receivable	6,137	196,147
Beneficial interest in trusts held by others	143,258	789,640
Cash surrender value of life insurance	242,616	242,334
Other assets	64,847	66,782
Net property and equipment	12,426,999	11,767,586
Total assets	**$ 36,142,014**	**$ 33,302,283**
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 28,029	$ 7,656
Amount due to primary government	178,111	$ -
Accrued real estate tax	44,952	35,114
Grant payable	6,137	196,147
Other payable	500	500
Deposits held and due to others	4,101	4,101
Annuity payment liability	325,179	390,977
Note payable	2,941,552	3,145,291
Total liabilities	3,528,561	3,779,786
Net Assets		
Without donor restrictions	9,051,326	7,966,837
With donor restrictions	23,562,127	21,555,660
Total net assets	32,613,453	29,522,497
Total liabilities and net assets	**$ 36,142,014**	**$ 33,302,283**

Statement of Revenue, Expenses, and Changes in Net Position
University

		Year Ended June 30		
		2023		2022, As restated
Operating Revenue				
Student tuition and fees (net of scholarship allowances of $11,327,796 in 2023 and $7,870,320 in 2022)	$	17,020,436	$	19,713,441
Federal grants and contracts		3,301,358		4,835,170
State grants and contracts		1,010,225		856,564
Local grants and contracts		576,825		510,875
Private gifts, grants, and contracts		873,280		134,186
Sales and services		1,795,524		1,525,595
Miscellaneous		782,596		983,684
Total operating revenue		25,360,244		28,559,515
Operating Expenses				
Education and general:				
Instruction and departmental research		15,741,693		14,026,555
Public service		5,038,978		6,200,165
Academic support		2,039,681		1,718,214
Student services		3,337,790		8,575,462
Institutional support		10,502,408		8,261,463
Operation and maintenance of plant		3,935,770		3,514,998
Scholarships and fellowships		4,729,489		6,327,757
Depreciation and amortization expense		6,287,696		4,048,746
Auxiliary enterprises		6,529,152		6,539,164
Total operating expenses		58,142,657		59,212,524
Operating Loss		(32,782,412)		(30,653,009)
Nonoperating Revenue (Expenses)				
State appropriations		19,221,054		18,449,269
Federal, state, and local grants and contracts		10,148,016		20,136,898
Private grants and contracts		993,997		209,479
Investment income (loss)		619,882		(801,563)
Gain on disposal of capital assets		-		-
Interest on capital asset-related debt		(539,548)		(573,023)
Net nonoperating revenue		30,443,400		37,421,060
Change in Net Position Before Capital Appropriations		(2,339,012)		6,768,051
Other Revenue - Capital appropriations		1,352,528		2,511,324
Increase (decrease) in Net Position		(986,483)		9,279,375
Net Position - Beginning of year		50,688,796		41,409,421
Net Position - End of year	$	**49,702,313**	$	**50,688,796**

Statement of Activities
Development Foundation
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions	$ 487,066	$ 1,048,354	$ 1,535,420
Contribution of nonfinancial assets	-	19,024	19,024
Investment income - Net	227,485	1,854,748	2,082,233
Change in value of split-interest agreements	-	425,953	425,953
Federal grant revenue	-	1,069,269	1,069,269
Other income	3,915	24,955	28,870
Rental income	407,381	-	407,381
Net assets released from restrictions	2,435,836	(2,435,836)	-
Total revenue and other support	3,561,683	2,006,467	5,568,150
Expenses			
Program services:			
Scholarships and other student aid	501,514	-	501,514
Institutional support	1,142,192	-	1,142,192
Total program services	1,643,706	-	1,643,706
Management and general expenses	213,993	-	213,993
Rental activities	467,229	-	467,229
Fundraising	152,266	-	152,266
Total expenses	2,477,194	-	2,477,194
Change in Net Assets	1,084,489	2,006,467	3,090,956
Net Assets - Beginning of year	7,966,837	21,555,660	29,522,497
Net Assets - End of year	**$ 9,051,326**	**$ 23,562,127**	**$ 32,613,453**

Statement of Activities (Continued)
Development Foundation
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions	$ 113,890	$ 842,780	$ 956,670
Contribution of nonfinancial assets	543	27,024	27,567
Investment income - Net	(349,668)	(2,718,722)	(3,068,390)
Change in value of split-interest agreements	-	(150,708)	(150,708)
Federal grant revenue	-	2,616,754	2,616,754
Other income	439	560	999
Rental income	407,381	-	407,381
Net assets released from restrictions	1,540,418	(1,540,418)	-
Total revenue and other support	1,713,003	(922,730)	790,273
Expenses			
Program services:			
Scholarships and other student aid	379,155	-	379,155
Institutional support	1,026,350	-	1,026,350
Total program services	1,405,505	-	1,405,505
Management and general expenses	159,693	-	159,693
Rental activities	489,304	-	489,304
Fundraising	86,447	-	86,447
Total expenses	2,140,949	-	2,140,949
Change in Net Assets	(427,946)	(922,730)	(1,350,676)
Net Assets - Beginning of year	8,394,783	22,478,390	30,873,173
Net Assets - End of year	**$ 7,966,837**	**$ 21,555,660**	**$ 29,522,497**

	Year Ended June 30 2023	2022, As Restated
Cash Flows from Operating Activities		
Cash received from tuition, fees, and other student charges	$ 16,671,721	$ 19,296,668
Cash received from federal direct student loan receipts	11,155,406	10,956,162
Cash received from gifts, grants, and contracts	6,555,041	5,907,055
Cash received from sales and services	1,652,360	1,503,949
Cash received from miscellaneous services	918,151	843,674
Cash payments to suppliers for goods and services	(15,095,469)	(22,925,816)
Cash payments to employees for services	(25,289,269)	(24,415,953)
Cash payments for employee benefits	(8,626,281)	(8,595,320)
Cash payments for scholarships and fellowships	(4,729,489)	(6,328,033)
Cash payments for federal direct student loan disbursements	(10,874,839)	(11,031,178)
Net cash used in operating activities	(27,662,668)	(34,788,792)
Cash Flows from Noncapital Financing Activities		
State appropriations	19,221,054	18,449,269
Nonexchange gifts, grants, and contracts	15,143,994	19,536,464
Net deposits held by and due to others transactions	(8,640)	7,059
Net cash provided by noncapital financing activities	34,356,408	37,992,792
Cash Flows from Capital and Related Financing Activities		
Capital appropriations	1,329,252	2,463,055
Payments for capital acquisitions	(2,082,104)	(4,386,046)
Principal payments on debts and leases	(1,811,459)	(1,645,357)
Interest payments on debts and leases	(610,627)	(641,184)
Net cash used in capital and related financing activities	(3,174,938)	(4,209,532)
Cash Flows from Investing Activities		
Interest on investments	155,175	293,742
Proceeds for sales and maturities of investments	3,918,495	3,943,501
Purchases of securities	(4,022,557)	(4,191,988)
Net cash provided by investing activities	51,113	45,255
Net Change in Cash and Cash Equivalents	3,569,915	(960,277)
Cash and Cash Equivalents - Beginning of year	1,494,949	2,455,226
Cash and Cash Equivalents - End of year	**$ 5,064,864**	**$ 1,494,949**

Statement of Cash Flows (Continued)
University

	Year Ended June 30 2023	Year Ended June 30 2022, As Restated
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	$ (32,782,412)	$ (30,653,009)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation and amortization expense	6,287,696	4,048,746
Changes in operating assets and liabilities and deferred outflows of resources and deferred inflows of resources which provided (used) cash:		
Accounts receivable	446,413	(851,960)
Direct loans receivable	280,567	(75,016)
Notes receivable	(41,365)	(31,699)
Prepaid items	42,355	(146,632)
Inventory	8,830	(13,071)
Accounts payable	(1,020,048)	374,378
Accrued wages and benefits	61,963	146,589
Compensated absences payable	18,822	38,045
Unearned revenue	5,062	(139,886)
Net OPEB asset	(227,000)	(1,026,666)
Net pension liability	19,260,035	(14,682,358)
Net OPEB liability	2,175,004	-
Deferred outflows of resources - Net pension expense	(4,558,666)	(2,031,190)
Deferred outflows of resources - Net OPEB pension expense	(1,057,426)	503,776
Deferred inflows of resources - Net pension expense	(14,335,443)	11,271,556
Deferred inflows of resources - Net OPEB expense	(2,227,055)	(1,520,395)
Net cash used in operating activities	**$ (27,662,668)**	**$ (34,788,792)**

Note 1 - Reporting Entity

Shawnee State University (the "University") is a state institution of higher education created in 1986 by the Ohio General Assembly under House Bill 739. The University is one of several state-supported universities in the state of Ohio (the "State"). The University is a component unit of the State and is included as a discretely presented component unit in the State's Comprehensive Annual Financial Report. It is declared by statute to be a body politic and corporate and an instrumentality of the State. The University is governed by a nine-member board of trustees, which is granted authority under Ohio law to do all things necessary for the proper maintenance and continual successful operation of the University. The trustees are appointed for staggered nine-year terms by the governor with the advice and consent of the State Senate. In addition, two nonvoting student members are appointed to the board of trustees for staggered two-year terms.

GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units,* GASB Statement No. 61, *The Financial Reporting Entity,* and GASB Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14 - Omnibus*, provide guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. Generally, it requires reporting as a component unit an organization that raises and holds significant economic resources for the direct benefit of a government unit.

Shawnee State University Development Foundation (the "Foundation") is a legally separate, tax-exempt organization supporting the University. The Foundation acts primarily as a fundraising organization to supplement the resources that are available to the University in support of its programs. The Foundation's board of trustees is self-perpetuating and consists of graduates and friends of the University. Although the University does not control the timing or amount of receipts from the Foundation, the majority of the resources the Foundation holds and invests are restricted by the donors to the activities of the University. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements. The Foundation's financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles as prescribed by the Financial Accounting Standards Board. A separate financial report for the Foundation is available by contacting The Shawnee State University

Note 1 - Reporting Entity (Continued)

Development Foundation, 940 Second Street, Portsmouth, Ohio, 45662 or by calling 740-351-3284.

The financial statements of the University have been prepared on the accrual basis and are in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant Shawnee State University accounting policies are described below.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation - In accordance with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities,* and subsequent standards issued by the GASB, the accompanying financial statements have been prepared using the economic resource measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the US. The University has elected to report as an entity engaged in business-type activities.

When an expenditure is incurred for purposes for which both restricted and unrestricted funds are available, it is the University's policy to apply restricted resources first, then unrestricted resources as needed.

The financial statements presentation is intended to provide a comprehensive, entity-wide perspective of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenue, expenses, changes in net position, and cash flows.

Basis of Accounting - The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Shawnee State University's financial statements are prepared using the accrual basis of accounting.

Operating revenue is recorded on the accrual basis when the exchange takes place. Non-operating revenues are derived from more passive efforts related to the acquisition of the revenue rather than the earning of it. Expenses are recognized at the time they are incurred.

Cash and Cash Equivalents - Cash consists primarily of petty cash and cash in bank accounts. Cash equivalents are short-term highly liquid investments readily convertible to cash with original maturities of three months or less.

Note 2 - Summary of Significant Accounting Policies (Continued)

Accounts Receivable - Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, staff, the majority of each residing in the state of Ohio. Accounts receivable also include amounts due from the federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Prepaid Items - Payments made to vendors for services that will benefit periods beyond the year end are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expense is reported in the year in which the services are consumed.

Investments - Investments, which include investment contracts and money market investments that have a remaining maturity of one year or less at the time of purchase, are reported at fair value. The University has an investment management agreement with TIAA, as permitted by state statute. The agreement allows (within statute limits) investment in both debt and equity instruments. All investments are carried at fair value.

The University has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, *Accounting and Financial Reporting for Certain External Investment Pools and Pool Participants*, which establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price at which the investment could be sold on June 30, 2023 and 2022, respectively.

Capital Assets - Capital assets utilized by Shawnee State University are reported on the statement of net position. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. Shawnee State University maintains a capitalization threshold of $5,000 for movable equipment and $100,000 for buildings. Building improvement

Note 2 - Summary of Significant Accounting Policies (Continued)

projects over $100,000 are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or significantly extend an asset's life are not capitalized.

All reported capital assets except for land, land improvements, and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Buildings and improvements	25-50 years
Machinery and equipment	5-20 years
Licensed vehicles	5-10 years
Library books	10 years

With the implementation of GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period,* effective for reporting periods beginning after December 15, 2019, Shawnee State University's policy is to not capitalize net interest on construction projects until completion of the project. The amount of the capitalized interest is the difference between the interest cost associated with the tax-exempt borrowing used to finance the project and the interest earned from temporary investments of the debt proceeds over the same period. The University's financial statements were not impacted by the implementation of GASB Statement No. 89.

Leased assets and subscription-based IT arrangements (SBITA's) are amortized in a systematic and rational manner over the shorter of the term or the useful life of the underlying asset. The amortized asset is reported as an outflow of resources which is combined with depreciation expense related to other capital assets for financial reporting purposes.

Compensated Absences - Vacation benefits are accrued as a liability as the benefits are earned if the employee's right to receive compensation is attributable to service already rendered and it is probable that the employer will compensate the employee for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability will include employees currently eligible to receive termination benefits and those Shawnee State University had identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and the employee's wage rate at year end, taking into consideration any limits specified in Shawnee State University's termination procedures.

Unearned Revenue - Unearned revenue is predominantly made up of two categories of income. The first consists of receipts relating to tuition and student

Note 2 - Summary of Significant Accounting Policies (Continued)

fees in advance of the services to be provided. The University will recognize revenue to the extent these services are provided over the coming fiscal year. The remaining source of unearned revenue consists of grant funding received from the grantor prior to occurrence of allowable grant expenses. Revenue will be recognized as expenses are incurred.

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

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

Deferred Outflows 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 a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government reports deferred outflows of resources for certain pension-related and OPEB-related amounts, such as change in expected and actual experience, changes in assumptions, and certain contributions made to the plan subsequent to the measurement date. More detailed information can be found in Note 14.

Note 2 - Summary of Significant Accounting Policies (Continued)

Deferred Inflows 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 a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government reports deferred inflows of resources for certain pension-related and OPEB-related amounts, such as the difference between projected and actual earnings of the plan's investments. More detailed information can be found in Note 14. Defeasance of bond and service concession agreement amounts are included as deferred inflow of resources since they are recognized in a future period.

Net Position - GASB Statement No. 35 establishes standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following net position categories:

- **Net Investment in Capital Assets** - Capital assets, net of accumulated depreciation, lease assets, and subscription assets reduced by the outstanding balances of debt, including liability and deferred inflows of resources related to the acquisition, construction, or improvement of those assets.
- **Restricted** - Owned by the University, but the use or purpose of the funds is restricted by an external source or entity. The restricted net position category is subdivided further into expendable and nonexpendable.
  - **Restricted Expendable** - May be spent by the institution, but only for the purpose specified by the donor, or other external entity. This category includes the unspent balance in loan funds, debt service funds, and bond-funded capital projects.
  - **Restricted Nonexpendable** - Endowment funds whose principal may be invested; however, only interest, dividends, and capital gains may be spent.
- **Unrestricted** - Resources whose use by the University is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the board of trustees or may otherwise be limited by contractual agreements with outside parties.

Income Taxes - The University is an organization described in Section 115 of the Internal Revenue Code (the "Code") and has further been classified as an organization that is not a private foundation in accordance with Sections 509(a)(1) and 170(b)(1)(A)(ii) of the Code. However, certain revenue is

Note 2 - Summary of Significant Accounting Policies (Continued)

considered unrelated business income and may be taxable under Code Sections 511 through 513.

Self-Insurance - The University is self-insured through a consortium for certain employee health benefit programs. Funding for these programs is based on actuarial projections provided by the plan administrators. Aggregate stop-loss insurance is maintained for benefit payments that exceed the maximum limits outlined in the policy. A liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, is recorded.

Classification of Revenue - Revenue is classified as either operating or nonoperating.

- Operating revenue includes revenue from activities that have characteristics similar to exchange transactions. These include student tuition and fees (net of scholarship discounts and allowances), sales and services of auxiliary enterprises (net of scholarship discounts and allowances), and certain federal, state, local and private grants, and contracts. The presumption is that there is a fair exchange of value between all parties to the transaction.

- Nonoperating revenue includes revenue from activities that have the characteristics of nonexchange transactions, such as state appropriations and certain federal, state, local, and private gifts, and grants. The implication is that such revenue is derived from more passive efforts related to the acquisition of the revenue, rather than the earning of it.

Scholarship Discounts and Allowances - Student tuition and fee revenue, and certain other revenue from students, are reported net of scholarship discounts and allowances in the statement of revenue, expenses, and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain federal, state, local, and nongovernmental grants are recorded as either operating or nonoperating revenue in the University's financial statements based on whether or not they are considered exchange transactions. To the extent that revenue from such programs is used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance.

Note 2 - Summary of Significant Accounting Policies (Continued)

Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements - The University recognizes a PPP receivable and a deferred inflow of resources in the government-wide and fund financial statements. At the commencement of a PPP, the University initially measures the PPP receivable at the present value of payments expected to be received during the term. Subsequently, the PPP receivable is reduced by the principal portion of PPP payments received. The deferred inflow of resources is initially measured as the initial amount of the PPP receivable, adjusted for PPP payments received at or before the commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the term. The University recorded deferred inflows of resources of $483,152 and $347,597 at June 30, 2023 and 2022, respectively. The projects included in this are the Dining Hall, Coffee House, Chilacas, and the Concession Stand. The University monitors changes in circumstances that would require a remeasurement of its PPPs and will remeasure the PPP receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the PPP receivable.

Subscription-Based Information Technology Arrangements - The University obtains the right to use vendors' information technology software through various long-term contracts. The University recognizes a subscription liability and an intangible right-of-use subscription asset in the applicable governmental or business-type activities column in the government-wide financial statements. The University recognizes subscription assets and liabilities with an initial value of $100,000 or more. At the commencement of a subscription, the University initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus initial implementation costs. Subsequently, the subscription asset is depreciated on a straight-line basis over its useful life. Key estimates and judgments related to subscriptions 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

Note 2 - Summary of Significant Accounting Policies (Continued)

amount of the subscription liability.

Budgetary Process - Although not required under the Ohio Revised Code, estimated budgets are adopted by the University board of trustees in the current fiscal year for the following fiscal year. As part of budgetary control, purchase orders, contracts, and other commitments are recorded as the equivalent of an expense on the budgetary basis in order to reserve that portion of the applicable encumbrance.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Pronouncements - As of June 30, 2023, the GASB issued the following statement implemented by the University:

- **Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements** – During the current year, the University adopted GASB Statement No. 94, *Public-Private and Public-Public Partnership Arrangements.*

- **Subscription-Based Information Technology Arrangements –** During the current year, the University adopted GASB Statement No. 96, *Subscription Based Information Technology Arrangements* (SBITA). SBITA activity is further described in Note 10. The financial statements for the year ended June 30, 2022 have been restated in order to adopt GASB Statement No. 96.

Note 2 - Summary of Significant Accounting Policies (Continued)

The effect of GASB Statement No. 96 on June 30, 2022 net position was as follows:

	Previously Reported in FY22	Change	Adjusted Balance for FY22
Statement of Net Position			
Assets and Deferred Outflows of Resources:			
Lease right of use asset	$ 544,541	$ 1,912,222	$ 2,456,763
Total noncurrent assets	95,743,145	1,912,222	97,655,367
Total assets	109,653,659	1,912,222	111,565,881
Total Assets and Deferred Outflows of Resources	116,473,966	1,912,222	118,386,188
Liabilities, Deferred Inflows of Resources, and Net Posiiton:			
Subscription Liability	-	770,552	770,552
Total Current Liabilities	7,551,564	770,552	8,322,116
Subscription Liability	-	1,274,600	1,274,600
Total noncurrent liabilities	35,051,417	1,274,600	36,326,017
Total Liabilities	42,602,981	2,045,152	44,648,133
Unrestricted	(14,800,400)	(132,930)	(14,933,330)
Total Net Position	50,821,726	(132,930)	50,688,796
Total Liabilities, Deferred Inflows of Resources, and Net Position	116,473,966	1,912,222	118,386,188
Statement of Revenue, Expenses, and Changes in Net Position			
Operating Expenses			
Institutional Support	8,893,115	(631,652)	8,261,463
Depreciation and amortization expense	3,284,164	764,582	4,048,746
Total operating expenses	59,079,594	132,930	59,212,524
Operating Loss	(30,520,079)	(132,930)	(30,653,009)
Change in Net Position Before Capital Appropriations	6,900,981	(132,930)	6,768,051
Increase in Net Position	9,412,305	(132,930)	9,279,375
Net Position-End of year	50,821,726	(132,930)	50,688,796

Note 2 - Summary of Significant Accounting Policies (Continued)

	Previously Reported in FY22	Change	Adjusted Balance for FY22
Statement of Cash Flows University			
Cash Flows from Operating Activities			
Cash payments to suppliers for goods and services	$ (23,557,468)	$ 631,652	$ (22,925,816)
Net cash used in operating activities	(35,420,444)	631,652	(34,788,792)
Cash Flows from Capital and Related Financing Activities			
Principal payments	(1,013,705)	(631,652)	(1,645,357)
Net cash used in capital and related financing activities	(3,577,880)	(631,652)	(4,209,532)
Reconciliation of Operating Loss to Net Cash from Operating Activities:			
Operating Loss	(30,520,079)	(132,930)	(30,653,009)
Depreciation and amortization expense	(3,284,164)	(764,582)	(4,048,746)
Net cash used in operating activities	(35,420,444)	631,652	(34,788,792)

Upcoming Accounting Pronouncements - As of June 30, 2023, the GASB has issued the following statements not yet implemented by the University:

- **Compensated Absences –** In June 2022, the Governmental Accounting Standards Board issued GASB Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the University's financial statements for the year ending June 30, 2025.

Subsequent Events – Shawnee State University (the "University") on August 14, 2023, issued information offering a plan to its eligible employees under which a qualifying employee, in consideration for voluntary relinquishment of employment by January 1, 2024, under the terms provided may receive a cash payment(s) or other incentives. This Plan is not a retirement program and is not intended to provide retirement income. This Plan is intended to qualify as a severance pay plan as defined under Code Section 457(e)(11) and as a "window program" under Code Section 409A and Treasury Regulation Section 1.457-11(d)(3).

Note 3 - Deposits and Investments

Deposits - At June 30, 2023, the carrying amount of the University's deposits (which consist of cash, excluding cash on hand of $2,131, deposits held by trustee, and investments) was $5,062,733 and the bank balance was $5,381,923. The difference in the carrying amount and bank balance primarily results from outstanding checks. Of the bank balance, $250,000 is covered by the Federal Deposit Insurance Corporation. At June 30, 2022, the carrying amount of the University's deposits, (which consist of cash, excluding cash on hand of $2,131, deposits held by trustee, and investments) was $1,492,818 and the bank balance was $1,724,399.

Investments - All investments are stated at fair value. Investments received by gift are stated at fair value at the date of gift if a fair value is available, and otherwise at an appraised or nominal value.

As of June 30, 2023, the University had the following investments and maturities using the segmented time distribution method:

		Investment Maturities (in years)		
Investment Type	Value	<1	1-5	More than 5
U.S. govt. and agency bonds	$ 1,979,804	$ 152,691	$ 1,075,801	$ 751,312
Corporate bonds and notes	1,177,787	-	648,493	529,294
Fixed-income mutual funds	1,028,786	1,028,786	-	-
Money market funds	427,525	427,525	-	-
STAR Ohio funds	203,642	203,642	-	-
Total	4,817,544	$ 1,812,644	$ 1,724,294	$ 1,280,607
Equities and equity funds	3,619,321			
Total	$ 8,436,865			

Note 3 - Deposits and Investments (Continued)

As of June 30, 2022, the University had the following investments and maturities using the segmented time distribution method:

		Investment Maturities (in years)		
Investment Type	Value	<1	1-5	More than 5
U.S. govt. and agency bonds	$ 1,395,933	$ -	$ 1,233,674	$ 162,259
Corporate bonds and notes	1,773,644	1,845	1,402,218	369,581
Fixed-income mutual funds	1,290,954	1,290,954	-	-
Money market funds	255,578	255,578	-	-
STAR Ohio funds	195,839	195,839	-	-
Total	4,911,948	$ 1,744,216	$ 2,635,892	$ 531,840
Equities and equity funds	2,993,902			
Total	$ 7,905,850			

Investments at June 30, 2023, and 2022, are shown in the statement of net position as noncurrent assets in the amount of $8,436,865 and $7,905,850, respectively.

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 does not specifically limit investment maturities as a means of managing 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. The University's investment policy limits investments in fixed-income securities to government and agency issues and corporate issues in the top four quality rating of recognized credit services. Other than for alternative investments, investments below investment grade and derivatives are specifically prohibited.

Note 3 - Deposits and Investments (Continued)

As of June 30, 2023, and 2022, the University had the following investments and quality ratings:

Investment Type	Rating	2023 Fair Value	2022 Fair Value
U.S. govt. and agency bonds	AAA	1,930,352	$ 1,317,934
	AA+	49,452	77,999
Corporate bonds and notes	AAA	-	154,638
	AA	333,957	244,300
	A	561,899	810,542
	BBB	281,931	564,164
Fixed-income mutual funds	AAA	1,028,786	1,290,954
Money market funds	AAA	427,525	255,578
STAR Ohio funds	AAA	203,642	195,839
		$ 4,817,544	$ 4,911,948

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The University's investment policy limits investment in any single issue other than U.S. government securities to 5.0 percent of the total investment portfolio.

Note 4 - Fair Value Measurements

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

Note 4 - Fair Value Measurements (Continued)

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

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

	Balance at June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Money market:				
Money market	$ 427,525	$ 427,525	$ -	$ -
Total money market	427,525	427,525	-	-
Debt securities:				
U.S. govt. and agency bonds	1,979,804	1,979,804	-	-
Corporate bonds and notes	1,177,787	-	1,177,787	-
Total debt securities	3,157,591	1,979,804	1,177,787	-
Mutual funds:				
Fixed-income mutual funds	1,028,786	1,028,786	-	-
Equity mutual funds	3,619,321	3,619,321	-	-
Total mutual funds	4,648,107	4,648,107	-	-
Total investments by fair value level	$ 8,233,223	$ 7,055,436	$ 1,177,787	$ -

Note 4 - Fair Value Measurements (Continued)

The University has the following assets with recurring fair value measurements as of June 30, 2022:

	Balance at June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Money market:				
Money market	$ 255,578	$ 255,578	$ -	$ -
Total money market	255,578	255,578	-	-
Debt securities:				
U.S. govt. and agency bonds	1,395,933	1,395,933	-	-
Corporate bonds and notes	1,773,644	-	1,773,644	-
Total debt securities	3,169,577	1,395,933	1,773,644	-
Mutual funds:				
Fixed-income mutual funds	1,290,954	1,290,954	-	-
Equity mutual funds	2,993,902	2,993,902	-	-
Total mutual funds	4,284,856	4,284,856	-	-
Total investments by fair value level	$ 7,710,011	$ 5,936,367	$ 1,773,644	$ -

Short-term investment and investments on the statement of net position at June 30, 2023 and 2022, include investments in STAR Ohio of $203,642 and $195,839, respectively. The investments in STAR Ohio are measured at amortized cost; therefore, they are not included in the tables above. There are no limitations or restrictions on any STAR Ohio participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given to STAR Ohio 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $50 million, requiring the excess amount to be transacted the following business day(s), but only to the $50 million limit. All accounts of the STAR Ohio investors will be combined for these purposes.

Note 5 - Accounts Receivable

The composition of accounts receivable at June 30, 2023, and 2022, is summarized as follows:

	2023		2022	
Student tuition and fees	$	3,798,517	$	4,121,577
Grants and contracts		4,076,092		9,214,426
Other		291,575		110,598
Total accounts receivable		8,166,184		13,446,601
Less allowance for doubtful accounts		(1,319,018)		(1,670,381)
Accounts receivable - Net	$	6,847,166	$	11,776,220

Note 6 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Reclass and Additions	Reductions	Balance June 30, 2023
Capital assets not being depreciated:				
Land	$ 8,003,370	$ -	$ -	$ 8,003,370
Land improvements	8,471,607	154,215	-	8,625,822
Construction in progress	2,576,053	1,422,124	(1,356,917)	2,641,260
Total capital assets not being depreciated	19,051,030	1,576,339	(1,356,917)	19,270,452
Capital assets being depreciated:				
Buildings and improvements	123,658,127	1,322,827	(35,506)	124,945,448
Equipment	16,868,514	615,871	(86,774)	17,397,611
Library books	3,997,882	8,827	(41,556)	3,965,153
Total capital assets being depreciated	144,524,523	1,947,526	(163,836)	146,308,213
Less accumulated depreciation:				
Buildings and improvements	(61,384,749)	(6,066,551)	1,285,031	(66,166,269)
Equipment	(14,658,280)	(592,283)	86,774	(15,163,789)
Library books	(3,906,716)	(73,331)	41,556	(3,938,491)
Total accumulated depreciation	(79,949,745)	(6,732,165)	1,413,361	(85,268,549)
Total capital assets being depreciated - Net	64,574,778	(4,784,639)	1,249,525	61,039,664
Capital assets - Net	$ 83,625,808	$ (3,208,300)	$ (107,392)	$ 80,310,116

As of June 30, 2023, the total of outstanding commitments for Capital Projects funded by the State of Ohio was $382,008.

Depreciation and amortization expense increased by $2,238,950 primarily due to an adjustment within the depreciation calculation for buildings placed in service in 2021 ($550,909) and 2022 ($547,356). The University has updated the calculations for applicable existing buildings and has recorded depreciation expense adjustment through 2023 depreciation and amortization expense.

Note 6 - Capital Assets (Continued)

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Balance July 1, 2021	Reclass and Additions	Reductions	Balance June 30, 2022
Capital assets not being depreciated:				
Land	$ 8,003,370	$ -	$ -	$ 8,003,370
Land improvements	6,928,631	1,542,976	-	8,471,607
Construction in progress	624,031	2,463,246	(511,224)	2,576,053
Total capital assets not being depreciated	15,556,032	4,006,222	(511,224)	19,051,030
Capital assets being depreciated:				
Buildings and improvements	123,586,432	71,695	-	123,658,127
Equipment	16,376,202	757,233	(264,921)	16,868,514
Library books	3,985,606	12,987	(711)	3,997,882
Total capital assets being depreciated	143,948,240	841,915	(265,632)	144,524,523
Less accumulated depreciation:				
Buildings and improvements	(58,531,687)	(3,118,694)	265,632	(61,384,749)
Equipment	(14,601,185)	(57,095)	-	(14,658,280)
Library books	(3,874,324)	(32,392)	-	(3,906,716)
Total accumulated depreciation	(77,007,196)	(3,208,181)	265,632	(79,949,745)
Total capital assets being depreciated - Net	66,941,044	(2,366,266)	-	64,574,778
Capital assets - Net	$ 82,497,076	$ 1,639,956	$ (511,224)	$ 83,625,808

As of June 30, 2022, the total of outstanding commitments for Capital Projects funded by the State of Ohio was $1,367,154.

Note 7 - Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and state laws. Classified employees and administrators earn 10-25 days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Vacation time may be accumulated up to a maximum of twice the employee's current accrual rate. Faculty does not accrue vacation time.

Faculty, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated with no maximum by all personnel. Upon retirement, payment is made for one-fourth of accrued but unused sick leave credit to a maximum of 40 days for qualifying employees.

Note 8 - Long-term Obligations

The changes in the University's long-term obligations during fiscal year 2023 were as follows:

	Principal Outstanding July 1, 2022	Additions	Deductions	Principal Outstanding June 30, 2023	Current Portion
General Receipt Bonds, Series 2016	$ 17,060,000	$ -	$ 970,000	$ 16,090,000	$ 1,000,000
Unamortized bond premium	477,939	-	40,323	437,616	43,155
Sub total long-term debt	17,537,939	-	1,010,323	16,527,616	1,043,155
Compensated absences	1,847,137	261,828	243,006	1,865,959	186,425
Leases	561,230	-	70,907	490,323	73,178
Subscriptions	2,045,152	-	770,551	1,274,601	800,463
Total long-term liabilities	$ 21,991,458	$ 261,828	$ 2,094,786	$ 20,158,500	$ 2,103,221

Note 8 - Long-term Obligations (Continued)

The changes in the University's long-term obligations during fiscal year 2022 were as follows:

	Principal Outstanding July 1, 2021	Additions	Deductions	Principal Outstanding June 30, 2022	Current Portion
General Receipt Bonds, Series 2016	$ 18,005,000	$ -	$ 945,000	$ 17,060,000	$ 970,000
Unamortized bond premium	515,555	-	37,616	477,939	40,323
Sub total long-term debt	18,520,555	-	982,616	17,537,939	1,010,323
Compensated absences	1,809,092	221,549	183,504	1,847,137	184,714
Leases	629,935		68,705	561,230	70,906
Subscriptions	2,676,804	-	631,652	2,045,152	770,552
Total long-term liabilities	$ 23,636,386	$ 221,549	$ 1,866,477	$ 21,991,458	$ 2,036,495

In fiscal year 2017, the University issued $20,845,000 of General Receipts Bonds, Series 2016, dated November 29, 2016, maturing at various dates through June 1, 2041 at coupon rates ranging from 2.0 percent to 4.0 percent. The net proceeds of the Series 2016 Bonds will be used to first pay for the costs of various improvements to the University's campus. Those improvements include the renovation and rehabilitation of existing facilities for athletics and student recreation, health and fitness, student housing renovations, and other campus improvements (collectively, the "Project"). Secondly, the funds will be utilized to advance refund all of the University's outstanding General Receipts Bonds, Series 2007, dated June 5, 2007 (the "Series 2007 Bonds") and finally, to pay costs of issuance of the Series 2016 Bonds.

The University advance refunded the 2007 Series bonds to reduce its total debt service payments over the next 18 years by almost $2.3 million and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $1.8 million.

The interest expense for the bonds in fiscal years 2023 and 2022 was $522,845 and $554,118, respectively.

Note 8 - Long-term Obligations (Continued)

Principal and interest amount due within each of the next five years and thereafter on the Series 2016 bond obligations outstanding at June 30, 2023 are as follows:

Years Ending June 30	Principal	Interest	Total
2024	$ 1,000,000	$ 564,825	$ 1,564,825
2025	1,020,000	544,825	1,564,825
2026	1,045,000	521,875	1,566,875
2027	1,080,000	480,075	1,560,075
2028	1,120,000	439,575	1,559,575
2029-2033	6,395,000	1,440,225	7,835,225
2034-2038	3,050,000	489,950	3,539,950
2039-2041	1,380,000	97,650	1,477,650
Total	$ 16,090,000	$ 4,579,000	$ 20,669,000

Note 9 – Leases

The University leases certain assets from a third party. The assets leased include two buildings located at 945 and 1001 Fourth Street, Portsmouth, Ohio 45662. The Shawnee State University Development Foundation is the lessor. The lease is set to expire in fiscal year 2029 and has a discount rate of 3.16 percent. Payments are fixed annually at approximately $88,000 per year.

Lease asset activity of the University was as follows for June 30, 2023:

	Beginning Balance July 1, 2022	Additions	Deductions	Ending Balance June 30, 2023
Leased Asset Class				
Building	$ 696,505	$ -	$ -	$ 696,505
Accumulated Amortization				
Building	$ (151,964)	$ -	$ (75,982)	$ (227,946)
Net Book Value of Leased Assets	$ 544,541	$ -	$ (75,982)	$ 468,559

Note 9 – Leases

Lease asset activity of the University was as follows for June 30, 2022:

	Beginning Balance July 1, 2021	Additions	Deductions	Ending Balance June 30, 2022
Leased Asset Class				
Building	$ 696,505	$ -	$ -	$ 696,505
Accumulated Amortization				
Building	$ (75,983)	$ -	$ (75,981)	$ (151,964)
Net Book Value of Leased Assets	$ 620,522	$ -	$ (75,981)	$ 544,541

Future principal and interest payment requirements related to the University's lease liability are as follows:

Years Ending June 30	Principal	Interest	Total
2024	$ 73,178	$ 14,431	$ 87,609
2025	75,522	12,087	87,609
2026	77,943	9,667	87,610
2027	80,440	7,169	87,609
2028	83,018	4,592	87,610
2029-2030	100,222	1,989	102,211
Total	$ 490,323	$ 49,935	$ 540,258

The capital interest expense for the leases in fiscal years 2023 and 2022 was $16,703 and $18,905, respectively.

Note 10 – Subscription-based Information Technology Agreements

The University obtains the right to use vendors' information technology software through various long-term contracts. Payments are generally fixed monthly, with certain variable payments not included in the measurement of the liability required based on university needs and demand. The subscriptions have a discount rate of 3.16 percent.

Subscription asset activity of the University was as follows for June 30, 2023:

	Beginning Balance July 1, 2022	Additions	Deductions	Ending Balance June 30, 2023
Subscription-based IT Assets	$2,676,804	$ -	$ -	$ 2,676,804
Accumulated Amortization	$ (764,582)	$ -	$ (764,580)	$ (1,529,162)
Net Book Value of Subscription-based IT Assets	$1,912,222	$ -	$ (764,580)	$ 1,147,642

Subscription asset activity of the University was as follows for June 30, 2022:

	Beginning Balance July 1, 2021	Additions	Deductions	Ending Balance June 30, 2022
Subscription-based IT Assets	$2,676,804	$ -	$ -	$ 2,676,804
Accumulated Amortization	$ -	$ -	$ (764,582)	$ (764,582)
Net Book Value of Subscription-based IT Assets	$2,676,804	$ -	$ (764,582)	$ 1,912,222

Note 10 – Subscription-based Information Technology Agreements (Continued)

Future principal and interest payment requirements related to the University's subscription liability at June 30, 2023 are as follows:

Years Ending June 30	Principal	Interest	Total
2024	$ 800,463	$ 16,876	$ 817,339
2025	311,354	5,890	$ 317,244
2026	162,784	692	$ 163,477
Total	$ 1,274,601	$ 23,459	$ 1,298,059

The capital interest expense for subscriptions in fiscal years 2023 and 2022 was $41,730 and $65,364, respectively.

Note 11 - Contingencies

The University receives financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the unrestricted or restricted educational and general funds or other applicable funds. However, in the opinion of management, any such disallowed claims would not have a significant adverse effect on the overall financial statements of the University at June 30, 2023.

During the normal course of operations, the University has become a defendant in various legal and administrative actions. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. However, in the opinion of university management, the disposition of all pending litigations would not have a significant adverse effect on the University's financial position.

The U.S. Department of Commerce awarded an Economic Development Administration (EDA) Grant in the amount of $2,793,393 to Shawnee State University and the Shawnee State University Development Foundation. The State of Ohio awarded an additional $700,000 as matching funds to Shawnee State University. The funding was utilized for the renovations of the Shawnee State University Kricker Innovation Hub. The University is the lead recipient on

Note 11 – Contingencies (Continued)

the project and facilitated the administration of the award. The construction Notes to Financial Statements was completed by March 2023. The Foundation holds title to the property on which the renovations occurred.

As a stipulation of the award, the EDA requires the Foundation to hold title to the building and to utilize the building for the authorized purpose of the project for 20 years from the date construction is completed. As such, the EDA has a first priority unsubordinated mortgage lien on the building in favor of the EDA. If the property is no longer used for the authorized purpose of the project, disposed of, or encumbered without EDA approval within that timeframe, the EDA may assert its interest in the property to recover the federal share of the value of the property, which was determined to be the percentage of the current fair market value of the property attributed to the EDA participation in the project.

Note 12 - State Support

The University is a state-assisted institution of higher education, which receives a student-performance-based subsidy from the State of Ohio. This subsidy is determined annually based upon a formula managed by the Ohio Department of Higher Education, adjusted to state resources available. The University also receives a supplemental appropriation to support the goals of improving course completion, increasing the number of degrees conferred, and furthering the University's mission of service to the Appalachian region.

In addition to the performance-based subsidy and supplement, the State of Ohio provides funding for the construction of major plant facilities on the University's campus. State funding for the construction of university facilities is obtained from the issuance of revenue bonds by the Ohio Public Facilities Commission, which in turn initiates the construction and subsequent lease of the facility by the Ohio Department of Higher Education. Upon completion of a facility, the Ohio Department of Higher Education turns over control to the University. The University capitalizes the costs of these facilities as construction is completed and payment is received from the Ohio Public Facilities Commission.

Neither the obligation for the revenue bonds issued by the Ohio Public Facilities Commission nor the annual debt service charges for principal and interest on the bonds are reflected in the University's financial statements. These are funded through appropriations to the Ohio Department of Higher Education by the Ohio General Assembly.

The 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 Capital Facilities Bond Service Fund, and future payments to be received by such fund, which is established in the custody of the Treasurer of State.

Note 12 - State Support (Continued)

As a result of the above-described financial assistance provided by the State of Ohio to the University, outstanding debt issued by the Ohio Public Facilities Commission is not included on the University's statement of net position. In addition, appropriations by the General Assembly to the Ohio Department of Higher Education for payment of debt service charges are not reflected as appropriation revenue received by the University, and the related debt service payments are not recorded in the University's accounts.

The University also receives direct appropriations from the State to fund capital improvements. These appropriations are reflected as appropriation revenue on the University's financial statements. The costs, both direct and indirect, are subject to examination and advance approval by the State of Ohio.

Note 13 - Grants and Contracts

Revenue from grants and contracts is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the University must provide local resources to be used for a specified purpose, and expense requirements, in which the resources are provided to the University on a reimbursement basis.

Note 14 - Retirement Plans

Plan Description – The University participates in the State Teachers Retirement System (STRS), and the law enforcement division of 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 two options in STRS and 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.

Note 14 – Retirement Plans (Continued)

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 E. 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' 2023 and 2022 employer and member contribution rates on covered payroll to each system are:

	Employer Contribution Rate			Member Contribution
	Pension	Postretirement Healthcare	Total	Total
STRS	14.00%	0.00%	14.00%	14.00%
OPERS - State/Local	14.00%	0.00%	14.00%	10.00%
OPERS - Law Enforcement	18.10%	0.00%	18.10%	13.00%

Note 14 – Retirement Plans (Continued)

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

	For the years ended 6/30			
	2023		2022	
	Pension	OPEB	Pension	OPEB
STRS	$ 1,518,542	$ -	$ 1,466,922	$ -
OPERS	1,404,959	-	1,346,929	-
Total	$ 2,923,500	$ -	$ 2,813,851	$ -

Benefits Provided –

STRS – 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 COLA 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 percent to 2.6 percent with 0.1 percent incremental increases for years greater than 30-31, depending on retirement age.

A defined benefit plan or combined plan member with five or more years of credited service who is determined to be disabled (illness or injury preventing 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.

Note 14 – Retirement Plans (Continued)

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

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

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 percent to 2.5 percent.

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

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

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3.0 percent, an amount based on the average percentage increase in the Consumer Price Index, capped at 3.0 percent.

Note 14 – Retirement Plans (Continued)

Net Pension Liability, Deferrals, and Pension Expense – At June 30, 2023 and 2022, the University reported a liability for its proportionate share of the net pension liability of STRS/OPERS. For June 30, 2023, the net pension liability was measured as of June 30, 2022 for STRS, and December 31, 2022 for the OPERS plan. For June 30, 2022, the net pension liability was measured as of June 30, 2021 for STRS, and December 31, 2021 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 reporting units, actuarially determined.

Plan	Measurement Date	Net Pension Liability 2023	Net Pension Liability 2022	Proportionate Share 2023	Proportionate Share 2022	Percent Change 2023	Percent Change 2022
STRS	June 30	$ 17,891,165	$ 11,261,080	0.08048%	0.08807%	-8.62%	-4.59%
OPERS	December 31	17,739,924	5,109,974	0.06029%	0.06013%	0.26%	1.13%
Total		$ 35,631,089	$ 16,371,054				

For the years ended June 30, 2023 and 2022, the University recognized pension expense (recovery) of $365,926 and $(5,441,992) respectively. At June 30, 2023 and 2022, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2023 Deferred Outflows of Resources	2023 Deferred Inflows of Resources	2022 Deferred Outflows of Resources	2022 Deferred Inflows of Resources
Differences between expected and actual experience	$ 829,963	$ (78,499)	$ 619,609	$ 198,452
Changes of assumptions	2,333,978	(1,611,584)	3,784,278	-
Net difference between projected and actual earnings on pension plan investments	5,726,037	-	-	15,953,880
Changes in proportion and differences between university contributions and proportionate share of contributions	112,200	(2,011,813)	127,161	1,899,966
University contributions subsequent to the measurement date	2,175,945	-	2,103,370	-
Total	$ 11,178,123	$ (3,701,896)	$ 6,634,418	$ 18,052,298

Note 14 – Retirement Plans (Continued)

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

Year Ending June 30	Amount
2024	$ (76,729)
2025	607,499
2026	450,525
2027	4,314,675
2028	1,273
Thereafter	3,039
	$ 5,300,282

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 Liability/(Asset), Deferrals, and OPEB Expense – At June 30, 2023, the University reported a liability/(asset) for its proportionate share of the net OPEB liability/(asset) of STRS/OPERS. For June 30, 2023, the net OPEB liability/(asset) was measured as of June 30, 2022 for STRS, and December 31, 2022 for the OPERS plan. For June 30, 2022, the net OPEB liability/(asset) was measured as of June 30, 2021 for STRS, and December 31, 2021 for the OPERS plan. The total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of those dates, except OPERS which used an actuarial valuation dated December 31, 2021 and 2020, respectively, rolled forward to the measurement date by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year for the defined benefit health care plans.

Typically, the University's proportion of the net OPEB liability/(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 reporting units, actuarially determined, except as noted below.

For plan years ending June 30, 2022 and 2021, STRS did not allocate employer contributions to the OPEB plan. Therefore, STRS' calculation of the employers'

Note 14 – Retirement Plans (Continued)

proportionate share is based on total contributions to the plan for both pension and OPEB.

For plan years ending December 31, 2022 and 2021, OPERS did not allocate employer contributions to the OPEB plan. Therefore, OPERS calculation of the employers' proportionate share is based on total contributions to the plan for both pension and OPEB.

Plan	Measurement Date	Net OPEB Liability/(Asset) 2023	Net OPEB Liability/(Asset) 2022	Proportionate Share 2023	Proportionate Share 2022	Percent Change 2023	Percent Change 2022
STRS	June 30	$ (2,084,000)	$ (1,857,000)	0.08048%	0.08807%	-8.62%	-4.59%
OPERS	December 31	365,058	(1,809,946)	0.05790%	0.06013%	-3.71%	5.20%
Total		$ (1,718,942)	$ (3,666,946)				

For the years ended June 30, 2023 and 2022, the University recognized OPEB (recovery) of $(1,336,477) and $(2,043,285), respectively. At June 30, 2023 and 2022, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2023 Deferred Outflows of Resources	2023 Deferred Inflows of Resources	2022 Deferred Outflows of Resources	2022 Deferred Inflows of Resources
Differences between expected and actual experience	$ 30,000	$ 404,060	$ 66,000	$ 614,541
Changes of assumptions	445,560	1,507,340	119,000	1,840,646
Net difference between projected and actual earnings on OPEB investments	761,018	-	-	1,377,855
Changes in proportion and differences between university contributions and proportionate share of contributions	6,737	126,508	889	431,921
University contributions subsequent to the measurement date	-	-	-	-
Total	$ 1,243,315	$ 2,037,908	$ 185,889	$ 4,264,963

Note 14 – Retirement Plans (Continued)

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

Year Ending June 30	Amount
2024	$ (400,763)
2025	(280,021)
2026	(4,836)
2027	257,861
2028	(121,293)
Thereafter	(245,539)
	$ (794,557)

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

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

Note 14 – Retirement Plans (Continued)

	STRS	OPERS
Valuation date - Pension	June 30, 2022	December 31, 2022
Valuation date - OPEB	June 30, 2022	December 31, 2021
Actuarial cost method	Entry age normal	Individual entry age
Cost of living	None	2.05 percent - 3.00 percent
Salary increases, including inflation	2.50 percent - 8.50 percent	2.75 percent -10.75 percent
Inflation	2.50 percent	2.75 percent
Investment rate of return - Pension	7.00 percent, net of investment expense, including inflation	6.90 percent, net of investment expense, including inflation
Investment rate of return - OPEB	7.00 percent, net of investment expense, including inflation	6.00 percent, net of investment expense, including inflation
Health care cost trend rates	-68.78 percent to 9.00 percent initial 4 percent ultimate	5.50 percent initial, 3.50 percent ultimate in 2036
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 projecged 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.

Note 14 – Retirement Plans (Continued)

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

	STRS	OPERS
Valuation date - Pension	June 30, 2021	December 31, 2021
Valuation date - OPEB	June 30, 2021	December 31, 2020
Actuarial cost method	Entry age normal	Individual entry age
Cost of living	None	2.05 percent - 3.00 percent
Salary increases, including inflation	2.50 percent - 12.50 percent	2.75 percent -10.75 percent
Inflation	2.50 percent	2.75 percent
Investment rate of return - Pension	7.00 percent, net of investment expense, including inflation	6.90 percent, net of investment expense, including inflation
Investment rate of return - OPEB	7.00 percent, net of investment expense, including inflation	6.00 percent, net of investment expense, including inflation
Health care cost trend rates	16.2 percent to 30.0 percent initial 4 percent ultimate	5.50 percent initial, 3.50 percent ultimate in 2034
Experience study date	Period of 5 years ended June 30, 2016	Period of 5 years ended December 31, 2020
Mortality basis	RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016.	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.

Note 14 – Retirement Plans (Continued)

Pension Discount Rate The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates for all plans. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rates used to measure the total pension liabilities for STRS were 7.0 percent for the plan years ending June 30, 2022 and 2021. The discount rates used to measure the total pension liability for OPERS were 6.9 percent for the plan years ended December 31, 2022 and 2021, 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 – OPEB Discount Rate: The discount rates used to measure the total OPEB assets was 7.00 percent for the plan years ended June 30, 2022 and 2021. At June 30, 2022 and 2021, 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 rates used to measure the total OPEB liabilities/(assets) was 5.22 percent and 6.00 percent for the plan years ended December 31, 2022 and 2021, respectively. At June 30, 2022 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 percent) for the funded benefit payments and Fidelity Index's 20-Year Municipal GO AA Index of 4.05 percent as of December 31, 2022. At December 31, 2021, 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

Note 14 – Retirement Plans (Continued)

was applied to all periods of projected benefit payments to determine the total OPEB liability as of December 31, 2021.

The long-term expected rate of return on pension plan and OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. OPERS has two different portfolios of 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) real rates of return for each major asset class are summarized in the following table as of the dates listed below:

STRS - as of 6/30/22			OPERS - as of 12/31/22				
				Pension Portfolio		Health Care Portfolio	
Investment Category	Target Allocation	Long-term Expected Real Rate of Return	Investment Category	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	26.00%	6.60%	Fixed income	22.00%	2.62%	34.00%	2.56%
International equity	22.00%	6.80%	Domestic equities	22.00%	4.60%	26.00%	4.60%
Alternatives	19.00%	7.38%	Real estate	13.00%	3.27%	0.00%	0.00%
Fixed income	22.00%	1.75%	Private equity	15.00%	7.53%	0.00%	0.00%
Real estate	10.00%	5.75%	International equity	21.00%	5.51%	25.00%	5.51%
Liquidity reserves	1.00%	1.00%	Risk Parity	2.00%	4.37%	2.00%	4.37%
			REITs	0.00%	0.00%	7.00%	4.70%
			Other Investments	5.00%	3.27%	6.00%	1.84%
Total	100.00%		Total	100.00%		100.00%	

STRS - as of 6/30/21			OPERS - as of 12/31/21				
				Pension Portfolio		Health Care Portfolio	
Investment Category	Target Allocation	Long-term Expected Real Rate of Return	Investment Category	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	28.00%	7.35%	Fixed income	24.00%	1.32%	34.00%	1.07%
International equity	23.00%	7.55%	Domestic equities	21.00%	5.64%	25.00%	5.64%
Alternatives	17.00%	7.09%	Real estate	11.00%	5.39%	0.00%	0.00%
Fixed income	21.00%	3.00%	Private equity	12.00%	10.42%	0.00%	0.00%
Real estate	10.00%	6.00%	International equity	23.00%	7.36%	25.00%	7.36%
Liquidity reserves	1.00%	2.25%	Risk Parity	5.00%	2.92%	2.00%	2.92%
			REITs	0.00%	0.00%	7.00%	3.71%
			Other Investments	4.00%	2.85%	7.00%	1.93%
Total	100.00%		Total	100.00%		100.00%	

Note 14 – Retirement Plans (Continued)

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 1.0 percentage point lower or 1.0 percentage point higher than the current rate:

2023

Plan	1.00 Percent Decrease		Current Discount Rate		1.00 Percent Increase	
STRS	6.00%	$ 27,027,038	7.00%	$ 17,891,165	8.00%	$ 10,165,046
OPERS	5.90%	26,644,018	6.90%	17,739,924	7.90%	10,334,673
		$ 53,671,056		$ 35,631,089		$ 20,499,719

2022

Plan	1.00 Percent Decrease		Current Discount Rate		1.00 Percent Increase	
STRS	6.00%	$ 21,087,788	7.00%	$ 11,261,080	8.00%	$ 2,957,533
OPERS	5.90%	13,702,081	6.90%	5,109,974	7.90%	(2,038,258)
		$ 34,789,869		$ 16,371,054		$ 919,275

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 1.0 percentage point lower or 1.0 percentage point higher than the current rate:

Changes in the Discount Rate

2023

Plan	1.00 Percent Decrease		Current Discount Rate		1.00 Percent Increase	
STRS	6.00%	$ (1,926,545)	7.00%	$ (2,084,000)	8.00%	$ (2,218,757)
OPERS	4.22%	1,242,491	5.22%	365,058	6.22%	(358,968)
		$ (684,054)		$ (1,718,942)		$ (2,577,725)

Note 14 – Retirement Plans (Continued)

Changes in the Discount Rate

2022

Plan	1.00 Percent Decrease		Current Discount Rate		1.00 Percent Increase	
STRS	6.00%	$ (1,566,998)	7.00%	$ (1,857,000)	8.00%	$ (2,099,203)
OPERS	5.00%	(1,064,418)	6.00%	(1,809,946)	7.00%	(2,428,746)
		$ (2,631,416)		$ (3,666,946)		$ (4,527,949)

Sensitivity of the net OPEB liability/(asset) to changes in the health care cost trend rate – The following presents the net OPEB liability of the University, calculated using the healthcare cost trend rate listed below, as well as what the University's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1.0 percentage point lower or 1.0 percentage point higher than the current rate:

Changes in Health Care Cost Trend Rate

2023

Plan	1.00 Percent Decrease	Current Trend Rate	1.00 Percent Increase
STRS	$ (2,161,550)	$ (2,084,000)	$ (1,985,790)
OPERS	342,177	365,058	390,812
	$ (1,819,373)	$ (1,718,942)	$ (1,594,978)

Changes in Health Care Cost Trend Rate

2022

Plan	1.00 Percent Decrease	Current Trend Rate	1.00 Percent Increase
STRS	$ (2,089,388)	$ (1,857,000)	$ (1,569,570)
OPERS	(1,829,505)	(1,809,946)	(1,786,743)
	$ (3,918,893)	$ (3,666,946)	$ (3,356,313)

Note 14 – Retirement Plans (Continued)

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

Assumption changes – During the measurement periods ended June 30, 2022 and December 31, 2022, respectively, certain assumption changes were made by the plans. The OPEB discount rate was increased from 2.27 percent to 4.08 percent and health care trend rates were updated, which impacted the annual actuarial valuation for OPEB prepared as of June 30, 2022. STRS mortality tables, projected salary increases, and trend rates were updated based on a new experience study, which impacted the annual actuarial valuation for Pension and OPEB prepared as of June 30, 2022. The OPERS OPEB discount rate decreased from 6.00 percent to 5.22 percent, which impacted the annual actuarial valuation for OPEB prepared as of December 31, 2022.

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

Changes since the measurement date – There were no significant changes since the measurement date.

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

Eligible employees have 120 days from their date of hire to make an irrevocable election to participate in the ARP. Under this plan, employees who would have otherwise been required to be in STRS or OPERS, and who elect to participate in the ARP, must contribute the employee's share of retirement contributions to one of three private providers approved by the Ohio Department of Insurance. The legislation mandates that the employer must contribute an

Note 14 – Retirement Plans (Continued)

amount to the state retirement system to which the employee would have otherwise belonged, based on an independent actuarial study commissioned by the Ohio Retirement Study Council and submitted to the Ohio Board of Regents. That amount is 11.09 percent for STRS and 11.76 percent for OPERS for the years ended June 30, 2023 and 9.53 percent for STRS and 11.56 percent for OPERS for the year ending June 30, 2022. The employer also contributes what would have been the employer's contribution under STRS or OPERS, less the aforementioned percentages, to the private provider selected by the employee. The University plan provides these employees with immediate plan vesting. The ARP does not provide disability benefits, survivor benefits, or postretirement health care. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options. STRS and OPERS also offer a defined contribution plan and a combined plan with features of both a defined contribution plan and a defined benefit plan. For the year ended June 30, 2023 and 2022, employee contributions totaled $534,104 and $557,810, and the University recognized pension expense of $581,918 and $618,356, respectively.

Note 15 - Risk Management

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To address these exposures and reduce premiums, the University is a member of the Inter-University Council of Ohio Insurance Consortium (IUC-IC), a purchasing partnership with 12 other Ohio four-year public universities.

During fiscal year 2023, the University maintained the lines of coverage below. All limits are dedicated to the University, unless explicitly noted as shared with other IUC-IC members. Real property and contents are 100 percent insured.

Note 15 – Risk Management (Continued)

Description of Coverage	Policy Term	Limit of Liability	Member Deductible
GROUP PROPERTY PROGRAM			
"All Risk" Property Coverage including Time Element, Equipment Breakdown, Engineering On-Site Surveys & Boiler Jurisdictionals (3)	07/01/2022 - 07/01/2023	$400,000 for All Perils except $900,000 for CAT (FL & EQ) Perils	$100,000 (2)
	07/01/2022 - 07/01/2023	$1,000,000,000 Various Sublimits Apply	$100,000 (2)
Automobile Physical Damage (Self-Insured)	07/01/2022 - 07/01/2023	Actual Cash Value	Varies
Administrative Fees (4)	07/01/2022 - 07/01/2023	N/A	N/A
Fine Arts, including Library Values	07/01/2022 - 07/01/2023	$350,000,000 library values, any one loss $100,000,000 fine art, any one loss $25,000,000 any one transit $25,000,000 any one exhibition $20,000,000 unscheduled items, any one	$25,000 each and every loss except Nil for Non-Owned Fine Arts
Terrorism, including Active Assailant & SRCC	07/01/2022 - 07/01/2023	$100,000,000 $500,000,000	$100,000
GROUP CASUALTY PROGRAM			
IUC-RMIC Casualty Pool (5)	07/01/2022 - 07/01/2023	$1,500,000 (5)	$100,000
Deductible Paybacks (Carl Warren Claims)	07/01/2022 - 07/01/2023	N/A	N/A
IUC-RMIC Coverage Agreement - General Liability	07/01/2022 - 07/01/2023	$10,000,000(6)	$100,000
IUC-RMIC Coverage Agreement - Automobile Liability	07/01/2022 - 07/01/2023	$10,000,000(6)	$100,000
IUC-RMIC Coverage Agreement - Educators Legal	07/01/2022 - 07/01/2023	$10,000,000(6)	$100,000
1st Excess General & Automobile Liability	07/01/2022 - 07/01/2023	$25,000,000 excess $10,000,000	N/A
1st Excess Educators Legal Liability	07/01/2022 - 07/01/2023	$25,000,000 excess $10,000,000	N/A
Casualty Administrative Fees (7)	07/01/2022 - 07/01/2023	N/A	N/A
Member Loss Control Funds	07/01/2022 - 07/01/2023	N/A	N/A
OTHER GROUP COVERAGES			
Crime	07/01/2022 - 07/01/2023	$5,000,000	$100,000
Cyber Liability/Breach Response	07/01/2022 - 07/01/2023	$1,000,000	$150,000
Excess Social Engineering (8)	07/01/2022 - 07/01/2023	$750,000	Follow Form X/S
Fiduciary Liability	07/01/2022 - 07/01/2023	$2,000,000 Various Sublimits	$25,000 except- $100,000 class action $300,000 excess fees
Foreign Package Liability	07/01/2021 - 07/01/2024	$1,000,000 / $2,000,000	Nil
International Travel Assistance Services - ISOS (9)	07/01/2020 - 07/01/2023	N/A	(10)
Medical Malpractice (10)	07/01/2022 - 07/01/2023	$1,000,000 / $3,000,000 $2,000,000 / $2,000,000	$25,000
Pollution (11)	07/01/2021 - 07/01/2024	$5,000,000 Each Incident $15,000,000 Aggregate (3-yr term)	$50,000 (12)
Special Accident (12)	07/01/2022 - 07/01/2023	$20,000,000	Nil

The University has an international travel comprehensive services assistance plan. The plan covers medical, security, and traveler assistance.

On July 1, 2020, the University enter into an agreement with Cincinnati State Technical and Community College, Clark State Community College, and Southern

Note 15 – Risk Management (Continued)

State Community College to establish a joint self-insurance program for the provision of health care benefits to the eligible employees of each school and their eligible dependents (the "Program") under authority of Ohio Revised Code Section 9.833. The Program shall provide cooperatively for the provision of group employee benefits, which may include without limitation medical, prescription drug, dental, vision, flexible spending accounts, wellness, and other benefits and services necessary to operate the Program, solely for eligible participants of the public colleges and university adopting the Program.

Changes in the self-insurance claims liability for the years ended June 30, 2023, 2022, and 2021 are summarized as follows:

	2023	2022	2021
Accrued claims liability - Beginning of year	$ 389,867	$ 405,767	$ 233,187
Current year claims	5,369,958	4,734,098	5,143,988
Claims payments	(5,309,116)	(4,749,998)	(4,971,408)
Accrued claims liability - End of year	$ 450,709	$ 389,867	$ 405,767

The liability amounts above are recorded in accrued wages and benefits on the statement of net position.

Workers' compensation benefits are provided through the Ohio Bureau of Workers' Compensation. Under Ohio's laws, there are no policy limits or cap on these benefits so long as treatment and compensation arise from the allowed conditions in a claim. There has been no significant change in coverage from last year.

Note 16 - Component Unit Disclosure

Basis of Presentation

The accompanying financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States of America. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the University's financial reporting entity for these differences.

Note 16 - Component Unit Disclosure (Continued)

Net Assets

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Net assets without donor restrictions are resources available to support operations. Net assets with donor restrictions at June 30, 2023 and 2022 are restricted primarily for scholarships, university programs, and capital improvements.

Contribution Revenue

Contributions, including unconditional promises to give, are recognized as revenue in the period the related commitments are received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received beyond the fiscal year are discounted at an appropriate discount rate.

Investments

Foundation investments are stated at fair value, with changes in fair value being recognized as gains and losses during the period in which they occur.

The fair value of investments at June 30, 2023 and 2022, by classification, is as follows:

	2023	2022
U.S. government securities	$ 2,407,155	$ 1,616,958
Foreign bond issues	310,364	399,734
Mutual funds:		
Equity	14,226,320	12,146,527
Fixed income	1,977,460	2,623,894
Corporate bond issues	891,764	1,521,629
Common Stock	-	17,051
Limited Partnership	37,934	46,582
Total	$ 19,850,997	$ 18,372,375

Note 16 - Component Unit Disclosure (Continued)

Assets Measured at Fair Value on a Recurring Basis at June 30, 2023

Assets	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2023
U.S. government securities	$ 2,407,155	$-	$-	$ 2,407,155
Mutual funds:				
Equity	14,226,320	-	-	14,226,320
Fixed income	1,977,460	-	-	1,977,460
Common Stock:				
Domestic	-			-
Foreign bond issues	-	310,364	-	310,364
Corporate bond issues	-	891,764	-	891,764
Beneficial interest in trusts	-	-	143,258	143,258
practical expedient:				
Partnership	-	-	-	37,934
Total assets	$ 18,610,935	$ 1,202,128	$ 143,258	$ 19,994,255

Assets Measured at Fair Value on a Recurring Basis at June 30, 2022

Assets	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, 2022
U.S. government securities	$ 1,616,958	$-	$-	$ 1,616,958
Mutual funds:				
Equity	12,146,527	-	-	12,146,527
Fixed income	2,623,894	-	-	2,623,894
Common Stock:				
Domestic	17,051			17,051
Foreign bond issues	-	399,734	-	399,734
Corporate bond issues	-	1,521,629	-	1,521,629
Beneficial interest in trusts	-	-	789,640	789,640
practical expedient:				
Partnership	-	-	-	46,582
Total assets	$ 16,404,430	$ 1,921,363	$ 789,640	$ 19,162,015

Note 16 - Component Unit Disclosure (Continued)

Fixed Assets

Property and equipment consist of the following:

	2023	2022
Land	$ 2,011,200	$ 2,011,200
Equipment and furniture	81,202	81,202
Buildings	12,370,654	8,942,735
Construction in progress	33,800	2,541,573
Total property and equipmer	14,496,856	13,576,710
Accumulated depreciation	2,069,857	1,809,124
Net property and equipment	$ 12,426,999	$ 11,767,586

Debt

The Foundation entered into a $4,500,000 note with an interest rate of 5.0 percent payable to Hatcher Real Estate, LLC for the purchase of the Fourth Street Properties. The note is secured by the land and buildings. This note is payable in monthly installments of $29,698. The payments are based on a 20-year amortization schedule and include a balloon payment due at maturity on February 25, 2019 for the remaining balance. The Foundation exercised an option to extend the maturity date for a two-year period to February 25, 2021, then exercised a second option to extend the maturity date to February 25, 2028. At June 30, 2023 and 2022, the outstanding principal balance of the note was $2,941,552 and $3,145,291, respectively.

Related Party Transactions

The Foundation made distributions to, or on behalf of, the University of $1,668,850 during the year ended June 30, 2023 and $1,405,972 during the year ended June 30, 2022. Administrative expenses of $341,115 in fiscal year 2023 and $245,673 in fiscal year 2022 were reimbursed to Shawnee State University for direct costs, including an allocation of salary and benefits, incurred in the management of the Foundation's and University's endowment funds. At June 30, 2023, $178,111 was payable from the Foundation to the University.

Note 16 - Component Unit Disclosure (Continued)

The Foundation leases building space to Shawnee State University for the use of educational facilities. The outstanding lease due under this arrangement was $13,330 and $15,499 as of June 30, 2023 and 2022, respectively, and is reflected as a lease receivable in the Foundation's statements of net assets.

The Foundation passed through federal grants to the University, the administrative agent for the grants, in the amount of $199,122 and $377,304 during the years ended June 30, 2023 and 2022, respectively. The Foundation has recorded a grant payable to the University at June 30, 2023 and 2022 in the amount of $6,137 and $196,147.

Complete financial statements for the Foundation can be obtained from the Shawnee State University Development Foundation, Inc. at 940 Second Street, Portsmouth, Ohio 45662.

Required Supplementary Information

Schedule of University's Proportionate Share of the Net Pension Liability and Schedule of University Pension Contributions

STRS Schedule of the University's Proportionate Share of the Net Pension Liability

	2023	2022	2021	2020	2019	2018	2017	2016	2015
University's proportion of the collective net pension liability:									
As a percentage	0.0805%	0.0881%	0.0923%	0.0916%	0.0999%	0.1057%	0.11182%	0.10962%	0.11347%
Amount	$ 17,891,165	$ 11,261,080	$ 22,335,934	$ 20,245,020	$ 21,971,679	$ 25,109,186	$ 37,430,954	$ 30,295,455	$ 27,600,967
University's covered employee payroll	$ 10,846,729	$ 10,478,014	$ 8,792,043	$ 11,153,686	$ 10,747,943	$ 11,360,000	$ 13,596,142	$ 11,436,893	$ 10,440,100
University's proportionate share of the collective pension liability, as a percentage of the University's covered employee payroll	164.95%	107.47%	254.05%	181.51%	204.43%	221.03%	275.31%	264.89%	264.37%
Plan fiduciary net position as a percentage of the total pension liability	78.90%	87.80%	75.50%	77.40%	77.30%	77.30%	66.78%	72.10%	74.71%

OPERS Schedule of the University's Proportionate Share of the Net Pension Liability

	2023	2022	2021	2020	2019	2018	2017	2016	2015
University's proportion of the collective net pension liability:									
As a percentage	0.0603%	0.0601%	0.0595%	0.0660%	0.0694%	0.07287%	0.07976%	0.08469%	0.08633%
Amount	$ 17,739,924	$ 5,109,974	$ 8,717,478	$ 12,986,955	$ 18,960,124	$ 11,380,348	$ 18,089,973	$ 14,649,733	$ 10,394,787
University's covered employee payroll	$ 10,035,421	$ 9,620,921	$ 10,962,843	$ 9,748,350	$ 10,567,457	$ 10,333,800	$ 9,138,607	$ 10,894,207	$ 10,899,653
University's proportionate share of the collective pension liability, as a percentage of the University's covered employee payroll	176.77%	53.11%	79.52%	133.22%	179.42%	110.13%	197.95%	134.47%	95.37%
Plan fiduciary net position as a percentage of the total pension liability	76.07%	93.01%	87.21%	82.44%	74.91%	84.85%	77.39%	81.19%	86.53%

STRS Schedule of University Pension Contributions

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 1,518,542	$ 1,466,922	$ 1,534,798	$ 1,561,516	$ 1,504,712	$ 1,590,400	$ 1,574,598	$ 1,655,224	$ 1,623,157
Contributions in relation to the actuarially determined contractually required contribution	$ 1,518,542	$ 1,466,922	$ 1,534,798	$ 1,561,516	$ 1,504,712	$ 1,590,400	$ 1,574,598	$ 1,655,224	$ 1,623,157
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered employee payroll	$ 10,846,729	$ 10,478,014	$ 8,792,043	$ 11,153,686	$ 10,747,943	$ 11,360,000	$ 11,247,129	$ 11,823,029	$ 11,593,979
Contributions as a percentage of covered employee payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

OPERS Schedule of University Pension Contributions

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 1,404,959	$ 1,346,929	$ 1,230,886	$ 1,364,769	$ 1,479,444	$ 1,446,721	$ 1,279,405	$ 1,495,704	$ 1,534,786
Contributions in relation to the actuarially determined contractually required contribution	$ 1,404,959	$ 1,346,929	$ 1,230,886	$ 1,364,769	$ 1,479,444	$ 1,446,721	$ 1,279,405	$ 1,495,704	$ 1,534,786
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered employee payroll	$ 10,035,421	$ 9,620,921	$ 10,962,843	$ 9,748,350	$ 10,567,457	$ 10,333,800	$ 9,138,607	$ 10,683,600	$ 10,962,757
Contributions as a percentage of covered employee payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Changes of benefit terms. There were no changes in benefit terms affecting the STRS and OPERS plans.

Changes of assumptions.
STRS: During the Plan year ended June 30, 2022, there were changes to the projected salary, it decreased from 2.5-12.50 percent to 2.5 -8.5 percent.

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

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

OPERS: During the plan year ended December 31, 2022, there were no change in assumptions.

During the plan year ended December 31, 2021, there were changes to several assumptions for OPERS. The discount rate was reduced from 7.20 percent to 6.90 percent. The wage inflation dropped from 3.25 percent to 2.75 percent. The projected salary increase range changed from 3.25-10.75 percent to 2.75-10.75 percent. 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 RP-2014 to PUB-2010.

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

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

Schedule of University's Proportionate Share of the Other Post-Employment Benefits (OPEB) Liability and Schedule of University OPEB Contributions

STRS Schedule of the University's Proportionate Share of the Net OPEB Liability

	2023	2022	2021	2020	2019	2018
University's proportion of the collective net OPEB liability:						
As a percentage	0.0805%	0.0881%	0.0923%	0.0916%	0.0999%	0.10570%
Amount	-$2,084,000	-$1,857,000	-$1,622,000	-$1,516,000	-$1,606,000	$ 4,124,011
University's covered payroll	$10,846,729	$10,478,014	$8,792,043	$11,153,686	$10,747,943	$ 11,360,000
University's proportionate share of the collective OPEB liability, as a percentage of the University's covered payroll	(19.21%)	(17.72%)	(18.45%)	(13.59%)	(14.94%)	36.30%
Plan fiduciary net position as a percentage of the total OPEB liability	230.70%	174.70%	182.10%	174.70%	176.00%	47.11%

OPERS Schedule of the University's Proportionate Share of the Net OPEB Liability

	2023	2022	2021	2020	2019	2018
University's proportion of the collective net OPEB liability:						
As a percentage	0.0603%	0.0601%	0.0572%	0.0633%	0.0669%	0.07287%
Amount	$365,058	-$1,809,946	-$1,018,280	$8,745,723	$8,716,574	$ 7,650,350
University's covered payroll	$10,035,421	$9,620,921	$10,962,843	$9,748,350	$10,567,457	$ 10,333,800
University's proportionate share of the collective OPEB liability, as a percentage of the University's covered payroll	3.64%	(18.81%)	(9.29%)	89.71%	82.49%	74.03%
Plan fiduciary net position as a percentage of the total OPEB liability	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%

STRS Schedule of University Contributions

	2023	2022	2021	2020	2019	2018
Statutorily required contribution	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the actuarially determined contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$10,846,729	$10,478,014	$8,792,043	$11,153,686	$10,747,943	$ 11,360,000
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

OPERS Schedule of University Contributions

	2023	2022	2021	2020	2019	2018
Statutorily required contribution	$ -	$ -	$ -	$ -	$ -	$ 64,689
Contributions in relation to the actuarially determined contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ 64,689
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$10,035,421	$9,620,921	$10,962,843	$9,748,350	$10,567,457	$ 10,333,800
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.63%

Changes of benefit terms. There were no significant changes in benefit terms affecting the STRS and OPERS plans for the plan years ended June 30, 2022 and December 31, 2022, respectively.

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

During the plan year ended June 30, 2021, the investment rate of return decreased from 7.45 percent to 7.00 percent. The health care cost trend rates also decreased from 4.93 percent to 9.62 percent initial and 4.00 percent ultimate for plan year ended June 30, 2020, to 16.20 percent to 30.00 percent initial and 4 percent ultimate for plan year ended June 30, 2021.

During the plan year ended June 30, 2018, there were changes to several assumptions for STRS. The health care cost trend rates decreased from 6.00 percent to 11.00 percent initial and 4.50 percent ultimate for plan year ended June 30, 2017, to (5.23) percent to 9.62 percent initial and 4 percent ultimate for plan year ended June 30, 2018. The discount rate increased from a blended rate between the long-term expected rate of return and a 20-year municipal bond rate of 4.13 percent to the investment rate of return of 7.45 percent based on the cash flow analysis.

OPERS: During the year ended December 31, 2022, there were no change in assumptions.

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 percent to 1.84 percent. Wage inflation decreased from 3.25 percent to 2.75 percent. The projected salary increase range changed from 3.25-10.75 percent to 2.75-10.75 percent. Health care cost trend rate decreased from 8.50 percent initial, 3.50 percent ultimate in 2035 to 5.50 percent initial, 3.50 percent 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 10.5 percent initial and 3.50 percent ultimate to 8.5 percent initial and 3.50 percent ultimate. The discount rate was increased from 3.16 percent to 6.00 percent.

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

Supplementary Information

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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
Shawnee 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 Shawnee State University (the "University"), a component unit of the State of Ohio, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 12, 2023.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2023-001, that we consider to be a significant deficiency.

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*.

The University's Response to the Finding

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

To Management and the Board of Trustees
Shawnee 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 12, 2023

plante moran

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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
Shawnee State University

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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.

To the Board of Trustees
Shawnee State University

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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance that are required to be reported in accordance with the Uniform Guidance, which are described in the accompanying schedule of findings and questioned costs as Findings 2023-002, 2023-003, and 2023-004. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards require the auditor to perform limited procedures on the University's responses to the noncompliance findings identified in our compliance audit and described in the accompanying schedule of findings and questioned costs. The University's responses were not subjected to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on them.

Report on Internal Control Over Compliance

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

To the Board of Trustees
Shawnee State University

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Findings 2023-002, 2023-003, and 2023-004 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention of those charged with governance.

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

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

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

Plante & Moran, PLLC

October 12, 2023

Shawnee State University

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. Department of Agriculture - Passed through the Ohio Department of Education - Child and Adult Care Food Program	10.558	16-CU, 21-CU, 21-FU	$ -	$ 23,982
U.S. Department of Commerce - Economic Development Cluster:				
Build to Scale	11.024	N/A	-	60,968
Economic Adjustment Assistance	11.307	N/A	-	1,000,319
Total U.S. Department of Commerce			-	1,061,287
U.S. Department of Health and Human Services - CCDF Cluster - Child Care and Development Block Grant	93.575	N/A	-	164,400
U.S. Department of Education:				
Student Financial Assistance Cluster:				
Federal Supplemental Educational Opportunity Grants (SEOG)	84.007	N/A	-	103,325
Federal College Work-Study	84.033	N/A	-	174,714
Federal Pell Grant Program	84.063	N/A	-	5,797,615
Federal Direct Loan Program	84.268	N/A	-	10,874,839
Teacher Education Assistance for College & Higher Education (TEACH)	84.379	N/A	-	126,216
Total Student Financial Assistance Cluster			-	17,076,709
TRIO Cluster:				
Educational Opportunity Centers	84.066A	N/A	-	433,818
Upward Bound Math Science	84.047M	N/A	-	251,548
Total TRIO Cluster			-	685,366
Special Education (IDEA) Cluster - Passed through the Ohio Department of Education:				
Special Education Grants to States - TVI Collaborative	84.027	N/A	-	616,465
Special Education Grants to States - Deaf/Hard of Hearing	84.027	N/A	-	617,533
Total Special Education (IDEA) Cluster			-	1,233,998
Passed through the Ohio Department of Education:				
Twenty-first Century Community Learning Centers	84.287	N/A	-	342,723
Comprehensive Literacy	84.371C	N/A	-	95,943
Education Stabilization Fund:				
COVID-19 - Higher Education Emergency Relief Fund (HEERF) - Student Aid	84.425E	N/A	-	(5,550)
COVID-19 - Higher Education Emergency Relief Fund (HEERF) - Institutional Portion	84.425F	N/A	-	(534)
Passed through the Ohio Department of Education:				
COVID-19 - Governor's Emergency Education Relief Funds (GEER)	84.425C	N/A	-	27,418
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	N/A	-	226,323
Total Education Stabilization Fund			-	247,657
Total U.S. Department of Education			-	19,682,396

See notes to schedule of expenditures of federal awards.

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2023

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. Department of Labor - H-1B Job Training Grants - Ohio Manufacturing Workforce Partnership	17.268	N/A	$ -	$ 117,682
U.S. Appalachian Regional Commission - Appalachian Area Development	23.001	N/A	-	8,749
U.S. National Aeronautics and Space Administration - Space Technology	43.012	N/A	-	11,094
U.S. National Endowment for the Humanities:				
Promotion of the Arts Partnership Agreements	45.025	N/A	-	4,000
Promotion of the Arts Humanities Federal/State Partnership	45.129	N/A	-	16,389
Total National Endowment for the Humanities			-	20,389
U.S. Department of Health and Human Services - Mental and Behavioral Health Education and Training Grants	93.732	N/A	-	182,024
Total U.S. Department of Health and Human Services			-	346,424
U.S. Corporation for National and Community Service:				
AmeriCorps - Project Bear	94.006	N/A	-	467,197
Volunteers in Service to America	94.013	N/A	-	23,262
Total U.S. Corporation for National and Community Service			-	490,459
Total federal expenditures			**$ -**	**$ 21,762,462**

See notes to schedule of expenditures of federal awards.

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Shawnee State University (the "University") and its discretely presented component unit, Shawnee State University Development Foundation, under programs of the federal government for the year ended June 30, 2023. 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 same basis of accounting as the basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. 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 to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

Note 3 - Federal Work-Study and Federal SEOG Waiver

For the year ended June 30, 2023, the University received a waiver from the U.S. Department of Education for the institutional share requirement under the Federal Work-Study and Federal Supplemental Educational Opportunity Grant (SEOG) programs.

Note 4 - Federal Direct Loan Program

The University participates in the William D. Ford Direct Loan Program. The University originates the loans, which are then funded through the U.S. Department of Education.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

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

Federal Awards

Internal control over major programs:				
• Material weakness(es) identified?	X	Yes		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)?	X	Yes		No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
84.007, 84.033, 84.063, 84.268, 84.379	Student Financial Assistance Cluster	Unmodified
84.027	Special Education (IDEA) Cluster	Unmodified

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

Section II - Financial Statement Audit Findings

Reference Number	Finding
2023-001	**Finding Type** - Significant deficiency

Criteria - Depreciation expense and accumulated depreciation should be recorded over a straight-line basis.

Condition - The University did not properly calculate and record depreciation expense and accumulated depreciation for the years ended 2021 and 2022.

Context - There was a control in place during 2021 and 2022 to calculate and record depreciation, but the operation of the control was not effective. During 2021, the University understated depreciation expense and accumulated depreciation by approximately $551,000. During 2022, the University understated depreciation expense and accumulated depreciation by approximately $547,000. At June 30, 2022, total accumulated depreciation was understated by a total of approximately $1,098,000.

Cause - The University did not properly record deprecation and accumulated depreciation in the years ended 2021 and 2022, which led to depreciation expense and accumulated depreciation being understated.

Effect - Management provided an adjustment to increase accumulated depreciation and depreciation expense by approximately $1,098,000 for the year ended June 30, 2023 to correct the error.

Recommendation - We recommend the University put controls in place to ensure depreciation calculations be properly completed and reviewed by appropriate personnel on a timely basis to ensure general ledger balances reconcile to underlying books and records.

Views of Responsible Officials and Planned Corrective Actions - Shawnee State University will develop a written procedure, including a checklist of the steps required to complete the required actions needed to verify the proper depreciation calculations for the financial statements.

Section III - Federal Program Audit Findings

Reference Number	Finding
2023-002	**Assistance Listing Number, Federal Agency, and Program Name** - ALNs 84.063 and 84.268; Department of Education; Federal Pell Grant Program and Federal Direct Loan Program **Federal Award Identification Number and Year** - N/A **Pass-through Entity** - N/A **Finding Type** - Material weakness and material noncompliance with laws and regulations **Repeat Finding** - Yes - 2022-001 **Criteria** - Returns of Title IV funds are required to be deposited or transferred into the SFA account or electronic fund transfers initiated to the Department of Education (ED) as soon as possible, but no later than 45 days after the date the institution determines that the student withdrew (34 CFR 668.173(b)). **Condition** - The University did not return Title IV funds to the Department of Education within the required time frame for certain students who required a return of funds, and it did not initially identify all students who required a return of Title IV funds. **Questioned Costs** - None **Identification of How Questioned Costs Were Computed** - N/A **Context** - Of the 25 withdrawn students tested for proper return of Title IV funds, the funds for 3 students requiring a return were not returned to ED by the University within the required time frame. The 3 errors identified were for the fall 2022 and spring 2023 term. **Cause and Effect** - The University had a change in system and it changed the process for exporting withdrawal reports. This led to returns of Title IV funds to ED being completed outside the required time frame, and/or students who required a return of Title IV funds were missed. **Recommendation** - We recommend that the University institute a process to ensure that all returns of Title IV aid are calculated and returned within the required time frame. **Views of Responsible Officials and Corrective Action Plan** - Shawnee State University will perform a comprehensive review of financial aid procedures (including review of financial aid processing, personnel responsibilities, and system modifications) and make revisions to workflows to prevent future occurrence of this finding. A review of activity prior to implementation of revised procedures will be conducted, and any exceptions will be documented and corrected.

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2023-003	**Assistance Listing Number, Federal Agency, and Program Name** - ALNs 84.063 and 84.268; Department of Education; Federal Pell Grant Program and Federal Direct Loan Program

Federal Award Identification Number and Year - N/A

Pass-through Entity - N/A

Finding Type - Material weakness and material noncompliance with laws and regulations

Repeat Finding - Yes - 2022-002

Criteria - Federal Pell Grant Program: An institution shall submit, in accordance with deadline dates established by the secretary, through publication in the Federal Register, other reports and information the secretary requires and shall comply with the procedures the secretary finds necessary to ensure that the reports are correct (34 CFR Section 690.83(b)(2)).

Federal Direct Student Loans: Changes in student status are required to be reported to the National Student Loan Data System (NSLDS) within 30 days of the change or included in a Student Status Confirmation Report (SSCR) sent to the NSLDS within 60 days of the status change (34 CFR Section 685.309(b)).

Condition - Shawnee State University did not report student status changes timely and accurately for certain students who withdrew during the year.

Questioned Costs - None

Identification of How Questioned Costs Were Computed - N/A

Context - Of the 25 students tested for student change status, 5 student status changes were not submitted within the required time frame and were not properly reported as withdrawn.

Cause and Effect - The University did not have a process in place in order to ensure timely and proper reporting for all student status changes. As a result, there were instances of reporting outside of the required time frame and instances where reporting was incorrect.

Recommendation - We recommend that the University put a control process in place in order to ensure all student status changes are reported timely and accurately.

Views of Responsible Officials and Planned Corrective Actions - Shawnee State University will perform a comprehensive review of financial aid procedures (including review of financial aid processing, personnel responsibilities, and system modifications) and make revisions to workflows to prevent future occurrence of this finding. A review of activity prior to implementation of revised procedures will be conducted, and any exceptions will be documented and corrected.

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2023-004	**Assistance Listing Number, Federal Agency, and Program Name** - ALNs 84.268; Department of Education; Federal Direct Loan Program

Federal Award Identification Number and Year - N/A

Pass-through Entity - N/A

Finding Type - Material weakness and material noncompliance with laws and regulations

Repeat Finding - No

Criteria - If a student account is credited with Federal Direct Loans (FDL), the institution must notify the student or parent of date and amount as well as the right to cancel all or portion of loan, and the procedure and time by which the student must notify the institution no earlier than 30 days before and no later than 30 days after crediting student's account if using an affirmative confirmation process (34 CFR Section 68.165).

Condition - The University did not timely notify the student or parent within 30 days of crediting the student's account with Federal Direct Loans.

Questioned Costs - None

Identification of How Questioned Costs Were Computed - N/A

Context - Of the 21 students tested for FDL notification, notifications for 16 students were not timely communicated within the required time frame.

Cause and Effect - The University did not have a process in place to ensure notifications were sent out in the required time frame.

Recommendation - We recommend that the University institute a process to ensure that all notifications are sent within the required time frame.

Views of Responsible Officials and Planned Corrective Actions - When posting direct loans to the student's account, we will add a touchpoint to the student's record. This automatically sends an email to the student. We will mail a notification to the parent in the case of a Parent Plus loan.

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October 12, 2023

To the Finance and Administration Committee
Shawnee State University

We have audited the financial statements of Shawnee State University (the "University") as of and for the year ended June 30, 2023 and have issued our report thereon dated October 12, 2023. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated April 20, 2023, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the University. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our audit of the University's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of the University, including compliance with certain provisions of laws, regulations, contracts, and grant agreements; certain instances of error or fraud; illegal acts applicable to government agencies; and significant deficiencies in internal control that we identify during our audit. Toward this end, we issued a separate letter dated October 12, 2023 regarding our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on April 21, 2023.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the University are described in Note 2 to the financial statements.

As described in Note 2, the University changed accounting policies related to GASB 96, *Subscription-Based Information Technology Assets*, on a fully retrospective basis. As a result, the University now includes a liability for the present value of payments expected to be made and a right-to-use asset in the statement of net position. Accordingly, the accounting change has been retrospectively applied to prior periods presented as if the policy had always been used.

We noted no transactions entered into by the University during the year for which there is a lack of authoritative guidance or consensus. We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were as follows:

- **Student Accounts Receivable Allowance for Uncollectible Accounts** - Management's estimate of the allowances is based on historical collectibility of student accounts and loans receivable balances.

- **Liability for Contingent Liabilities** - This category includes accrued amounts for pending litigation in which the University has been named as a defendant. Management's estimate of this liability is based on management's judgment, advice of in-house legal counsel, and consultation with external legal counsel when appropriate. The liability recorded is determined by evaluating the amount of exposure the University has, the estimated costs related to the issue, and the likelihood the pending litigation would result in a settlement or judgment against the University. In accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. It is the opinion of in-house legal counsel and University management that the disposition of all pending litigation would not have a material adverse effect on the University's financial position.

- **Accounting for Service Concession Arrangements (PPPs)** - The University has an agreement with a food service provider where the University received funds toward dining hall renovations that are contingent upon the university utilizing the provider over a 10-year period. These amounts are being amortized over the life of the contract and are included as deferred inflows of resources on the statement of net position.

- **Net Pension and OPEB Liabilities** - Management's estimate of the unfunded liabilities for the pension plans and OPEB plans was calculated by multiplying the University's portion of the contributions made to the respective plans by the total pension and OPEB liabilities of the plans provided by an independent actuary. The independent actuary used a number of assumptions to determine the overall unfunded liabilities of the plans.

We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in performing and completing our audit.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report.

We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did not detect any misstatements as a result of audit procedures.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the University, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the University’s auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 12, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the University’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

This information is intended solely for the use of the finance and administration committee and management of Shawnee State University and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Plante & Moran, PLLC

Keith S. Martinez, CPA
Partner

RESOLUTION F29-23

ACCEPTANCE OF SHAWNEE STATE UNIVERSITY'S FY2023 AUDIT REPORT

WHEREAS, pursuant to O.R.C. 117.11, the financials of Shawnee State University must be audited every year by an independent certified public accountant; and

WHEREAS, the University's designated independent firm of Plante Moran, PLLC completed an audit of the University's FY2023 financials, issued an unmodified report, and reviewed the report results with the Finance and Administration Committee; and

WHEREAS, the financial report has been accepted by the Auditor of State;

THEREFORE, BE IT RESOLVED, the Board of Trustees accepts the Shawnee State University FY2023 audit report as presented.

(December 1, 2023)

RESOLUTION F30-23

APPROVAL OF
FY2023 EFFICIENCY REPORT

WHEREAS, Ohio higher education institutions are required to annually submit an efficiency report to the Ohio Department of Higher Education (ODHE); and

WHEREAS, in order to comply with the legislated due date of November 3, 2023, the University's FY2023 Efficiency Report was submitted to ODHE in draft form pending approval by the Board of Trustees; and

WHEREAS, the report reflects Shawnee State's continued commitment and efforts toward meeting or exceeding efficiency goals;

THEREFORE, BE IT RESOLVED that the Board of Trustees of Shawnee State University approves the FY2023 Efficiency Report.

(December 1, 2023)

Ohio Department of Higher Education
Mike DeWine, Governor
Randy Gardner, Chancellor

Affordability & Efficiency

FY23 Efficiency Reporting Template

Introduction:

Ohio Revised Code section 3333.95 requires the chancellor of the Ohio Department of Higher Education (DHE) to maintain an "Efficiency Advisory Committee" that includes an "efficiency officer" from each state institution of higher education (IHE). Each IHE must then provide an "**efficiency report**" updated annually to DHE, which is compiled by the chancellor into a statewide report shared at year end with the governor and legislature. The committee itself meets at the call of the chancellor.

The first several Efficiency Reports were heavily influenced by and structured around the Ohio Task Force on Affordability and Efficiency's October 2015 report "Action Steps to Reduce College Costs" (Task Force). The Task Force report provided many good recommendations that sharpened our focus and set a course for increasing efficiency throughout public higher education in Ohio. Since then, the Efficiency Reports have transitioned to other timely issues. This year's report will continue that practice.

In addition, there are a number of topics that are required to be addressed per the Ohio Revised Code. Specifically, ORC Section 3333.951(C) requires IHEs to report on their annual study to determine the cost of textbooks for students enrolled in the institution. ORC 3333.951(B) requires Ohio's co-located colleges and universities to annually review best practices and shared services and report their findings to the Efficiency Advisory Committee. ORC 3345.59(E) requires information on efficiencies gained as a result of the "regional compacts" created in 2018.

The reporting template also requests information regarding college debt and debt collection practices, among other things.

Your Efficiency Report Contact: David Cummins, Associate Vice Chancellor Financial Planning and Oversight, 614-752-9496, dcummins@highered.ohio.gov Please provide your institution's efficiency report by **Friday, November 3, 2023** via email to OdheFiscalReports@highered.ohio.gov

As in previous years, the Efficiency Reporting Template is structured into the following sections:

- **Section I: Efficiency and Effectiveness –** This section captures information on progress made from strategic partnerships and practices that are likely to yield significant savings and/or enhance program offerings.

- **Section II: Academic Practices –** This section covers areas more directly related to instruction, with an emphasis on actions taken to reduce the costs to students of textbooks, including the options of Inclusive Access and Open Educational Resources.

- **Section III: Policy Reforms** – This section captures state IHE responses to suggested policy reforms originating from state initiatives, including transcript withholding and Second Chance Grants as created in Sub. SB 135.

- **Section IV: Future goals –**In the spirit of continuous improvement, the DeWine-Husted administration continues to request feedback on steps the state can take to support your institution's goals.

For purposes of this report, efficiency is defined on a value basis as a balance of quality versus cost:

- Direct cost savings to students (reducing costs)
- Direct cost savings to the institution (reducing costs)
- Cost avoidance for students (reducing costs)
- Cost avoidance to the college/university (reducing costs)
- Enhanced advising, teaching (improving quality)
- IP commercialization (improving quality)
- Graduation/completion rates (improving quality)
- Industry-recognized credentials (improving quality)
- Experiential learning (improving quality)

These are examples only. Please consider your responses to address broader measures of efficiency, quality, cost and value. Please also note that this is only a template. Feel free to respond in any additional way you believe is helpful.

Shawnee State University

Section I: Efficiency and Effectiveness

Benchmarking

Each institution should regularly identify and evaluate its major cost drivers, along with priority areas that offer the best opportunities for efficiencies. Institutions should also track their progress in controlling costs and improving effectiveness.

1. Does your institution utilize Higher Education Information (HEI) system data to evaluate the efficiency of operations? If so, which data sources are most useful or informative? How can the data provided in HEI be better utilized for this purpose?

   SSU does utilize the HEI system to evaluate the efficiency of operations. The data sources that are most useful are the Employees by Appointment Status by Work Category and the Campus Accountability information. These are wonderful resources for comparing our institution to the other higher education institutions in the state. The data provided in HEI could be better utilized for this purpose by making the data more timely and showing more comparative information.

2. What other data, metrics, or benchmarks does your institution utilize to evaluate operational efficiencies and the appropriate balance of instructional vs. administrative expenses? How is such data utilized by your institution? Please summarize and provide an overview of your performance based on each measure.

   SSU uses the data provided by the IPEDS Data Feedback Reports that compares our university with a group of similar institutions. These data are utilized by the institution to get a general summary of how our instructional vs administrative expenses compares to other similar institutions. Based on these metrics, SSU core expenses per FTE enrollment are better than institutions similar to us. (See Figure 20)

Figure 20. Core expenses per FTE enrollment, by function: Fiscal year 2021

NOTE: Expenses per full-time equivalent (FTE) enrollment, particularly instruction, may be inflated because finance data includes all core expenses while FTE reflects credit activity only. For details on calculating FTE enrollment and a detailed definition of core expenses, see the Methodological Notes. N is the number of institutions in the comparison group.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS): Fall 2021, 12-month Enrollment survey component and Spring 2022, Finance survey component.

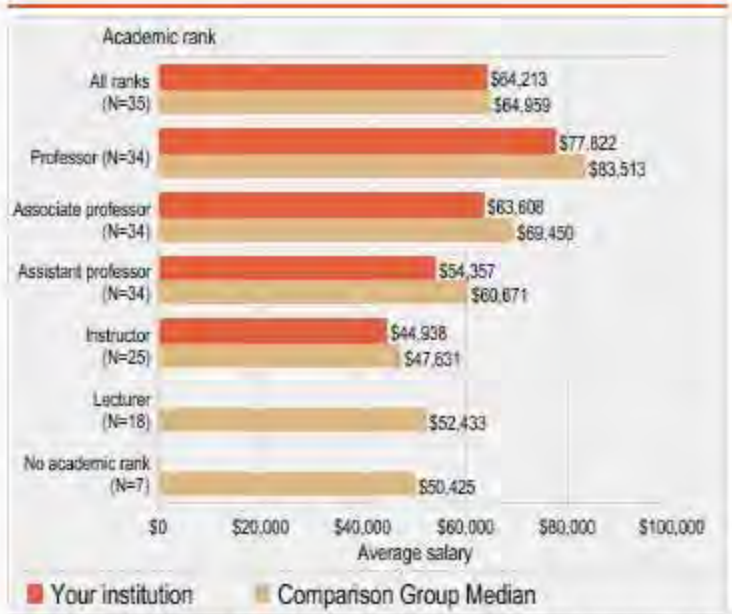
SSU has a larger number of instructional staff by FTE compared to similar institutions, but a smaller operational staff in most other occupational categories. (See Figure 21)

Figure 21. Full-time equivalent staff, by occupational category: Fall 2021

NOTE: Graduate assistants are not included. For calculation details, see the Methodological Notes. N is the number of institutions in the comparison group.
SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS): Spring 2022, Human Resources survey component.

SSU's average salaries of full-time non-medical instructional staff are lower than similar institutions. (See Figure 22)

Figure 22. Average salaries of full-time non-medical instructional staff equated to 9-months worked, by academic rank: Academic year 2021-22



NOTE: See Methodology Notes for more details on average salary. N is the number of institutions in the comparison group.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS): Spring 2022, Human Resources survey component.

Facilities Planning

In April 2022 the Auditor of State's Office completed a Performance Audit of the facility inventory data maintained by DHE. AOS provided three recommendations within that audit:

- DHE should work to ensure that all institutions report data by a specified date and it should develop and follow internal data verification methods.
- DHE should provide the collected facilities data in a timely manner so that policy makers can make informed decisions relating to necessary changes in the state operating and capital budgets.
- DHE should develop a strategic plan for higher education, with a focus on facilities.

1. How has your institution employed planning and changing use of campus space to reduce costs and increase efficient use of capital resources?

   Beginning in summer 2023, SSU has shifted from a long-term aspirational master planning process to an active short-term (2-year), mid-term (4-6 years), and long-term (7+ years) planning process to recognize immediate needs and savings opportunities that can be realized in current fiscal cycles as well as immediate next cycles. Stated objectives are reduction of square footage in use footprint, energy-efficient renovation of space-in-use, and expansion of cross-departmental collaboration and sharing of classrooms, labs, and other instructional space and resources.

2. How have recent enrollment trends, including changing demographics and the increased utilization of distance learning, impacted facilities planning at your institution?

   Sightlines provided space analysis data prior to COVID-19 that was informing several initiatives at SSU, including the realignment of classrooms, labs, and offices for shared use by multiple departments. During COVID-19, the institution quickly pivoted to a completely remote modality. This academic year, overall course offerings have returned for the most part to pre-COVID-19 levels, with online offerings making up a larger proportion of courses. The university will be relaunching a comprehensive study following AY23-24 to assess utilization and feed the active three-tier planning process described above.

   a. Do you see continued increases in distance learning, or do you think that the percentage of courses taken by distance learning has reached a stable level?

   Given nationwide trends, SSU expects to see a continued increase in distance learning, particularly in graduate and certificate programs. Shawnee State University students undergraduate and non-credit students are largely first-generation however and continue to express preferences for on-campus and in-person instruction. The university is evaluating student preferences and course offerings throughout AY23-24 to determine the optimal mix of course modality to meet student needs, remain demand competitive, and keep costs low for the institution and students.

3. What benchmarks or data sources does your institution use to assess demand for physical space?

   The university Facilities & Planning department currently relies on internal data from the Office of Academic & Student Affairs and Enrollment Management to assess the demand of physical space. The university is current exploring alternative benchmarking frameworks to be incorporated into planning by FY25 that are tailored for smaller schools and most appropriate for the high concentration of 2-year applied and 4-year programs on campus.

   a. Do you see a shift in the demand for different types of physical space, e.g. lab space?

      Over 40% of Shawnee State University programs are 2-year applied degree programs and a significant proportion of four-year degrees are in the sciences and engineering. This program distribution continues to demand a significant amount of physical laboratory space. In many cases, these labs require specialized equipment that demand dedicated physical space. Even with the shift in some cases to online classroom instruction, the demand for lab space at SSU remains very high.

4. .Does your institution utilize HEI physical structure data or area utilization data to inform the six-year capital planning process? Yes

Regional Compacts

ORC Section 3345.59 requires regional compacts of Ohio's public institutions, with an executed agreement in place by June 30, 2018, for institutions to collaborate more fully on shared operations and programs. The section identifies nine areas to be addressed to improve efficiencies, better utilize resources and enhance services to students and their regions. Per paragraph E of that section:

> (E) Each state institution of higher education shall include in its annual efficiency report to the chancellor the efficiencies produced as a result of each compact to which the institution belongs.

Specific to the Regional Compact in which your institution is a member, please describe collaborations that have occurred within the regional compacts and the efficiencies or enhanced services provided in any of the relevant categories below.

Category	Description
Reducing duplication of academic programming	SSU conducted an academic program evaluation in FY22. New review standards and processes are in development now for implementation in AY24-AY25 to streamline academic offerings and further reduce any duplicate programming.
Implementing strategies to address workforce education needs of the region	The SSU Center for Lifelong Learning uses regional Ohio Means Jobs data to align development of short-term certificate pathways with immediate workforce needs and enrolls students based on an evaluation of their current level of education and experience. The SSU Center for Lifelong Learning developed several health care related programs understanding the critical staffing shortages facing regional hospitals, EMS providers, and long-term care facilities, as well as partnerships with the Grit Project and Future Plans. The SSU Center for Lifelong Learning partnered with the Corporation for Ohio Appalachian Development to offer two cohorts of the Child Development Associate credential program to attract and train additional staff members for childcare centers, another area with severe staffing shortages state-wide. The SSU Workforce Development Office has continued work with the Ohio Manufacturing Association and the Best Ohio Industry Sector Partnership to bring manufacturers

	together to address needs and train the next generation of manufacturing employees. This work has provided exposure to career fields such as manufacturing and provided training and internships, targeting under-represented groups including women, individuals in recovery and re-entry. Partners include the Star Justice Center, Ohio Department of Jobs and Family Services, and Workforce Board Area 1. SSU is a member of the Ohio Cyber Range and partners with many institutions to enhance cybersecurity offerings. An articulation agreement was recently proposed between Southern State Community College and SSU in computer science and engineering technologies.
Sharing resources to align educational pathways and to increase access within the region	Shawnee State University academic and non-academic programs have partnerships with several K-12 school districts, regional educational service centers, community colleges, and career technical schools to provide program-specific CCP, admission, and dual-enrollment pathways to increase college access and completion.
Reducing operational and administrative costs to provide more learning opportunities and collaboration in the region	
Enhancing career counseling and experiential learning opportunities for students	The Center for Lifelong Learning offers a Bear Tracks workforce training camp each summer. This year, Building Bridges to Careers partnered with the program to offer paid internships to all participants. Many participants are currently employed where they interned.
Expand alternative education delivery models such as competency-based and project-based learning	SSU adopted a policy for the University to administer co-curricular Micro-credentials and badges. Expansion of competency-based learning assessment capacity is being developed in the College of Professional Studies to support advanced standing in a number of SSU applied 2-year and 4-year programs. The Center for Lifelong Learning is now offering courses in a hybrid format allowing for more students to gain skills and knowledge. For example, students can complete the Basic EMT online and then come to campus for a few weeks to complete clinicals and test off on skills.
Collaboration and pathways with information technology centers, adult basic and literacy education programs and school districts	Established partnerships with regional school districts to provide training, resources, and direct literacy instruction to promote the science of reading to build literacy skills from birth up. The SSU Center for Lifelong Learning partners with K-12 school districts in a 13-county area to deliver adult basic and literacy education.

Enhancing the sharing of resources between institutions to expand capacity and capability for research and development	Shawnee State University is a charter member of OhioLINK. OhioLINK is the academic library consortium for Ohio which has 121-member libraries. SSU stakeholders can borrow resources from any member library at no cost. OhioLINK also negotiates contracts on our behalf that help the library reduce costs for group resource purchases.
Identifying and implementing the best use of university regional campuses	N/A
Other initiatives not included above	N/A

Co-located Campuses

ORC Section 3333.951(B) requires Ohio's co-located colleges and universities to annually review best practices and shared services in order to improve academic and other services and reduce costs for students, and to report their findings to the Efficiency Advisory Committee.

> (B) Each state institution of higher education that is co-located with another state institution of higher education annually shall review best practices and shared services in order to improve academic and other services and reduce costs for students. Each state institution shall report its findings to the efficiency advisory committee established under section 3333.95 of the Revised Code. The committee shall include the information reported under this section in the committee's annual report.

Co-located campus: ________N/A___________________________

Type of Shared Service or Best Practice (IE: Administrative, Academic, etc.)	Please include an explanation of this shared service.	Monetary Impact from Shared Service

Section II: Academic Practices

This section covers areas more directly related to instruction, with an emphasis on savings strategies related to the cost of textbooks, and the expanded use of alternative instructional materials.

Textbook Affordability

Textbook Cost Study

ORC Section 3333.951(D) requires Ohio's public colleges and universities to do the following on an annual basis:

> (D) Each state institution of higher education shall conduct a study to determine the current cost of textbooks for students enrolled in the institution, and shall submit the study to the chancellor of higher education annually by a date prescribed by the chancellor.

Your institution's submission of Textbook Cost Study information via the annual Efficiency Report is used to satisfy this statutory requirement. Please attach the analysis of textbook costs developed by your institution labeled "[Institution Name – Academic Year – Textbook Cost Study]" and summarize the results of your institution's study below.

Category	Amount
Average cost for textbooks that are new	85.13
Average cost for textbooks that are used	66.58
Average cost for rental textbooks	51.43
Average cost for eBook	77.26

Reducing Textbook Costs for Students

ORC Section 3333.951(C) requires Ohio's public colleges and universities to report their efforts toward reducing textbook costs for students.

> (C) Each state institution of higher education annually shall report to the efficiency advisory committee on its efforts to reduce textbook costs to students.

Please discuss all initiatives implemented, including those specifically referenced below, that ensure students have access to affordable textbooks.

Open Educational Resources (OER)

1. Has your institution adopted practices/policies to formally encourage the use of OER materials in lieu of purchased materials? Please explain and please include links to relevant information, if applicable, that is available on your institution's website.

   The University has a policy that provides guidelines regarding the selection of textbooks, to include cost incentives encouraging faculty to save students money when possible. https://www.shawnee.edu/sites/default/files/documents/policy-2-18-textbook-selection-2022.pdf

2. Has your institution provided support to faculty for the development of OER materials? If so, please explain and include links to relevant information, if applicable, that is available on your institution's website.

   We promote OER workshops and opportunities for faculty who want help creating courses with OER's. https://shawneesu.libguides.com/c.php?g=1202568&p=8793891

3. What courses did your institution offer during the 2022-23 academic year that used OER? Please fill out the attached template completely. This template will be used to inform a statewide landscape analysis of OER adoption and may be publicly shared in a report. See attached.

Inclusive Access

Inclusive access is defined as an arrangement between an institution, through faculty, and students to offer college textbooks and materials as "included" within tuition and/or a fee assessment, rather than purchased individually by the student. The benefit to faculty and students of inclusive access typically includes a significantly reduced cost per textbook for students, as compared to students buying a new copy of the textbook, and confidence that all students will possess the necessary textbook and/or materials on "day one." Federal law provides the statutory right for students to "opt-out" of inclusive access if they prefer, which preserves the right of the student to source materials.

1. Does your institution formally encourage faculty to offer inclusive access acquisition of college textbooks as a cost-savings for students? If yes, what mechanisms are in place help promote this strategy with faculty?

   Yes, the option for inclusive access is promoted on the faculty website used to collect textbook adoptions. The bookstore staff also identifies courses that would be good candidates for the program and connects those professors with publisher experts in the field.

2. What courses did your institution offer during the 2022-23 academic year that participated in an inclusive access program? Please fill out the attached template completely. This template will be used to inform a statewide landscape analysis of the utilization of inclusive access and may be publicly shared in a report.
   See attached

3. How are students at your institution made aware of their right to opt out of utilizing inclusive access?
   The opt out is handled manually through the registrar's office.

Please provide contact information for the person completing this section of the Efficiency Report, so that we may follow up if we have questions.

Melissa Rucker
Bookstore Manager
Shawnee State University
mrucker@shawnee.edu
740-351-3155

Other Textbook Affordability Practices

What other practices, if any, does your institution utilize to improve college textbook affordability?

Please provide any relevant information in the table below.

Initiative	Explanation of Initiative	Cost Savings to Students

Section III: Policy Reforms

Transcript Access

ORC Section 3345.027 requires the following of public colleges and universities:

(C)(1) Not later than December 1, 2023, the board of trustees of each state institution of higher education shall formally consider and adopt a resolution determining whether to end the practice of transcript withholding. Once adopted, each state institution shall submit a copy of the resolution to the chancellor of higher education.

(2) In adopting the resolution required under this division, each board of trustees shall consider and evaluate all of the following factors:
(a) The extent to which ending the practice of transcript withholding will promote the state's post-secondary education attainment and workforce goals;
(b) The rate of collection on overdue balances resulting from the historical practice of transcript withholding;
(c) The extent to which ending the practice of transcript withholding will help students who have disenrolled from the state institution complete an education, whether at the same institution or another state institution.

If a board of trustees resolves to maintain the practice of transcript withholding, the board shall include in the resolution a summary of its evaluation of the factors contained in division (C)(2) of this section.

(3) Not later than January 1, 2024, the chancellor shall provide a copy of each resolution submitted under this division to the governor, the speaker of the house of representatives, and the president of the senate

Although the submission of this year's Efficiency Report will occur prior to the submission date of the policy required to be adopted by the section above, please be aware of this new requirement as you plan your fall schedule for Board of Trustee meetings.

Special Purpose Fees Policy

Limitations on increases in instructional and general fees have traditionally been set by the General Assembly within biennial operating budgets. Limitations on special purpose fee increases, alternatively, are fairly new beginning with Am. Sub. HB 49 of the 132nd General Assembly. Section 381.160 of Am. Sub. HB49 precluded increases in special purpose fees and establishing new special fees, at universities, except for certain categories of fees specifically exempted in law from the fee limitations. Am. Sub. HB 166 of the 133rd General Assembly continued the special purpose fee restriction but additionally required the Chancellor to review and approve new special purpose fees and increases in existing special purpose fees at universities and community colleges. This same level of special purpose fee restraint has been continued in every biennial budget since, including the current biennial budget Am. Sub. HB 33 (Section 381.260(A)(1)(c)).

Please describe your institution's policy for assigning special purpose fees to specific courses or academic programs. Specifically:

1. What criteria are used to determine whether a course or lab fee is appropriate?

   Fee definitions as used by Shawnee State University, per Policy 4.90REV: Tuition and Other Student Fees, Fines and Charges, are:

   Course Fees – Fees charged only to students enrolled in courses for which a supplemental fee has been established to defray the cost of lab supplies, technology needs, or other special requirements of the course.

Academic Program Fees – Fees charged only to students who have been accepted into an academic program that requires specialized supplies, equipment, or individualized services. Examples may include studio-based programs, programs requiring state-of-the-art equipment, and programs with clinical requirements.

When charging a fee to an existing or newly developed course or program, departments must present this request through shared governance committees. Course and program fee proposals begin at the department level and receives review / approval by all relevant governance committees, the College Dean, Provost, Registrar, and Bursar.

2. What is the internal process for approving new fees or fee increases?

   Each spring term the Bursar's Office requests that College Deans contact departments for input on any new course or program fees or increases to existing fees. Departments submit their requests to the Dean's office with justification(s) for the changes to existing fees or proposed new fees. Each Dean reviews and determines which requests are forwarded to the Bursar. In coordination with the Chief Financial Officer, the Bursar's office submits these requests to Ohio Department of Higher Education and to the SSU Board of Trustees for their approvals. Both the Board of Trustees and ODHE must approve the fee changes prior to implementation of any fees. Course and program fees are communicated on Shawnee State University's "Tuition and Fees" webpage (https://www.shawnee.edu/admission/tuition-fees).

3. What controls are in place to assure that the fee revenue is utilized appropriately to the benefit of the students paying the fee?

   SSU has procedures in place that outline the appropriate use of both course and program fees. Additionally, 10% of fees are held in an expense fund for each College to assist with equipment, unanticipated expenses, or start-up expenses for new programs/degrees to ensure students have access to all necessary instructional supports for degree progression. In conjunction with College Dean, departments/Schools develop plans to ensure projected expenses are addressed appropriately using fee revenue. All requests to spend course and program fee accounts are submitted through SSU's BearTrax Procurement System. For purchases under $5000, the Department Chair or School Director first reviews and approves the requisition, followed by the Dean of the College. Once approved, the requisition is sent to the Procurement office for the actual purchase to be made. For all purchases over $5000, there are additional approvals beyond the Dean at the level of the Provost and review by the General Accounting Services Office. Any purchases above $50,000 require bids to be submitted to the Procurement Office followed by all of the approvals previously listed before purchases can be approved.

Additional Practices

Some IHE's may implement practices that make college more affordable and efficient, but which have not been the topic of a specific question in this reporting template. This section invites your institution to share any positive practices you have implemented that benefit student affordability and/or institutional efficiency.

Please share any additional best practices your institution is implementing or has implemented.

Shawnee State expanded its undergraduate free-tuition program this year to make college possible for more students in underrepresented Appalachian Ohio. Under the program, Pell-eligible students from Scioto, Lawrence, Adams, Pike, Jackson, Ross, Gallia, Brown, and Highland counties in Ohio; and Greenup, Boyd and Lewis counties in Kentucky qualify, as long as they enroll full-time, have a high school GPA of at least 3.0 and an ACT score of at least 18. In its second year, the program is making a college education more affordable for hundreds of students in our region who would not pursue higher education otherwise. This year, SSU plans to implement several new scholarship programs to reach students in our region who narrowly miss Pell eligibility and those who have stopped out of their college journey to make it easier for them to finish their degrees. SSU is also adopting a “metro rate” for housing and board for students in Scioto County, to make living on campus more affordable, which improves their chances of success.

Section IV: Future Goals

The DeWine-Husted administration recognizes that each IHE faces unique challenges and opportunities with respect to the institution’s highest priority goals over the next several years. With that in mind, please provide any suggestions about possible roles the state could play in supporting your institutional goals.

1. Please provide your thoughts and suggestions regarding ways the State of Ohio can further support strength, resiliency and reputational excellence in Ohio’s post-secondary education system.

   Cost, awareness, and the perceived value of higher education is a significant barrier to post-secondary credential attainment and degree completion for first-generation and low-income students in Appalachian Ohio. High school graduates and early- to mid-career adults are consequently far less likely to attend and/or complete college in south-central and south-east Ohio than in other regions of the state. A continued commitment to funding resources that reduce or eliminate the cost of college as well as consistent messaging that re-enforces the importance of higher education is crucial. Continued investment in need-based grants and scholarships for low-income and middle-income students is necessary. Direct support to institutions committed to college access for underrepresented students will not only improve student enrollment and completion numbers, but it will also allow those institutions to evolve to property meet Ohio’s rapidly changing post-secondary-dependent workforce and provide feasible options for students with increasingly non-traditional needs.

Thank you for completing the FY23 Efficiency Reporting Template. We appreciate the important role Ohio’s colleges and universities play in supporting Ohio students, economic growth, world-class research and the overall success for our state.

PLEASE ONLY INCLUDE OER COURSES ON THIS LIST. PLEASE CHECK SHEET2 FOR A DEFINITION OF AN OER COURSE.

TERM (Fall 2021 or Spring 2022)	COURSE ID	SECTION NUMBER	CCP (YES OR NO)	NUMBER OF STUDENTS ENROLLED	AVERAGE RETURN ON INVESTMENT (DO NOT EDIT FORMULA)
fall 21	math 1200	3		34	$ 3,944.00
summer 22	math 2110	90		15	$ 1,740.00
summer 22	math2110	91		1	$ 116.00
summer 22	math 1250	90		1	$ 116.00
fall 21	univ 1101	51		16	$ 1,856.00
fall 21	geol 1201	2	yes	21	$ 2,436.00
fall 21	etec 3701	90		28	$ 3,248.00
fall 21	etgg 2801	90		39	$ 4,524.00
fall 21	etgg 4804	90		18	$ 2,088.00
spring 22	etec 2104	1		26	$ 3,016.00
spring 22	etec 4401	90		19	$ 2,204.00
spring 22	etgg 2802	90		31	$ 3,596.00
fall 21	pols 1110	94		47	$ 5,452.00
fall 21	pols 1110	93		38	$ 4,408.00
fall 21	pols 1110	95		14	$ 1,624.00
spring 22	pols 1110	90		32	$ 3,712.00
spring 22	pols 1110	92		31	$ 3,596.00
fall 21	etco 1120	51	yes	20	$ 2,320.00
spring 22	etco 1120	51	yes	1	$ 116.00
spring 22	etec 1302	51		19	$ 2,204.00
spring 22	etec 1101	1		22	$ 2,552.00
fall 21	engl 1102	17	yes	5	$ 580.00
spring 22	engl 1105	91 & 92		16	$ 1,856.00
fall 21	edmc 4470	1		2	$ 232.00
fall 21	edae 4400	1		10	$ 1,160.00
fall 21	pols 1110	91	yes	40	$ 4,640.00

Please include all OER courses that your institution offered in academic year 2021-2022 on this spreadsheet. Please put each section separately since they will have different enrollment numbers. In order for a course to be classified as an OER course, it needs to meet the following criteria.

In order to include a course on this spreadsheet, all course materials for the course must be OER. There must be no course materials cost to students for the course.

DEFINITION OF OER
The tem "open educational resource" means a teaching, learning, or research resource offered freely to users in at least one form and either resides in the public domain or has been released under an open copyright license that allows for its free use, reuse, modification, and sharing with attribution.

What is an example of an OER course?
An OER course is completely free because it uses openly licensed resources. To receive this designation, the course must use openly licensed materials for all required curricular resources, including textbooks and other instructional materials, such as workbooks, lab manuals, and online homework platforms.

An example of an OER course would be one where the instructor provides a link to a free, online version of an openly licensed textbooks.
The course does not use any other required curricular resources. The professor can recommend students purchase a print- on-demand version, but as long as the instructor does not require the students to use the print version, the cost of printing does not disqualify this course from receiving the OER designation.

What is included/excluded when calculating course material costs?

Included in the cost: textbooks and other instructional/curricular materials, such as workbooks, lab manuals, online homework platforms and codes, or publisher-provided materials for students.

Also included are any course fees for course materials, such as a textbook rental fee, inclusive access fee, Barnes & Noble College Booksellers' First Day fee, or Follett's ACCESS fee.

Excluded from the cost: supplies and equipment, including art supplies, lab tools, and calculators. Also excluded are course fees that are a lab fee, technology fee, or testing fee.

The average return on investment ($116) is derived from the recent MHEC study on benefits and costs of OER.

https://www.mhec.org/sites/default/files/resources/2022MHECOER-Toward-Convergence.pdf?utm_source=msdynmktg&utm_medium=email&utm_campaign=22towardconvergence#msdynttrid=pJ-O-aa8BW0NjmTgEIXpi9nJKWFvp-J9qbFukH0u8iI

PLEASE ONLY INCLUDE INCLUSIVE ACCESS COURSES ON THIS LIST.
DEFINITION OF INCLUSIVE ACCESS
Inclusive access is an arrangement between an institution, through faculty, and students to offer college textbooks and materials as "included" within tuition and/or a fee assessment, rather than purchased individually by the student.

TERM (Fall 2022 or Spring 2023)	COURSE ID	CCP (YES OR NO)	NUMBER OF STUDENTS ENROLLED	ESTIMATED SAVINGS
	ANTH 2250		59	$3,492.51
	ARTH 1101		475	$38,296.88
	ARTH 2211		40	$4,115.20
	ARTH 2212		41	$4,218.08
	BIOL 1151		74	$19,983.70
	BIOL 1152		53	$14,312.65
	BIOL 3560		25	$5,892.81
	BIOL 3561		17	$4,007.07
	BIOL 4780		23	$3,517.74
	BUAC 2010		127	$23,497.22
	BUAC 2030		104	$25,384.32
	BUAC 2210		27	$7,802.66
	BUAC 3030		46	$14,843.28
	BUAC 3350		9	$1,088.53
	BUMG 3000		31	$3,452.78
	CHEM 1121		137	$34,739.09
	CHEM 1141		96	$8,096.64
	CHEM 1142		33	$2,783.22
	CHEM 2200		24	$6,085.68
	ENGL 1101		419	$17,319.37
	ENGL 1102		32	$1,322.72
	ENGL 1201		106	$4,381.51
	EXSC 2150		69	$5,470.49
	EXSC 2200		81	$5,033.54
	MATH 1000		16	$1,771.40
	MATH 1000A		13	$1,439.26
	MUSI 1201		205	$27,132.26
	POLS 1210		93	$5,671.14
	PSYC 1101		566	$57,587.67
	PSYC 1130		130	$8,920.60
	PSYC 2121		18	$3,198.96
	PSYC 2130		112	$19,835.48
	PSYC 3140		26	$1,448.53
	PSYC 3160		72	$19,291.68
	STAT 1150		193	$23,739.48
	STAT 1800		52	$7,093.32
	STAT 1800A		51	$6,956.91

RESOLUTION 31-23

REVISION OF POLICY 3.20REV, UNIVERSITY HOUSING

WHEREAS, Policy 3.20 Rev, University Housing, addresses the requirements, restrictions and prohibitions pertaining to the University's residence halls; and

WHEREAS, a revision of the policy is recommended after analyzing post-Covid-19 student trends and behaviors; and

WHEREAS, revised Policy 3.20, University Housing, has been recommended by the Chief Financial Officer for Board of Trustees approval;

THEREFORE, BE IT RESOLVED that the Board of Trustees of Shawnee State University hereby approves revision of Policy 3.20Rev, University Housing.

(December 1, 2023)

Shawnee State University

POLICY TITLE:	UNIVERSITY HOUSING
POLICY NO.:	3.20 REV
ADMIN CODE:	3362-3-12
PAGE NO.:	1 OF 3
EFFECTIVE DATE:	~~03/19/21~~ 12/01/2023
NEXT REVIEW DATE:	~~03/2024~~ 12/2026
RESPONSIBLE OFFICER:	~~VPAEM~~CHIEF FINANCIAL OFFICER
APPROVED BY:	BOARD OF TRUSTEES

1.0 PURPOSE

Shawnee State University (SSU) has an obligation to ensure that housing policies and programs exist that will maximize the educational potential of the residential life of the University.

2.0 RESIDENCE LIFE AS AN EDUCATIONAL EXPERIENCE

2.1 In addition to the other forms of education it practices, Shawnee State University endorses and supports the particular value of higher education as provided by a residential campus community. Residential settings offer students unparalleled opportunities to gain from social interactions and other life experiences that characterize on-campus housing and dining.

2.2 When residential living is part of an organized program, the educational and personal gains from simple access and participation can be substantial. For these reasons, SSU develops and maintains programs that ensure the residential experience contributes in significant ways to the total education of students.

3.0 UNIVERSITY HOUSING REQUIREMENTS, RESTRICTIONS AND PROHIBITIONS

3.1 As a condition of admission and continued enrollment, all freshman and sophomore students in their first and second years of attendance and who have completed less than sixty (60) hours of college credit beyond high school who live more than fifty (50) ~~twenty-five (25)~~ miles from campus are required to live in University housing, to the extent that space is available, and to take their meals in dining facilities as provided in meal plans approved by the University. Under this policy a freshman is defined as a student who has ~~not~~ earned 29 or fewer college credit hours beyond high school graduation as of the start of the academic year and a sophomore is a student who has ~~earned less than~~ at least~~sixty (60)~~ thirty (30) hours of college credit beyond high school graduation as of the start of the academic year. For the purposes of the preceding sentence only, credit earned through Ohio College Credit Plus or a similar program, or credits earned through high school Advanced Placement or International Baccalaureate courses shall not fall within the definition of "college credit". ~~This section shall apply to students enrolling at the university for the first time after summer of 2021.~~

3.2 All varsity student athletes and/or international students receiving any ~~institutional~~ athletic scholarship assistance are required to live in University housing, to the extent that space is available, and to take their meals in dining facilities as provided in meal plans approved by the University. These student athletes are also required to maintain a meal plan of at least 12 meals per week while enrolled at the institution. ~~This section shall apply to student athletes and international students enrolling at the university for the first time after summer of 2021.~~

3.3 Exceptions to the on-campus housing and meal plan requirements in sections 3.1 and 3.2 include the following: married students, single parents with full or shared custody of children, veterans, students over the age of 23, transfer students with more than sixty (60) transferred credits earned beyond high school graduation (international students and students on athletic scholarships do not fall within this exception), ~~students living with one or both of their parents,~~ and other extraordinary circumstances as determined by the Chief Enrollment Officer~~Vice President for Advancement and Enrollment Management or designee~~. ~~If a student wishes to petition on account of living with their parents, both the student and parents are required to submit a signed affidavit with their appeals.~~

3.4 Individuals Prohibited from Student Housing

3.4.1 Individuals are prohibited from living in and/or visiting University- owned or managed residential facilities if they:

a) have been convicted of any felony of violence, and/or

b) are a convicted sex offender, and/or

c) have been convicted of a felony or were found responsible for an offense as a juvenile which would be a felony if committed by an adult, and have not completed their associated sentence, probation, and/or parole, whichever applicable.

3.4.2 The University may exclude other individuals from University housing based upon health, safety and/or conduct reasons in accordance with procedures and/or guidelines approved by the President.

4.0 TERMS AND CONDITIONS FOR STUDENT RESIDENTS

As a condition to living in student housing, students will be required to agree to requirements established by the University, which may be in the form of a housing contract. Failure to fully and accurately complete the contract may be a reason to exclude a student from University housing. The housing contract form shall be approved by the ~~Vice President for Finance and Administration.~~Chief Enrollment Officer.

5.0 The Board of Trustees will retain authority for establishing rates for residential housing and meal plans.

6.0 GUIDELINES

The University will have guidelines for student housing and residence life that may be produced in electronic form. Such guidelines will be approved by the President.

Ref: Guide to University Housing & Residence Life

History
Effective: 05/09/94
Revised: 12/01/23; 03/19/21; 12/14/18; 09/11/15; 05/02/14; 02/09/07

Shawnee State University

POLICY TITLE:	UNIVERSITY HOUSING
POLICY NO.:	3.20 REV
ADMIN CODE:	3362-3-12
PAGE NO.:	1 OF 3
EFFECTIVE DATE:	12/01/2023
NEXT REVIEW DATE:	12/2026
RESPONSIBLE OFFICER:	CHIEF FINANCIAL OFFICER
APPROVED BY:	BOARD OF TRUSTEES

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3.3 Exceptions to the on-campus housing and meal plan requirements in sections 3.1 and 3.2 include the following: married students, single parents with full or shared custody of children, veterans, students over the age of 23, transfer students with more than sixty (60) transferred credits earned beyond high school graduation (international students and students on athletic scholarships do not fall within this exception), and other extraordinary circumstances as determined by the Chief Enrollment Officer.

3.4 Individuals Prohibited from Student Housing

3.4.1 Individuals are prohibited from living in and/or visiting University- owned or managed residential facilities if they:

a) have been convicted of any felony of violence, and/or

b) are a convicted sex offender, and/or

c) have been convicted of a felony or were found responsible for an offense as a juvenile which would be a felony if committed by an adult, and have not completed their associated sentence, probation, and/or parole, whichever applicable.

3.4.2 The University may exclude other individuals from University housing based upon health, safety and/or conduct reasons in accordance with procedures and/or guidelines approved by the President.

4.0 TERMS AND CONDITIONS FOR STUDENT RESIDENTS

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Ref: Guide to University Housing & Residence Life

History

Effective: 05/09/94

Revised: 12/01/23; 03/19/21; 12/14/18; 09/11/15; 05/02/14; 02/09/07

RESOLUTION F32-23

APPROVAL OF REVISIONS TO POLICY 1.05REV, INVESTMENT POLICY

WHEREAS, Policy 1.05Rev, Investment Policy, was last updated by the Board of Trustees on April 30, 2021; and

WHEREAS, at it's November 9, 2023 meeting, the University's Investment Committee and Investment Consultant (TIAA) evaluated the status of the University's diversified investment pool, current and future cash needs and additions to investment balances, the necessity to restructure the investment allocation, and the limitations of the established asset allocation targets and ranges; and

WHEREAS, the policy has been updated and revised to respond to allocate planned additional investment funding in FY2024 and to ensure the continued effective management of the University's diversified investment pool with the Investment Committee's concurrence;

THEREFORE, BE IT RESOLVED that the Shawnee State University Board of Trustees approves the proposed revisions to Policy 1.05Rev, Investment Policy.

(December 1, 2023)

Shawnee State University

POLICY TITLE:	INVESTMENT POLICY
POLICY NO:	1.05REV
ADMIN CODE:	3362-1-05
PAGE NO.:	1 OF 5
EFFECTIVE DATE:	12/01/2023 ~~4/30/2021~~
NEXT REVIEW DATE:	12/2026 ~~4/2023~~
RESPONSIBLE OFFICERS:	INVESTMENT COMMITTEE
APPROVED BY:	BOARD OF TRUSTEES

1.0 PURPOSE

1.1 The Shawnee State University Board of Trustees has title to University investments and these funds are held in trust. The investments are to be made consistent with this investment policy as set forth below.

1.2 All fiduciaries implementing this investment policy are required to discharge their duties with the 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 like character and with like aims.

2.0 MEMBERSHIP AND DUTIES

2.1 The membership of the Investment Committee shall be as follows.

2.1.1 The University's ~~Vice President for Finance and Administration~~Chief Financial Officer or his/her delegate shall serve as a permanent member of the Committee.

2.1.2 The University Controller or his/her delegate shall serve as a permanent member of the Committee.

2.1.3 The Chair of the Board of Trustees shall appoint a chair of the Investment Committee from among the members of the Board's Finance and Administration Committee. The chair of the Investment Committee shall serve in that role for a term of one fiscal year, which is renewable at the discretion of the Chair of the Board.

2.1.4 In addition to the members discussed in sections 2.1.1 through 2.1.3, there shall be three (3) additional members. Each such additional member shall be appointed in staggered three-year terms, which are renewable as set forth in section 2.1.~~4~~5. Existing members at the time of this amendment shall serve out the remainder of their terms, and are eligible for renewal.

2.1.5 The chair of the Investment Committee shall make recommendations on replacing a member at the end of a term, renewing a member's term, and appointing a member to fill a vacancy during a term. All such renewal recommendations and nominees recommended by the Investment Committee chair are subject to approval by the Board of Trustees.

2.2 The Investment Committee shall meet at least quarterly.

2.3 The Investment Committee shall review and recommend revision to this investment policy and advise the Shawnee State University Board of Trustees through its Finance and Administration Committee on its investments.

2.4 The Investment Committee is authorized to retain an investment advisor that meets the credential criteria as outlined in law.

2.5 Upon appointment, each Investment Committee member will sign an agreement indicating that they will avoid conflicts of interest in performing their duties as committee members.

3.0 INVESTMENT OBJECTIVE

3.1 The primary objectives of the University's investment activities are:

3.1.1 Safety: Assets of the University shall be handled in a manner that diversifies investments so as to mitigate the magnitude of potential capital loss inherent in investment risk.

3.1.2 Return on Investment: To have, over time, return net-of-fees that at least equals common indexes in capital markets in which the University's assets are invested.

4.0 INVESTMENT ALLOCATION

4.1 A minimum of 25% of the prior fiscal year's average investment portfolio will be invested in securities of the United States Government or of its agencies or instrumentalities, the treasurer of state's pooled investment program, obligations of this state or any political subdivision of this state, certificates of deposit of any national bank located in this state, written repurchase agreements with any eligible Ohio financial institution that is a member of the Federal Reserve System or Federal Home Loan Bank, money market funds, or bankers acceptances maturing in two hundred seventy days or less which are eligible for purchase by the Federal Reserve system, as a reserve. The actual percentage may be higher than this figure dependent upon anticipated cash flow needs with some buffer for unanticipated needs as determined by Section 4.4 of this Policy.

4.2 Investments shall be made in a Liquid Pool and a Diversified Investment Pool.

4.2.1 The administration of the Liquid Investment pool is to remain with the Shawnee State University Finance Office as an agent of the Investment Committee. Returns will be reported quarterly to the Investment Committee and the Board of Trustees.

4.2.2 The diversified investment pool will be invested in publicly traded securities with the following ranges of asset allocation within that pool:

	Target Allocation		Range
Total Equity		~~3~~50%	~~2~~40% to ~~4~~60%
Large Cap	~~20~~35%		
Mid and Small Cap	10%		
International	5%		
Total Fixed Income		~~60~~48%	~~55~~~~40~~39% to ~~75~~60%
Cash		~~5~~2%	1% to 30%
Alternative Assets		0%	0% to5%

4.2.3 The ~~Vice President for Finance and Administration~~Chief Financial Officer or delegate has authority to allocate funds between these pools.

4.2.4 Asset Target Allocations will be reviewed with the Investment Committee not less than on an annual basis for critical changes that will recognize the University's long-term financial needs and be responsive to investment market conditions.

4.3 The University may transfer a portion of the Diversified Investment Pool to the Liquid Investment Pool as follows:

4.3.1 The University may transfer up to 2.5% times the Diversified Investment Pool's previous twelve quarter moving average of market value from the Diversified Investment Pool to the Liquid Investment Pool.

4.3.2 This calculation will be applied to the twelve quarters ending on December 31 of the current fiscal year so the level of additional funding will be available during the subsequent year's budgeting process.

4.3.3 The amount eligible to be transferred may be moved as a lump sum or periodically during the fiscal year but the total of the transfer(s) may not exceed the original calculated amount (other than for exceptions noted in other sections of the Investment Policy).

4.3.4 The ~~Vice President for Finance and Administration~~Chief Financial Officer will recommend the amount (and the related investment accounts from which the funds will be

withdrawn) of eligible funds to be transferred from the Diversified Investment

Pool to the Liquid Investment Pool based on the University's anticipated cash needs and consultation with the University's Investment Consultant. The transfer will require the approval of the University President and will subsequently be reported to the Investment Committee and the Board of Trustees at their respective meetings following the transfer.

4.4 The ~~Vice President for Finance and Administration~~Chief Financial Officer may request a transfer to or from the Diversified Investment Pool to either the Liquid Investment Pool or the University's Main Operating checking account outside of the formula restrictions noted in Section 4.3 based on unanticipated cash needs of the University. Based upon the amount of the request, the recommendation will require approval as follows:

4.4.1

Requested Transfer Amount:	Requires Approval From:
$1 to $1,000,000	~~Vice President for Finance & Administration~~Chief Financial Officer
$1,000,001 to $2,500,000	University President
$2,500,001 to $5,000,000	Chair, Shawnee State University Board of Trustees

4.4.2 The transfer will also be reported to the Investment Committee and the Board of Trustees at their respective meetings following any transfer.

5.0 INVESTMENT SECURITIES DIVERSIFICATION AND QUALITY

5.1 No more than 5% of the Diversified Investment Pool portfolio shall be invested in any single issue except U. S. government securities.

5.2 Investment in fixed income securities shall be limited to government and agency issues and other issues in the top four quality ratings of recognized credit services. Prohibited investments include bonds rated below investment grade and investment funds in which derivatives comprise a substantial part.

6.0 ALTERNATIVE INVESTMENTS

Inclusion of alternative investments is at the discretion of the Investment Committee. Alternative investment categories may include gold and other commodities.

7.0 MARKET BENCHMARKS

7.1 Given short-term market fluctuations, it is intended that investment manager(s) will achieve the performance objectives over a 5-year moving period, net of investment fees, set forth in section 7.2. It is understood that performance evaluation will occur in shorter intervals, the results of which may cause the Investment Committee to make an investment manager change.

7.2 Policy benchmarks will be established by the Investment Committee as needed but no less than on an annual basis and subsequently communicated to the Board of Trustees, upon adoption.

7.3 In evaluating the Investment Manager's performance, relative to the established benchmarks, any University requested revisions of the asset allocations will be taken into consideration.

8.0 EVALUATION OF INVESTMENT MANAGERS

8.1 Investment managers will be reviewed quarterly based upon the following criteria:

8.1.1 Ability to exceed the performance objectives stated in this policy.

8.1.2 Adherence to the philosophy and style that were articulated to the Investment Committee at or subsequent to the time an investment manager was retained.

8.1.3 Ability to exceed the investment performance (net of fees) of other investment managers who adhere to the same or similar style.

8.1.4 Continuity of personnel and practices at the firm.

<u>History</u>
Effective: 10/11/02
Revised: 12/01/23; 04/30/21, 04/12/19, 10/14/16, 05/02/14, 06/14/12, 11/18/11, 04/13/07, 04/22/05

Shawnee State University

POLICY TITLE:	INVESTMENT POLICY
POLICY NO:	1.05REV
ADMIN CODE:	3362-1-05
PAGE NO.:	1 OF 5
EFFECTIVE DATE:	12/01/2023
NEXT REVIEW DATE:	12/2026
RESPONSIBLE OFFICERS:	INVESTMENT COMMITTEE
APPROVED BY:	BOARD OF TRUSTEES

1.0 PURPOSE

1.1 The Shawnee State University Board of Trustees has title to University investments and these funds are held in trust. The investments are to be made consistent with this investment policy as set forth below.

1.2 All fiduciaries implementing this investment policy are required to discharge their duties with the 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 like character and with like aims.

2.0 MEMBERSHIP AND DUTIES

2.1 The membership of the Investment Committee shall be as follows.

2.1.1 The University's Chief Financial Officer or his/her delegate shall serve as a permanent member of the Committee.

2.1.2 The University Controller or his/her delegate shall serve as a permanent member of the Committee.

2.1.3 The Chair of the Board of Trustees shall appoint a chair of the Investment Committee from among the members of the Board's Finance and Administration Committee. The chair of the Investment Committee shall serve in that role for a term of one fiscal year, which is renewable at the discretion of the Chair of the Board.

2.1.4 In addition to the members discussed in sections 2.1.1 through 2.1.3, there shall be three (3) additional members. Each such additional member shall be appointed in staggered three-year terms, which are renewable as set forth in section 2.1.5. Existing members at the time of this amendment shall serve out the remainder of their terms, and are eligible for renewal.

2.1.5 The chair of the Investment Committee shall make recommendations on replacing a member at the end of a term, renewing a member's term, and appointing a member to fill a vacancy during a term. All such renewal recommendations and nominees recommended by the Investment Committee chair are subject to approval by the Board of Trustees.

2.2 The Investment Committee shall meet at least quarterly.

2.3 The Investment Committee shall review and recommend revision to this investment policy and advise the Shawnee State University Board of Trustees through its Finance and Administration Committee on its investments.

2.4 The Investment Committee is authorized to retain an investment advisor that meets the credential criteria as outlined in law.

2.5 Upon appointment, each Investment Committee member will sign an agreement indicating that they will avoid conflicts of interest in performing their duties as committee members.

3.0 INVESTMENT OBJECTIVE

3.1 The primary objectives of the University's investment activities are:

3.1.1 Safety: Assets of the University shall be handled in a manner that diversifies investments so as to mitigate the magnitude of potential capital loss inherent in investment risk.

3.1.2 Return on Investment: To have, over time, return net-of-fees that at least equals common indexes in capital markets in which the University's assets are invested.

4.0 INVESTMENT ALLOCATION

4.1 A minimum of 25% of the prior fiscal year's average investment portfolio will be invested in securities of the United States Government or of its agencies or instrumentalities, the treasurer of state's pooled investment program, obligations of this state or any political subdivision of this state, certificates of deposit of any national bank located in this state, written repurchase agreements with any eligible Ohio financial institution that is a member of the Federal Reserve System or Federal Home Loan Bank, money market funds, or bankers acceptances maturing in two hundred seventy days or less which are eligible for purchase by the Federal Reserve system, as a reserve. The actual percentage may be higher than this figure dependent upon anticipated cash flow needs with some buffer for unanticipated needs as determined by Section 4.4 of this Policy.

4.2 Investments shall be made in a Liquid Pool and a Diversified Investment Pool.

4.2.1 The administration of the Liquid Investment pool is to remain with the Shawnee State University Finance Office as an agent of the Investment Committee. Returns will be reported quarterly to the Investment Committee and the Board of Trustees.

4.2.2 The diversified investment pool will be invested in publicly traded securities with the following ranges of asset allocation within that pool:

	Target Allocation		Range
Total Equity		50%	40% to 60%
Large Cap	35%		
Mid and Small Cap	10%		
International	5%		
Total Fixed Income		48%	39% to 60%
Cash		2%	1% to 30%
Alternative Assets		0%	0% to5%

4.2.3 The Chief Financial Officer or delegate has authority to allocate funds between these pools.

4.2.4 Asset Target Allocations will be reviewed with the Investment Committee not less than on an annual basis for critical changes that will recognize the University's long-term financial needs and be responsive to investment market conditions.

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4.3.3 The amount eligible to be transferred may be moved as a lump sum or periodically during the fiscal year but the total of the transfer(s) may not exceed the original calculated amount (other than for exceptions noted in other sections of the Investment Policy).

4.3.4 The Chief Financial Officer will recommend the amount (and the related investment accounts from which the funds will be withdrawn) of eligible funds to be transferred from the Diversified Investment Pool to the Liquid Investment Pool based on the University's anticipated cash needs and consultation with the University's Investment Consultant. The transfer will require the approval of the University President and will subsequently be reported to the Investment Committee and the Board of Trustees at their respective meetings following the transfer.

4.4 The Chief Financial Officer may request a transfer to or from the Diversified Investment Pool to either the Liquid Investment Pool or the University's Main Operating checking account outside of the formula restrictions noted in Section 4.3

based on unanticipated cash needs of the University. Based upon the amount of the request, the recommendation will require approval as follows:

4.4.1

Requested Transfer Amount:	Requires Approval From:
$1 to $1,000,000	Chief Financial Officer
$1,000,001 to $2,500,000	University President
$2,500,001 to $5,000,000	Chair, Shawnee State University Board of Trustees

4.4.2 The transfer will also be reported to the Investment Committee and the Board of Trustees at their respective meetings following any transfer.

5.0 INVESTMENT SECURITIES DIVERSIFICATION AND QUALITY

5.1 No more than 5% of the Diversified Investment Pool portfolio shall be invested in any single issue except U. S. government securities.

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6.0 ALTERNATIVE INVESTMENTS

Inclusion of alternative investments is at the discretion of the Investment Committee. Alternative investment categories may include gold and other commodities.

7.0 MARKET BENCHMARKS

7.1 Given short-term market fluctuations, it is intended that investment manager(s) will achieve the performance objectives over a 5-year moving period, net of investment fees, set forth in section 7.2. It is understood that performance evaluation will occur in shorter intervals, the results of which may cause the Investment Committee to make an investment manager change.

7.2 Policy benchmarks will be established by the Investment Committee as needed but no less than on an annual basis and subsequently communicated to the Board of Trustees, upon adoption.

7.3 In evaluating the Investment Manager’s performance, relative to the established benchmarks, any University requested revisions of the asset allocations will be taken into consideration.

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8.1 Investment managers will be reviewed quarterly based upon the following criteria:

8.1.1 Ability to exceed the performance objectives stated in this policy.

8.1.2 Adherence to the philosophy and style that were articulated to the Investment Committee at or subsequent to the time an investment manager was retained.

8.1.3 Ability to exceed the investment performance (net of fees) of other investment managers who adhere to the same or similar style.

8.1.4 Continuity of personnel and practices at the firm.

History
Effective: 10/11/02
Revised: 12/01/23; 04/30/21; 04/12/19; 10/14/16; 05/02/14; 06/14/12; 11/18/11; 04/13/07; 04/22/05

RESOLUTION F33-23

REVISION OF POLICY 4.52REV
LEAVES OF ABSENCES (PAID AND UNPAID)

WHEREAS, a modification of the policy is recommended to reflect the closure of the University each year around the Christmas and Independence Day holidays to achieve energy efficiency savings; and

WHEREAS, the specific closure dates will be determined by the University and the viability of continuing such closure will be examined by the President each year to determine the impact upon the delivery of services and operational needs and may be modified to respond to these needs; and

WHEREAS, these revisions have been recommended by the President for Board of Trustees approval;

NOW, THEREFORE, IT IS RESOLVED that the Board of Trustees of Shawnee State University approves amended Policy 4.52Rev., Leaves of Absences, Paid and Unpaid.

(December 1, 2023)

Shawnee State University

POLICY TITLE:	LEAVES OF ABSENCES (PAID & UNPAID)
POLICY NO.:	4.52REV
ADMIN CODE:	3362-4-23
PAGE NO.:	1 OF 11
EFFECTIVE DATE:	~~9/15/2023~~12/01/2023
NEXT REVIEW DATE:	~~9/2026~~12/~~01~~/20266~~3~~
RESPONSIBLE OFFICER:	CHIEF OPERATING OFFICER
APPROVED BY:	BOARD OF TRUSTEES

1.0 PURPOSE

The University is committed to providing administrators and administrative technical support staff (ATSS) with appropriate avenues to take time away from work assignments and for the University to remain fully compliant with applicable regulatory provisions for various forms of leave that are essential to the health and wellbeing of University employees. This policy identifies the holidays that are observed by the University, provides for the accrual and use of vacation, and defines the various forms of leaves of absence (LOAs) that are available or that the administration may impose. This policy does not govern Department of Public Safety employees whose leaves of absence are addressed in Policy 4.82Rev. To the extent a future collective bargaining agreement covers some public safety employees, leaves of absence addressed in the CBA shall govern.

2.0 HOLIDAYS

2.1 The following are designated University holidays:

Holiday	Date
New Year's Day	January 1
Martin Luther King Day	Third Monday in January
President's Day*	Third Monday in February
Memorial Day	Last Monday in May
Juneteenth	June 19
Independence Day	July 4
Labor Day	First Monday in September
Columbus Day*	Second Monday in October
Veterans Day	November 11
Thanksgiving Day	Fourth Thursday in November
Christmas Day	December 25

2.2 The University will develop a schedule each year that will allow for designated holidays to be observed. The two holidays marked with an asterisk (*) on the list will be observed on the Friday after Thanksgiving and on the day before Christmas Day.

2.3 If any of the holidays as provided herein falls on Saturday, the Friday immediately preceding shall be observed as the holiday. If any of the holidays as provided herein falls on Sunday, the Monday immediately succeeding shall be observed as the holiday.

2.4 The University reserves the right to require work on observed holidays at its discretion. Non-exempt salaried employees working on an observed holiday shall be paid for the holiday and for the actual time worked at one and one-half (1 ½) times their base salary per-hour rate of pay.

3.0 WINTER & SUMMER BREAK

The University will be closed for Winter break each year from December 26 through December 31. In the event that the observance of Christmas Eve, Christmas Day, or New Year's Day occurs during the December 26-31 period, an additional vacation day shall not be provided to employees. The University may close additional days around the Christmas and/or Independence Day holidays as determined by the President, who shall report any such changes to and receive approval from the Chair of the Board of Trustees~~University~~.

4.0 VACATION LEAVE

4.1 The University regards a vacation as a period of rest and relaxation earned for past service. Since the annual vacation is important to the wellbeing of employees and their families, employees are encouraged to utilize all earned vacation.

4.2 For accrual purposes, the vacation year shall be based on an employee's anniversary date.

4.3 Employees accrue vacation leave based upon the schedule reflected in table 4.4 below. Part time benefit eligible employees who work twelve months will receive pro-rated vacation. Benefit eligible full time employees employed for less than twelve months will receive vacation at one-half (.50) of the applicable accrual rate.

4.4 **Admin/ATSS Vacation Accrual Structure**

Years of Completed Service	# Days	Hours of Vacation	Accrual Rate	Maximum Balance
Years 0-2	17	136	5.23	272.00
Years 3-5	18	144	5.54	288.00
Years 6-8	19	152	5.85	304.00
Years 9-11	20	160	6.15	320.00

Years 12-14	**21**	**168**	**6.46**	**336.00**
Year 15+	**22**	**176**	**6.77**	**352.00**

4.5 An employee may accumulate a maximum of two (2) times the accrued hours of vacation earned in one year. This amount may be carried over from year to year. With approval of the division senior executive, an additional amount may be carried over when vacation cannot be taken due to operational needs outside the employee's control. Division senior executive shall mean the Provost/Vice President for Academic and Student Affairs; Chief Financial Officer; Chief Operating Officer; Chief Enrollment Officer; Chief Advancement Officer; Chief of Staff; and the President for employees who report directly to the President.

4.6 A newly hired employee's vacation accrual rate may include prior public service with the State of Ohio or any of its political subdivisions or regional councils of government, with the following conditions:

4.6.1 The employee must inform and provide written documentation to the Department of Human Resources within ninety (90) days of employment that s/he has service with the State of Ohio or any of its political subdivisions or regional councils of government. In such case, the employee's accrual will be adjusted to the appropriate rate from the date of employment with the University.

4.6.2 Notification by the employee to the Department of Human Resources received after ninety (90) days of employment with the University will be applied to the employee's accrual rate beginning the next full pay period in which the request and required documentation are received by Human Resources.

4.6.3 The employee's adjusted accrual balance (whether retroactive to the employment date or a later date) will be reflected on the pay records beginning with the next full pay period after receipt of required documentation.

4.6.4 A year of service with the State of Ohio or a political subdivision or regional council of government is considered as twenty-six (26) biweekly periods.

4.6.5 An employee who has retired in accordance with the provisions of any retirement plan offered by the State of Ohio and is reemployed will not have prior service with the State of Ohio, any political subdivision of the State or a regional council of government counted for purposes of computing vacation leave.

4.7 To assure accurate leave balances, employees requesting vacation leave must submit their request electronically through the BearTrax system.

4.8 Extended vacation requests (over 3 weeks in a single instance) may have a negative impact on the operation and will be considered only as an exception with accompanying extenuating circumstances. Requests of this nature will require a written rationale with supervisor approval, as well as the approval of the division senior executive (as defined in section 4.5, above).

4.9 When an official University observed holiday falls within an employee's vacation, that day will not be charged as vacation.

4.10 All accrued vacation must be exhausted before an unpaid leave of absence commences. This subsection does not apply when an employee opts to take some or all of the time off without pay during a university shutdown as permitted by section 4.13.

4.11 Employees who retire or resign will be paid for earned but unused vacation up to a maximum of two times the accrued hours of vacation in one year at the time of their departure. In the event of the death of an employee, vacation pay for vacation earned but not taken up to a maximum of two times the accrued hours of vacation in one year will be paid to the estate of the employee.

4.12 The Department of Human Resources will maintain an up-to-date record of vacation for each employee. Any questions concerning vacation record-keeping should be directed to Human Resources.

4.13 In order to provide for continuous payment during a Board-approved University closure, temporary changes to vacation accruals will be permitted as follows:

4.13.1 employees will be permitted to use accrued vacation leave hours during hours they will not be working as a result of the shutdown to offset lost pay, or

4.13.2 employees will be permitted to use unearned vacation leave hours that they are scheduled to earn during the remainder of that calendar year in exchange for a reduced vacation accrual rate for the remainder of the calendar year. These actions will not be considered a reduction in pay, layoff, or furlough.

5.0 SICK LEAVE

5.1 Sick leave may be used for an authorized absence from scheduled duties due to personal illness (which may include physical and/or mental health issues); personal injury; exposure to contagious disease that poses a reasonable risk of contagion to the University (the University may require documentation); medical, mental health, dental, or optical examination or treatment for self or immediate family members when the employee’s attendance is required; family emergencies requiring the attendance of the employee; pregnancy and/or childbirth and related conditions; or death in the immediate family. The definition of an immediate family member includes: grandparents, brother, sister, brother-in-law, sister-in-law, daughter-in-law, son-in- law, father, father-in-law, mother, mother- in-law, spouse, child, grandchild, legal guardian, or other person who stands in the place of a parent.

5.2 Upon hire, a full-time Administrator or ATSS employee will receive one hundred and twenty (120) hours of sick leave credited to his/her leave account.

5.3 After the first year of employment and thereafter, sick leave will accrue for full-time Administrators and ATSS pro-rated each pay period for a maximum of 120 hours per year.

5.4 Upon hire, the part-time Administrator or ATSS employee will receive a pro-rated amount of sick leave credited to his/her leave account, based upon the employee's full-time equivalency (FTE) percentage determined at the time of hire. For example, a half-time employee (.50 FTE) will be eligible for a credit of sixty (60) hours of sick leave.

5.5 After the first year of employment and thereafter, sick leave shall accrue for part-time administrators and ATSS at a pro-rated amount based upon the employee's FTE.

5.6 An Administrator or ATSS may transfer into his/her University sick leave account any accumulated, documented, and verified sick leave balance that has been accumulated in the public service in the State of Ohio, provided that his/her re-employment takes place within ten (10) years of the date on which the employee was last terminated from public service. If the employee elects to do so and informs the Department of Human Resources, he/she may elect to transfer any unused and unpaid sick leave balance above one-hundred and twenty (120) hours to their Shawnee State University sick leave account. This amount will be in addition to the University credited amount. For example, if the employee had six hundred and twenty (620) hours of unused and unpaid sick leave from a prior state of Ohio employer, then five hundred (500) hours could be transferred to Shawnee State University.

5.7 There is no maximum applied to the amount of sick leave that may be accumulated during active employment.

5.8 The sick leave account balance will be reduced an hour for each hour of sick leave used. As an alternative to using up sick leave hours, the employee with advance approval from his/her supervisor, may use flexible scheduling (working less hours of the normal schedule and making those hours up another time or day) to account for time off for medical appointments or other reasons which would otherwise be used as sick leave hours. For ATSS, hours must be made up within the same week, or if not, the sick leave account will be reduced an hour for each hour of sick leave used.

5.9 Employees requesting sick leave (including leave that qualifies under the Family and Medical Leave Act – FMLA) must submit their request electronically through the BearTrax system. When the leave is foreseeable, the employee must make every effort to request the leave thirty (30) days in advance of the leave. When it is not possible for the leave request form to be submitted in advance of the leave, it must be approved by the employee's supervisor and submitted to Human Resources upon the employee's return from the absence. Time on approved sick leave will run concurrent with an approved leave under FMLA (refer to section 7.0 below).

5.10 If an employee is expected to be off more than five (5) consecutive work days, a signed or official doctor's statement must be submitted in advance to the supervisor or Human Resources. If an employee does not have advance warning, the doctor's statement must be provided to the supervisor or Human Resources as soon as practicable after the employee knows he/she will be off more than five (5) consecutive days and in no event any later than the date the employee returns to work (unless more time is granted by the Director of Human Resources or designee).

5.11 In situations of sick leave involving less than five (5) consecutive work days, where suspicious patterns of leave exist (e.g., leave taken immediately before or after weekends or days off), a doctor's statement may be required upon the request of the supervisor or Human Resources. All doctors' statements shall be in the form of a signed or official statement from the attending physician, stating the general nature of the illness, date of medical treatment, and the conditions under which the employee is released to return to work or a statement from the attending physician verifying the illness or injury of the employee's immediate family member. The failure to submit a doctor's statement or the failure to submit a proper leave form to Human Resources may result in delay of payment for the time missed.

5.12 Intentional misuse of the sick leave provision herein may be considered grounds for disciplinary action. Non-compliance with sick leave rules and regulations may result in the Administrator or ATSS not receiving pay for the requested sick leave.

6.0 SICK LEAVE RETIREMENT PAYMENT

6.1 The Administrator or ATSS, upon official state retirement from active service or upon separation of employment by an alternative retirement plan (ARP) participant who would meet the age and service eligibility requirements under a state pension system (OPERS or STRS), and with ten or more years of service with the State of Ohio or any of its political subdivisions, will be paid for one- fourth of the value of accumulated sick leave balance, up to a maximum payment of 240 hours. Payment will be based upon the employee's base per hour rate of pay at the time of retirement. Any unpaid leave remaining on the Shawnee State sick leave account will be available for use upon rehire (unless hired into a position that does not provide sick leave). In the event of an eligible employee's death prior to retirement, the sick leave retirement payout is not subject to payment to the employee's estate.

6.2 The payout of sick leave balance as provided in this policy will be made only once to any Administrator or ATSS. An employee who received such cash payout and who was rehired post retirement may accrue and use sick leave while actively employed but shall not be eligible for payment of any unused sick leave balance.

6.3 The payment discussed in Section 6.1 will only be available to employees who formally notify the Department of Human Resources of their retirement and meet all other eligibility requirements.

7.0 FAMILY AND MEDICAL LEAVE POLICY

7.1 Scope

Employees with at least one year of service with the University and who have worked for 1,250 hours in the previous 12 month period are eligible for up to twelve weeks of paid (existing sick leave and/or vacation) and/or unpaid leave for qualifying events, in a twelve month period (rolling year, see Title 29, Section 825.200 of Code of Federal Regulations). Qualifying events are:

7.1.1 Childbirth (due to the birth of or to care for the newborn child)

7.1.2 Adoption or foster care

7.1.3 Serious personal illness –

7.1.3.1 A serious health condition that results in a period of incapacity for more than three days during which the employee is unable to work, or

7.1.3.2 A chronic condition requiring a regimen of ongoing care by a health care provider that intermittently renders the employee unable to work for periods of less than three days while seeking treatment or while recovering from the condition.

7.1.4 The serious health condition of a member of the employee's immediate family (as defined in 5.1 above) which requires the employee to provide care.

7.1.5 Qualifying exigency arising out of the fact that the employee's spouse, child, or parent is a covered military member on active duty, or has been called to active duty, in support of a contingency operation.

7.1.6 Care for a covered service member with a serious injury or illness if the employee is the spouse, child, parent or next of kin of the service member.

7.2 Length of leave/paid or unpaid

Family and Medical Leave provides an eligible employee to take up to twelve workweeks of leave per rolling twelve-month period except for leave under section 7.1.6 which may be taken for up to 26 workweeks. Employees will first use sick leave, where appropriate, prior to vacation and any unpaid leave. Employees will use vacation and any comp time prior to any unpaid leave after sick leave is exhausted or for events where sick leave is inappropriate. Family Medical Leave coordinates and runs concurrently with other paid and unpaid leaves.

7.3 Childbirth and adoption timeframe

Leave under this policy which pertains to care for a newborn, adopted, or foster child may only be taken within twelve months of the child's birth or placement into the employee's home.

7.4 Certification for health leave

If an employee requires leave for a serious health condition for himself/herself or a spouse, parent, or child, a health care provider's certification shall be required stating the commencement date and probable duration of the condition and the medical facts substantiating the condition. The University may require an independent examination at no cost to the employee.

7.5 Notice of the leave

Employees must provide at least thirty days' advance notice if the leave is foreseeable. If the leave must begin within fewer than thirty days, the employee must provide notice as soon as practicable.

7.6 Employment and benefits protection

Any employee who takes leave under the provisions of this policy, on return from such leave, shall be restored by the University to the position of employment held by the employee when the leave commenced or be restored to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment.

7.7 Continuation of health plan coverage

If after the exhaustion of all forms of paid leave, a period of unpaid leave is needed up to the twelve week maximum provided under this policy (or 26 week maximum, as applicable), the University shall maintain the coverage under the group health plan for this period under the conditions coverage would have been provided if the employee had continued in employment continuously for the duration of the leave. Upon return to work, the employee must make arrangements with the Department of Human Resources to make up the employee contributions missed for insurance coverage while on unpaid leave.

7.8 Return from leave

If the employee fails to return from Family and Medical Leave, the University may recover the premium that the employer paid for maintaining coverage for the employee under the group health plan during any period of unpaid leave.

8.0 DISABILITY LEAVE

8.1 Application

8.1.1 Full-time Administrators and ATSS may be granted a disability leave of absence in the event of a disabling illness or injury (except work related in which case workers' compensation rules will apply) that extends beyond leave provided under FMLA.

8.1.2 Approval of such leave is contingent upon the employee submitting a satisfactory written physician's statement attesting that the essential functions of the assigned position cannot be performed.

8.1.3 The University may request that an examination be completed by a physician of its choosing. In such case, the University will pay for the cost of the examination.

8.1.4 Written application to the Department of Human Resources should be made as early as possible and must include a statement from the attending physician with a projected return date.

8.2 Duration and retention

8.2.1 The duration of disability leave will be based on the projected return date provided by the attending physician. An initial request for disability leave may be for one year or less. A disability leave may be extended one additional year with a request for such extension to be made no later than sixty (60) days prior to the originally scheduled return date. The total amount of time on such leave, paid or unpaid, for the same injury or illness, may not exceed two years. The amount of time shall be reduced by family medical leave used for the same injury or illness.

8.2.2 In order to be paid for disability leave, the employee will use all earned but unused sick leave, vacation leave, personal leave, and comp time. All types of paid leave must be used prior to unpaid leave.

8.2.3 Prior to returning to work, the employee must provide the University with the attending physician's release attesting to his/her ability to perform the essential job duties. The University may request an independent examination as identified in 8.1.3 above.

8.2.4 The employee will retain reinstatement rights to his/her current position if the disability leave is six (6) months or less. If such leave time exceeds six (6) months, up to a maximum of twelve (12) months, the University will place such employee in the same or similar position in which the employee possesses the required qualifications necessary to perform the essential responsibilities. The University will make reasonable efforts to reinstate an employee to the same or similar position if such leave exceeds one year.

8.3 Insurance coverage

8.3.1 The University will continue group health insurance throughout the period of an approved paid leave.

8.3.2 The University will continue group health insurance throughout the period of an approved unpaid leave that is not FMLA leave for a maximum of six (6) months.

8.3.3 While on an approved unpaid leave other than FMLA, the employee must timely remit the established insurance contribution payments for the duration of the leave. If the employee payment contributions are not timely remitted, the employee will forfeit University-provided health plan coverage and may elect health plan continuation under COBRA at 102% of the full cost of the University's health plan.

8.3.4 The University will continue group health insurance as provided in the Family and Medical Leave Act (FMLA) of 1993 as currently amended, and offer group health continuation and conversion benefits as provided under the Consolidated Omnibus Budget Reconciliation Act (COBRA).

8.4 Disability retirement reinstatement

In the case of an employee who has been granted a disability retirement through OPERS or STRS, the period of reinstatement shall be in accordance with the prevailing rules of the state retirement system.

8.5 An Employee requesting disability leave must submit his/her request electronically through the BearTrax System.

9.0 WORKERS' COMPENSATION LEAVE

Workers' compensation leave will be provided as set forth in the Ohio statutes (ORC Chapter 4123) for workplace injuries and/or occupational diseases. Additional information may be found on the University website at the Office of Human Resources webpages.

10.0 COURT/JURY DUTY LEAVE

10.1 An employee who is required to report for jury duty or is subpoenaed to appear before any court, commission, board, or other legally constituted body, where the employee is not a party to the action, shall be entitled to leave with pay for the scheduled work hours lost as the result of such duty. For ATSS employees, the employees will be compensated by the University in an amount equal to his/her straight-time (non-overtime) rate of pay. For both Administrators and ATSS employees, their normal pay will be paid to them while on jury duty, less the amount received by the employee from the government for such appearance. An employee who reports for such duty and is excused shall immediately contact his/her immediate supervisor and report for work, if requested.

10.2 In order to be paid by the University for such leave the employee must submit to Human Resources written proof, executed by an authorized administrator of the court, showing the duration of such duty and the amount of compensation received for such duty.

11.0 MILITARY LEAVE

11.1 An employee who is unable to report for regularly scheduled work because the employee is required to report for duty as an active-duty member of the armed forces, a reserve member of the armed forces, or as a member of the Ohio National Guard shall be compensated in accordance with Ohio law.

11.2 The University will adhere to any federal or state laws enacted regarding employer responsibilities toward active employees who are members of the armed forces.

11.3 To be eligible for this leave and in accordance with federal and state law, the employee upon request, shall provide the order or written statement from the appropriate military commander to his/her supervisor which shall be forwarded to Human Resources.

12.0 FURLOUGHS

A furlough is a non-permanent, unpaid leave of absence from work for a specified period of time. The President may impose furloughs in accordance with Ohio law. The President shall enact a procedure setting forth the terms and conditions under which furloughs may be imposed.

13.0 REQUEST FOR LEAVE FORMS

13.1 Except in the case of an emergency, prior notification to the employee's supervisor of anticipated leaves is required. Employees shall notify his/her immediate supervisor by telephone or electronic message prior to the scheduled start time that they are unable to report to work due to a qualifying reason. In cases where an employee is incapacitated, they may designate a family member or third-party representative to communicate with the University.

13.2 Requests for leave as identified in this policy must be submitted electronically via the BearTrax system. In order to assure accuracy of leave balances and to properly secure approvals for leaves, every effort should be made to make requests prior to the end of the pay period in which the leave is to occur. In rare circumstances in which this cannot be done due to emergency or oversight, the employee must submit such request at the earliest date upon return from leave.

13.3 Additional guidelines regarding leaves of absences may be found on the Department of Human Resources website.

History:
Effective: 09/19/14 (Replaces 4.55Rev; 4.56Rev; 4.57Rev; 4.65 and 4.68)
Revised: 12/01/23; 09/15/23; 02/08/19; 10/13/17; 10/14/16; 08/19/16

Shawnee State University

POLICY TITLE:	LEAVES OF ABSENCES (PAID & UNPAID)
POLICY NO.:	4.52REV
ADMIN CODE:	3362-4-23
PAGE NO.:	1 OF 11
EFFECTIVE DATE:	12/01/2023
NEXT REVIEW DATE:	12//2026
RESPONSIBLE OFFICER:	CHIEF OPERATING OFFICER
APPROVED BY:	BOARD OF TRUSTEES

1.0 PURPOSE

The University is committed to providing administrators and administrative technical support staff (ATSS) with appropriate avenues to take time away from work assignments and for the University to remain fully compliant with applicable regulatory provisions for various forms of leave that are essential to the health and wellbeing of University employees. This policy identifies the holidays that are observed by the University, provides for the accrual and use of vacation, and defines the various forms of leaves of absence (LOAs) that are available or that the administration may impose. This policy does not govern Department of Public Safety employees whose leaves of absence are addressed in Policy 4.82Rev. To the extent a future collective bargaining agreement covers some public safety employees, leaves of absence addressed in the CBA shall govern.

2.0 HOLIDAYS

2.1 The following are designated University holidays:

Holiday	Date
New Year's Day	January 1
Martin Luther King Day	Third Monday in January
President's Day*	Third Monday in February
Memorial Day	Last Monday in May
Juneteenth	June 19
Independence Day	July 4
Labor Day	First Monday in September
Columbus Day*	Second Monday in October
Veterans Day	November 11
Thanksgiving Day	Fourth Thursday in November
Christmas Day	December 25

2.2 The University will develop a schedule each year that will allow for designated holidays to be observed. The two holidays marked with an asterisk (*) on the list will be observed on the Friday after Thanksgiving and on the day before Christmas Day.

2.3 If any of the holidays as provided herein falls on Saturday, the Friday immediately preceding shall be observed as the holiday. If any of the holidays as provided herein falls on Sunday, the Monday immediately succeeding shall be observed as the holiday.

2.4 The University reserves the right to require work on observed holidays at its discretion. Non-exempt salaried employees working on an observed holiday shall be paid for the holiday and for the actual time worked at one and one-half (1 ½) times their base salary per-hour rate of pay.

3.0 WINTER & SUMMER BREAK

The University will be closed for Winter break each year from December 26 through December 31. In the event that the observance of Christmas Eve, Christmas Day, or New Year's Day occurs during the December 26-31 period, an additional vacation day shall not be provided to employees. The University may close additional days around the Christmas and/or Independence Day holidays as determined by the President, who shall report any such changes to and receive approval from the Chair of the Board of Trustees.

4.0 VACATION LEAVE

4.1 The University regards a vacation as a period of rest and relaxation earned for past service. Since the annual vacation is important to the wellbeing of employees and their families, employees are encouraged to utilize all earned vacation.

4.2 For accrual purposes, the vacation year shall be based on an employee's anniversary date.

4.3 Employees accrue vacation leave based upon the schedule reflected in table 4.4 below. Part time benefit eligible employees who work twelve months will receive pro-rated vacation. Benefit eligible full time employees employed for less than twelve months will receive vacation at one-half (.50) of the applicable accrual rate.

4.4 **Admin/ATSS Vacation Accrual Structure**

Years of Completed Service	# Days	Hours of Vacation	Accrual Rate	Maximum Balance
Years 0-2	17	136	5.23	272.00
Years 3-5	18	144	5.54	288.00
Years 6-8	19	152	5.85	304.00
Years 9-11	20	160	6.15	320.00
Years 12-14	21	168	6.46	336.00
Year 15+	22	176	6.77	352.00

4.5 An employee may accumulate a maximum of two (2) times the accrued hours of vacation earned in one year. This amount may be carried over from year to year. With approval of the division senior executive, an additional amount may be carried over when vacation cannot be taken due to operational needs outside the employee's control. Division senior executive shall mean the Provost/Vice President for Academic and Student Affairs; Chief Financial Officer; Chief Operating Officer; Chief Enrollment Officer; Chief Advancement Officer; Chief of Staff; and the President for employees who report directly to the President.

4.6 A newly hired employee's vacation accrual rate may include prior public service with the State of Ohio or any of its political subdivisions or regional councils of government, with the following conditions:

4.6.1 The employee must inform and provide written documentation to the Department of Human Resources within ninety (90) days of employment that s/he has service with the State of Ohio or any of its political subdivisions or regional councils of government. In such case, the employee's accrual will be adjusted to the appropriate rate from the date of employment with the University.

4.6.2 Notification by the employee to the Department of Human Resources received after ninety (90) days of employment with the University will be applied to the employee's accrual rate beginning the next full pay period in which the request and required documentation are received by Human Resources.

4.6.3 The employee's adjusted accrual balance (whether retroactive to the employment date or a later date) will be reflected on the pay records beginning with the next full pay period after receipt of required documentation.

4.6.4 A year of service with the State of Ohio or a political subdivision or regional council of government is considered as twenty-six (26) biweekly periods.

4.6.5 An employee who has retired in accordance with the provisions of any retirement plan offered by the State of Ohio and is reemployed will not have prior service with the State of Ohio, any political subdivision of the State or a regional council of government counted for purposes of computing vacation leave.

4.7 To assure accurate leave balances, employees requesting vacation leave must submit their request electronically through the BearTrax system.

4.8 Extended vacation requests (over 3 weeks in a single instance) may have a negative impact on the operation and will be considered only as an exception with accompanying extenuating circumstances. Requests of this nature will require a written rationale with supervisor approval, as well as the approval of the division senior executive (as defined in section 4.5, above).

4.9 When an official University observed holiday falls within an employee's vacation, that day will not be charged as vacation.

4.10 All accrued vacation must be exhausted before an unpaid leave of absence commences. This subsection does not apply when an employee opts to take some or all of the time off without pay during a university shutdown as permitted by section 4.13.

4.11 Employees who retire or resign will be paid for earned but unused vacation up to a maximum of two times the accrued hours of vacation in one year at the time of their departure. In the event of the death of an employee, vacation pay for vacation earned but not taken up to a maximum of two times the accrued hours of vacation in one year will be paid to the estate of the employee.

4.12 The Department of Human Resources will maintain an up-to-date record of vacation for each employee. Any questions concerning vacation record-keeping should be directed to Human Resources.

4.13 In order to provide for continuous payment during a Board-approved University closure, temporary changes to vacation accruals will be permitted as follows:

4.13.1 employees will be permitted to use accrued vacation leave hours during hours they will not be working as a result of the shutdown to offset lost pay, or

4.13.2 employees will be permitted to use unearned vacation leave hours that they are scheduled to earn during the remainder of that calendar year in exchange for a reduced vacation accrual rate for the remainder of the calendar year. These actions will not be considered a reduction in pay, layoff, or furlough.

5.0 SICK LEAVE

5.1 Sick leave may be used for an authorized absence from scheduled duties due to personal illness (which may include physical and/or mental health issues); personal injury; exposure to contagious disease that poses a reasonable risk of contagion to the University (the University may require documentation); medical, mental health, dental, or optical examination or treatment for self or immediate family members when the employee's attendance is required; family emergencies requiring the attendance of the employee; pregnancy and/or childbirth and related conditions; or death in the immediate family. The definition of an immediate family member includes: grandparents, brother, sister, brother-in-law, sister-in-law, daughter-in-law, son-in- law, father, father-in-law, mother, mother- in-law, spouse, child, grandchild, legal guardian, or other person who stands in the place of a parent.

5.2 Upon hire, a full-time Administrator or ATSS employee will receive one hundred and twenty (120) hours of sick leave credited to his/her leave account.

5.3 After the first year of employment and thereafter, sick leave will accrue for full-time Administrators and ATSS pro-rated each pay period for a maximum of 120 hours per year.

5.4 Upon hire, the part-time Administrator or ATSS employee will receive a pro-rated amount of sick leave credited to his/her leave account, based upon the employee's full-time equivalency (FTE) percentage determined at the time of hire. For example, a half-time employee (.50 FTE) will be eligible for a credit of sixty (60) hours of sick leave.

5.5 After the first year of employment and thereafter, sick leave shall accrue for part-time administrators and ATSS at a pro-rated amount based upon the employee's FTE.

5.6 An Administrator or ATSS may transfer into his/her University sick leave account any accumulated, documented, and verified sick leave balance that has been accumulated in the public service in the State of Ohio, provided that his/her re-employment takes place within ten (10) years of the date on which the employee was last terminated from public service. If the employee elects to do so and informs the Department of Human Resources, he/she may elect to transfer any unused and unpaid sick leave balance above one-hundred and twenty (120) hours to their Shawnee State University sick leave account. This amount will be in addition to the University credited amount. For example, if the employee had six hundred and twenty (620) hours of unused and unpaid sick leave from a prior state of Ohio employer, then five hundred (500) hours could be transferred to Shawnee State University.

5.7 There is no maximum applied to the amount of sick leave that may be accumulated during active employment.

5.8 The sick leave account balance will be reduced an hour for each hour of sick leave used. As an alternative to using up sick leave hours, the employee with advance approval from his/her supervisor, may use flexible scheduling (working less hours of the normal schedule and making those hours up another time or day) to account for time off for medical appointments or other reasons which would otherwise be used as sick leave hours. For ATSS, hours must be made up within the same week, or if not, the sick leave account will be reduced an hour for each hour of sick leave used.

5.9 Employees requesting sick leave (including leave that qualifies under the Family and Medical Leave Act – FMLA) must submit their request electronically through the BearTrax system. When the leave is foreseeable, the employee must make every effort to request the leave thirty (30) days in advance of the leave. When it is not possible for the leave request form to be submitted in advance of the leave, it must be approved by the employee's supervisor and submitted to Human Resources upon the employee's return from the absence. Time on approved sick leave will run concurrent with an approved leave under FMLA (refer to section 7.0 below).

5.10 If an employee is expected to be off more than five (5) consecutive work days, a signed or official doctor's statement must be submitted in advance to the supervisor or Human Resources. If an employee does not have advance warning, the doctor's statement must be provided to the supervisor or Human Resources as soon as practicable after the employee knows he/she will be off more than five (5) consecutive days and in no event any later than the date the employee returns to work (unless more time is granted by the Director of Human Resources or designee).

5.11 In situations of sick leave involving less than five (5) consecutive work days, where suspicious patterns of leave exist (e.g., leave taken immediately before or after weekends or days off), a doctor's statement may be required upon the request of the supervisor or Human Resources. All doctors' statements shall be in the form of a signed or official statement from the attending physician, stating the general nature of the illness, date of medical treatment, and the conditions under which the employee is released to return to work or a statement from the attending physician verifying the illness or injury of the employee's immediate family member. The failure to submit a doctor's statement or the failure to submit a proper leave form to Human Resources may result in delay of payment for the time missed.

5.12 Intentional misuse of the sick leave provision herein may be considered grounds for disciplinary action. Non-compliance with sick leave rules and regulations may result in the Administrator or ATSS not receiving pay for the requested sick leave.

6.0 SICK LEAVE RETIREMENT PAYMENT

6.1 The Administrator or ATSS, upon official state retirement from active service or upon separation of employment by an alternative retirement plan (ARP) participant who would meet the age and service eligibility requirements under a state pension system (OPERS or STRS), and with ten or more years of service with the State of Ohio or any of its political subdivisions, will be paid for one- fourth of the value of accumulated sick leave balance, up to a maximum payment of 240 hours. Payment will be based upon the employee's base per hour rate of pay at the time of retirement. Any unpaid leave remaining on the Shawnee State sick leave account will be available for use upon rehire (unless hired into a position that does not provide sick leave). In the event of an eligible employee's death prior to retirement, the sick leave retirement payout is not subject to payment to the employee's estate.

6.2 The payout of sick leave balance as provided in this policy will be made only once to any Administrator or ATSS. An employee who received such cash payout and who was rehired post retirement may accrue and use sick leave while actively employed but shall not be eligible for payment of any unused sick leave balance.

6.3 The payment discussed in Section 6.1 will only be available to employees who formally notify the Department of Human Resources of their retirement and meet all other eligibility requirements.

7.0 FAMILY AND MEDICAL LEAVE POLICY

7.1 Scope

Employees with at least one year of service with the University and who have worked for 1,250 hours in the previous 12 month period are eligible for up to twelve weeks of paid (existing sick leave and/or vacation) and/or unpaid leave for qualifying events, in a twelve month period (rolling year, see Title 29, Section 825.200 of Code of Federal Regulations). Qualifying events are:

7.1.1 Childbirth (due to the birth of or to care for the newborn child)

7.1.2 Adoption or foster care

7.1.3 Serious personal illness –

7.1.3.1 A serious health condition that results in a period of incapacity for more than three days during which the employee is unable to work, or

7.1.3.2 A chronic condition requiring a regimen of ongoing care by a health care provider that intermittently renders the employee unable to work for periods of less than three days while seeking treatment or while recovering from the condition.

7.1.4 The serious health condition of a member of the employee's immediate family (as defined in 5.1 above) which requires the employee to provide care.

7.1.5 Qualifying exigency arising out of the fact that the employee's spouse, child, or parent is a covered military member on active duty, or has been called to active duty, in support of a contingency operation.

7.1.6 Care for a covered service member with a serious injury or illness if the employee is the spouse, child, parent or next of kin of the service member.

7.2 Length of leave/paid or unpaid

Family and Medical Leave provides an eligible employee to take up to twelve workweeks of leave per rolling twelve-month period except for leave under section 7.1.6 which may be taken for up to 26 workweeks. Employees will first use sick leave, where appropriate, prior to vacation and any unpaid leave. Employees will use vacation and any comp time prior to any unpaid leave after sick leave is exhausted or for events where sick leave is inappropriate. Family Medical Leave coordinates and runs concurrently with other paid and unpaid leaves.

7.3 Childbirth and adoption timeframe

Leave under this policy which pertains to care for a newborn, adopted, or foster child may only be taken within twelve months of the child's birth or placement into the employee's home.

7.4 Certification for health leave

If an employee requires leave for a serious health condition for himself/herself or a spouse, parent, or child, a health care provider's certification shall be required stating the commencement date and probable duration of the condition and the medical facts substantiating the condition. The University may require an independent examination at no cost to the employee.

7.5 Notice of the leave

Employees must provide at least thirty days' advance notice if the leave is foreseeable. If the leave must begin within fewer than thirty days, the employee must provide notice as soon as practicable.

7.6 Employment and benefits protection

Any employee who takes leave under the provisions of this policy, on return from such leave, shall be restored by the University to the position of employment held by the employee when the leave commenced or be restored to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment.

7.7 Continuation of health plan coverage

If after the exhaustion of all forms of paid leave, a period of unpaid leave is needed up to the twelve week maximum provided under this policy (or 26 week maximum, as applicable), the University shall maintain the coverage under the group health plan for this period under the conditions coverage would have been provided if the employee had continued in employment continuously for the duration of the leave. Upon return to work, the employee must make arrangements with the Department of Human Resources to make up the employee contributions missed for insurance coverage while on unpaid leave.

7.8 Return from leave

If the employee fails to return from Family and Medical Leave, the University may recover the premium that the employer paid for maintaining coverage for the employee under the group health plan during any period of unpaid leave.

8.0 DISABILITY LEAVE

8.1 Application

8.1.1 Full-time Administrators and ATSS may be granted a disability leave of absence in the event of a disabling illness or injury (except work related in which case workers' compensation rules will apply) that extends beyond leave provided under FMLA.

8.1.2 Approval of such leave is contingent upon the employee submitting a satisfactory written physician's statement attesting that the essential functions of the assigned position cannot be performed.

8.1.3 The University may request that an examination be completed by a physician of its choosing. In such case, the University will pay for the cost of the examination.

8.1.4 Written application to the Department of Human Resources should be made as early as possible and must include a statement from the attending physician with a projected return date.

8.2 Duration and retention

8.2.1 The duration of disability leave will be based on the projected return date provided by the attending physician. An initial request for disability leave may be for one year or less. A disability leave may be extended one additional year with a request for such extension to be made no later than sixty (60) days prior to the originally scheduled return date. The total amount of time on such leave, paid or unpaid, for the same injury or illness, may not exceed two years. The amount of time shall be reduced by family medical leave used for the same injury or illness.

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8.2.4 The employee will retain reinstatement rights to his/her current position if the disability leave is six (6) months or less. If such leave time exceeds six (6) months, up to a maximum of twelve (12) months, the University will place such employee in the same or similar position in which the employee possesses the required qualifications necessary to perform the essential responsibilities. The University will make reasonable efforts to reinstate an employee to the same or similar position if such leave exceeds one year.

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Revised: 12/01/23; 09/15/23; 02/08/19; 10/13/17; 10/14/16; 08/19/16

RESOLUTION F34-23

ADOPTION OF POLICY 3.26
NAME, IMAGE, AND LIKENESS FOR STUDENT ATHLETES

WHEREAS, Ohio Revised Code Chapter 3376 codifies the public policy of the state of Ohio concerning the ability of student-athletes to earn compensation from the use of their name, image, and likeness, and to obtain professional representation and enter agreements regarding the same; and

WHEREAS, Shawnee State University values its student-athletes and wishes for them to be able to monetize the non-institutional use of their name, image, and likeness to the extent permitted by law and consistent with institutional values; and

WHEREAS, it is in the University's interest to establish conditions for student-athletes to enter into name, image, and likeness agreements, and to prohibit such agreements when they would be inconsistent with University values;

THEREFORE, BE IT RESOLVED that the Board of Trustees formally adopts Policy 3.26, Name, Image and Likeness for student athletes.

(December 1, 2023)

Shawnee State University

POLICY TITLE:	NAME, IMAGE, AND LIKENESS FOR STUDENT-ATHLETES
POLICY NO. :	3.26
ADMIN CODE:	3362-3-26
PAGE NO.:	1 OF 4
EFFECTIVE DATE:	12/01/2023
NEXT REVIEW DATE:	12/2026
RESPONSIBLE OFFICER:	PRESIDENT

1.0 PURPOSE

To the extent permitted by law, Shawnee State University will permit student-athletes to pursue agreements for compensation for the non-institutional use of their name, image, and likeness (NIL) under the conditions set forth in this policy and any associated procedures.

2.0 DEFINITIONS

As used in this policy and in any related procedure:

2.1 *Name, Image, and Likeness (NIL)* are the three components of a person's right of publicity. These are independent or collectively identifiable aspects of a person that make them unique, including their first name, last name, or nickname of the student-athlete when used in a context that reasonably identifies the student-athlete with particularity; a picture of the student-athlete; and/or a physical, digital, or other depiction or representation of the student-athlete.

2.2 *Official Team Activities* means all games, practices, exhibitions, scrimmages, team appearances, team photograph sessions, sports camps sponsored by the institution or college, and other team-organized activities, regardless of whether the activity takes place on or off campus, including individual photograph sessions and news media interviews.

2.3 *Professional Service Provider* means an individual or entity that provides services to a student-athlete concerning their NIL.

2.4 *Student-athlete* means an individual enrolled at Shawnee State University who participates in official University intercollegiate athletics.

3.0 REQUIRED DISCLOSURES AND APPROVAL OF AGREEMENTS

3.1 A student-athlete who intends to enter into a verbal or written contract providing compensation for use of the student's name, image, or likeness shall disclose the proposed contract to the Athletic Director, who will share the contract with the General Counsel's Office, for review by the University.

3.2 If the University identifies a conflict between the proposed verbal or written contract described above and any existing provisions of a contract to which the University is a party, the University shall communicate to the student-athlete the relevant contract provision that is in conflict. The student-athlete shall not enter into the proposed contract, but the student may negotiate a revision to the proposed contract to avoid the conflict. The revised proposed contract is subject to additional review by the University.

4.0 USE OF UNIVERSITY MARKS AND FACILITIES

4.1 Student-athletes are not permitted to use the University's name or intellectual property, including, but not limited to, its trademarks, logos, or other symbols, to implicitly or explicitly endorse a third party or product.

4.2 Student-athletes are not permitted to utilize any University-created content, including images and videos, in furtherance of their NIL agreements.

4.3 Student-athletes may not use University facilities in such a manner that creates an express or implied impression that the University directly or indirectly endorses a third party or product.

5.0 PROHIBITED SPONSORSHIP CATEGORIES

Student-athletes are prohibited from entering into a contract providing compensation to the student-athlete for use of the athlete's name, image, or likeness if same is associated with any of the following:

5.1 Alcoholic beverages;

5.2 Tobacco products, including electronic smoking or vapor devices that contain nicotine which can be ingested;

5.3 Casinos or any entity that sponsors or promotes gambling activity;

5.4 Any company that manufactures, markets, sells, or whose brand is associated with any controlled substances; and

5.5 Any business engaged in the sale, rental, or exhibition for any form of consideration of adult entertainment that is characterized by an emphasis on the exposure or display of sexual themes or activity.

6.0 PROHIBITED ENTITIES

Student-athletes may not enter into an NIL agreement if the agreement conflicts with a Shawnee State University agreement. As of the effective date of this policy, it is possible that a conflict will exist if a student-athletes proposed NIL agreement requires them to display a sponsor's product, or otherwise advertise for a sponsor, during official team activities or any other time if that requirement is in conflict with a provision of a contract to which Shawnee State University is a party;

7.0 INTERNATIONAL STUDENT-ATHLETES

7.1 International student-athletes are required to notify the University’s Center for International Programs & Study Abroad prior to entering into any NIL agreement.

7.2 International student-athletes should consult an attorney prior to engaging in any NIL activity. Any off-campus compensation, including NIL-related compensation, could impact the status of a student-athlete’s F-1 Visa.

8.0 PROFESSIONAL REPRESENTATION

8.1 A student-athlete may use the services of a professional service provider for advice, contract representation, and the marketing of their NIL, so long as the professional service provider is not representing the student-athlete for securing professional athletic opportunities.

8.2 A professional service provider agreement and payment to a professional service provider may not be arranged or come from an employee of Shawnee State University. The University reserves the right to restrict a student-athlete from utilizing a professional service provider as defined herein.

8.3 The University may identify a professional service provider for student-athletes. The University reserves the right to mandate the use of a specific service provider and to reject contracts with specific service providers.

8.4 The University reserves the right to review fee agreements in NIL contracts.

9.0 EXCEPTIONS

9.1 Student-athletes who wish to enter into NIL agreements that conflict with the parameters established by this policy may submit a written request for an exception. Requests must be in made in writing to the Athletic Director.

9.2 Requests for exceptions to this policy will be assessed by the Athletic Director, who will then forward the request to the University President. The University President shall have final decision-making power on whether to grant or deny the request.

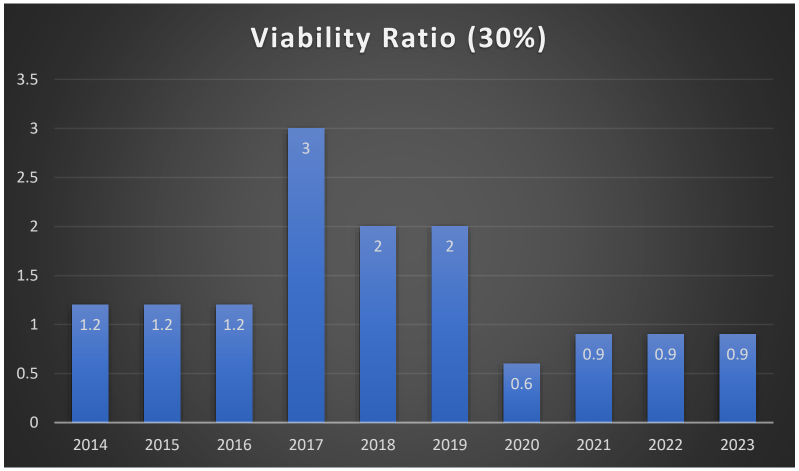
10.0 ENFORCEMENT

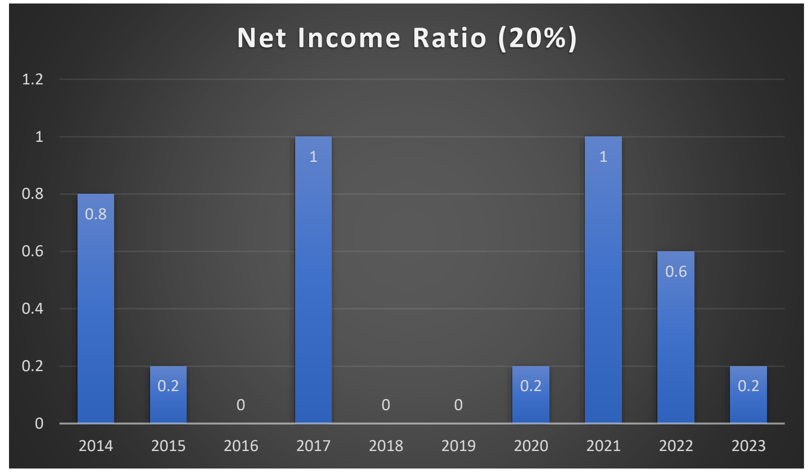
Failure to comply with this policy may result in loss of privileges and other sanctions as appropriate, including but not limited to, verbal or written reprimand, athletic probation, loss of practice privileges, loss of competition privileges, suspension or dismissal from the program, and/or loss of athletic eligibility.

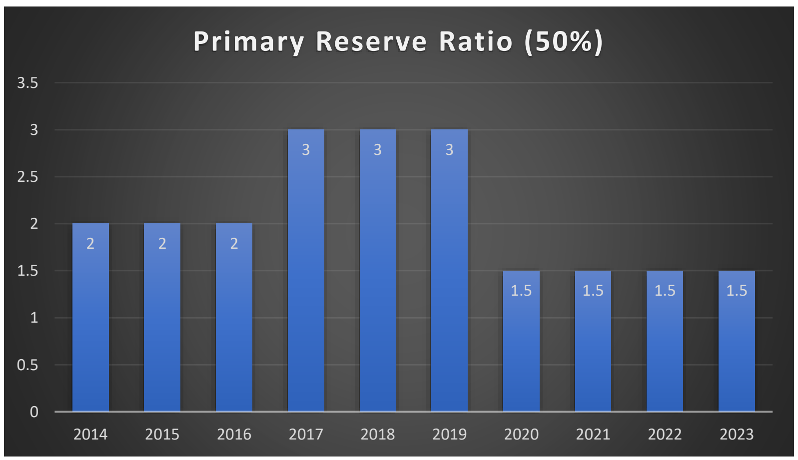
History

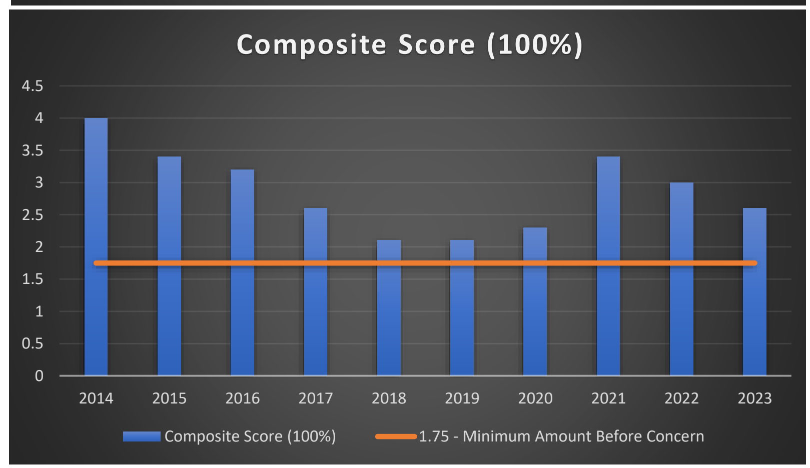
Effective: 12/01/2023

SB6 COMPOSITE SCORE (Without GASB 68 & 75 Adjustments):









Assignment of Scores

Each ratio is assigned a score ranging from zero to five according to the criteria listed in the table below. A score of 5 indicates the highest degree of fiscal strength in each category.

	Composite	**Ratio Scores**					
Ratio	**Weight**	**0**	**1**	**2**	**3**	**4**	**5**
Viability Ratio	30%	< 0	0 to .29	.30 to .59	.6 to .99	1.0 to 2.5	> 2.5 or N/A
Primary Reserve Ratio	50%	< -.1	-.1 to .049	.05 to .099	.10 to .249	.25 to .49	.5 or greater
Net Income Ratio	20%	< -.05	-.05 to 0	0 to .009	.01 to .029	.03 to .049	.05 or greater

NOTE: A composite score of or below 1.75 for two consecutive years would result in an institution being placed on fiscal watch. The highest composite score possible is 5.00.

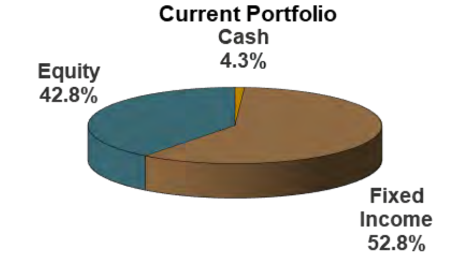
FY24 Operating Budget Status

Report Date 11.15.2023

	FY24 Budget	Q1 Actuals	Q2 Actuals	Q3 Actuals	Q4 Actuals	YTD Actuals	% of Budget
Revenue							
Tuition & Student Fees	**$ 27,344,306.00**	**$ 14,668,491**	**$ (359,450)**	**$ -**	**$ -**	**$ 14,309,041**	**52.3%**
State Share of Instruction	**$ 13,560,724**	**$ 3,390,644**	**$ 1,147,085**	**$ -**	**$ -**	**$ 4,537,729**	**33.5%**
Shawnee Supplement	**$ 9,000,000**	**$ 2,250,000**	**$ 2,250,000**	**$ -**	**$ -**	**$ 4,500,000**	**50.0%**
Scholarship	**$ (4,813,677)**	**$ (2,553,757)**	**$ (51,345)**	**$ -**	**$ -**	**$ (2,605,102)**	**54.1%**
Other Income	**$ 3,975,986**	**$ 675,254**	**$ 215,507**	**$ -**	**$ -**	**$ 890,761**	**22.4%**
Commissions	$ 481,728	$ 76,101	$ 808	$ -	$ -	$ 76,910	16.0%
General Fund Operating Grants	$ 218,585	$ 37,996	$ 7,138	$ -	$ -	$ 45,134	20.6%
Miscellaneous Revenue	$ 2,396,273	$ 204,001	$ 91,339	$ -	$ -	$ 295,340	12.3%
Service Fees/Memberships	$ 287,000	$ 82,072	$ 32,214	$ -	$ -	$ 114,286	39.8%
Ticket Sales/Rentals	$ 592,400	$ 275,083	$ 84,008	$ -	$ -	$ 359,091	60.6%
Transfers In	$ -	$ 3,587	$ -	$ -	$ -	$ 3,587	
Revenue Total	**$ 49,067,339**	**$ 18,434,219**	**$ 3,201,797**	**$ -**	**$ -**	**$ 21,636,016**	**44.1%**
Expense							
Compensation	**$ 32,076,706**	**$ 5,330,923**	**$ 3,292,578**	**$ -**	**$ -**	**$ 8,623,501**	**26.9%**
Salaries	$ 23,267,474	$ 3,565,700	$ 2,552,704	$ -	$ -	$ 6,118,404	26.3%
Benefits	$ 8,809,232	$ 1,765,223	$ 739,874	$ -	$ -	$ 2,505,097	28.4%
Non-Compensation	**$ 13,136,065**	**$ 3,731,765**	**$ 1,710,316**	**$ -**	**$ -**	**$ 5,442,081**	**41.4%**
Equipment	$ 215,535	$ 118,253	$ 44,989	$ -	$ -	$ 163,242	75.7%
External Professional Services	$ 671,418	$ 204,859	$ 125,808	$ -	$ -	$ 330,667	49.2%
Information/Comm/Shipping	$ 859,038	$ 290,567	$ 50,516	$ -	$ -	$ 341,083	39.7%
Maintenance & Service Contracts	$ 3,375,501	$ 1,578,348	$ 595,967	$ -	$ -	$ 2,174,316	64.4%
Meal Plan Expense	$ 2,249,844	$ 327,018	$ 442,811	$ -	$ -	$ 769,829	34.2%
Miscellaneous Expense	$ 1,662,562	$ 543,993	$ 59,419	$ -	$ -	$ 603,412	36.3%
Supplies	$ 1,750,165	$ 210,444	$ 123,402	$ -	$ -	$ 333,846	19.1%
Travel	$ 758,366	$ 83,938	$ 102,596	$ -	$ -	$ 186,535	24.6%
Utilities	$ 1,593,636	$ 374,344	$ 164,807	$ -	$ -	$ 539,152	33.8%
Transfers Out	$ -	$ -	$ -	$ -	$ -	$ -	
Expense Total	**$ 45,212,771**	**$ 9,062,688**	**$ 5,002,894**	**$ -**	**$ -**	**$ 14,065,582**	**31.1%**
Net Transfer to Capital Fund	$ 1,564,825	$ -	$ -	$ -	$ -	$ -	0.0%
Net Operating Budget	**$2,289,743**	**$9,371,531**	**($1,801,097)**	**$0**	**$0**	**$7,570,434**	**331%**

Shawnee State University
Asset Allocation – As of October 31, 2023

Asset Class	Market Value	% of Assets	Target %
Cash Equivalents			
TIAA Cash Deposit Account	$345,050	4.3%	
Total Cash Equivalents	***$345,050***	***4.3%***	***5.0%***
Fixed Income			
Fixed Income Separately Managed Account	$3,244,671	40.7%	
Vanguard Intermediate-Term Bond Index	$258,639	3.2%	
Vanguard Short Term Bond Index Fund	$53	0.0%	
TIAA-CREF Short-Term Bond Fund	$461,122	5.8%	
DFA Inflation Protected SEC Fund	$119,027	1.5%	
PIMCO 1-5 Year U.S. TIPS Index Exchange Traded Fund	$123,113	1.5%	
Total Fixed Income	***$4,206,625***	***52.8%***	***60.0%***
Domestic Equity			
TIAA-CREF Large Cap Growth Index Fund	$1,262,731	15.9%	
TIAA-CREF Large Cap Value Index Fund	$1,245,660	15.6%	
Vanguard Mid Cap Growth Index Fund	$138,571	1.7%	
iShares Russell Mid Cap Value ETF	$139,051	1.7%	
TIAA-CREF Small Cap Blend Index Fund	$119,516	1.5%	
Total Domestic Equity	***$2,905,529***	***36.5%***	***29.0%***
International Equity			
iShares Core MSCI EAFE ETF	$181,530	2.3%	
iShares MSCI International Quality Factor ETF	$200,577	2.5%	
iShares Core MSCI Emerging Markets ETF	$124,222	1.6%	
Total International Equity	***$506,329***	***6.4%***	***6.0%***
Total Equity	***$3,411,858***	***42.8%***	***35.0%***
Total Portfolio Market Value	**$7,963,533**	**100.0%**	**100.0%**



TIAA INVESTMENT MARKET VALUE HISTORY

Asset Class/Security	Market Value as of Oct 31, 2023	Market Value as of Sept 30, 2023	Market Value as of Aug 31, 2023	Market Value as of July 31, 2023	Market Value as of June 30, 2023	Market Value as of June 30, 2022
OPERATING CASH:						
U.S. Bank	$ 3,621,300	$ 5,559,938	$ 4,801,484	$ 4,223,982	$ 5,381,923	$ 1,724,399
Total Operating Cash Balance	$ 3,621,300	$ 5,559,938	$ 4,801,484	$ 4,223,982	$ 5,381,923	$ 1,724,399
LIQUID POOL INVESTMENT PORTFOLIO:						
STAROhio	$ 207,418	$ 206,444	$ 205,511	$ 204,560	$ 203,642	$ 195,839
Total Liquid Investment Pool Balance	$ 207,418	$ 206,444	$ 205,511	$ 204,560	$ 203,642	$ 195,839
TIAA DIVERSIFIED INVESTMENT POOL SUMMARY:						
Cash Equivalents:	$ 461,540	$ 418,402	$ 460,827	$ 420,943	$ 427,436	$ 255,492
% of Total Portfolio	5.8%	5.2%	5.6%	5.0%	5.2%	3.3%
Fixed Income Holdings:						
Fixed Income Managed Acct (US and Agency Securities)	$ 3,128,234	$ 3,130,605	$ 3,105,554	$ 3,162,245	$ 3,157,590	$ 3,169,578
DFA Inflation Protected Securities Portfolio	$ 119,027	$ 119,944	$ 122,922	$ 125,099	$ 124,641	$ 201,332
PIMCO 1-5 Year U.S. TIPS Index ETF	$ 123,113	$ 122,721	$ 123,064	$ 123,480	$ 123,235	$ 201,683
TIAA-CREF Short-Term Bond Fund	$ 461,122	$ 435,477	$ 435,922	$ 437,255	$ 436,366	$ 540,222
Vanguard Intermediate Term Bond Fund	$ 258,639	$ -	$ -	$ -	$ -	$ -
Vanguard Short Term Bond Index Fund	$ -	$ 342,803	$ 343,499	$ 344,893	$ 344,546	$ 347,717
Total Fixed Income	$ 4,090,135	$ 4,151,550	$ 4,130,961	$ 4,192,972	$ 4,186,378	$ 4,460,532
% of Total Portfolio	51.4%	51.5%	50.3%	50.1%	50.8%	57.9%
Domestic Equity Holdings:						
Cohen & Steers Real Estate Fund	$ -	$ -	$ -	$ 39,275	$ 38,543	$ 40,210
iShares Russell Mid Cap Value ETF	$ 139,051	$ 146,389	$ 152,268	$ 160,896	$ 154,106	$ 142,503
TIAA-CREF Large Cap Growth Index Fund	$ 1,262,731	$ 1,309,984	$ 1,373,389	$ 1,351,066	$ 1,307,298	$ 971,764
TIAA-CREF Large Cap Value Index Fund	$ 1,245,660	$ 1,250,281	$ 1,288,716	$ 1,289,857	$ 1,245,680	$ 1,047,399
TIAA-CREF Small Cap Blend Index Fund	$ 119,516	$ 128,307	$ 134,479	$ 143,395	$ 135,165	$ 139,116
Vanguard Mid-Cap Growth Index	$ 138,571	$ 147,271	$ 155,005	$ 160,910	$ 155,725	$ 132,366
Vanguard REIT Index Fund	$ -	$ -	$ -	$ 54,673	$ 53,565	$ 57,762
Total Domestic Equity	$ 2,905,529	$ 2,982,232	$ 3,103,857	$ 3,200,072	$ 3,090,082	$ 2,531,120
% of Total Portfolio	36.5%	37.0%	37.8%	38.3%	37.5%	32.8%
International Equity Holdings:						
iShares Core MSCI EAFE ETF	$ 181,530	$ 187,323	$ 192,563	$ 202,460	$ 196,492	$ 268,709
iShares Core MSCI Emerging ETF	$ 124,222	$ 128,683	$ 131,117	$ 141,230	$ 133,280	$ 132,658
iShares MSI EAFE Small-Cap ETF	$ -	$ -	$ -	$ -	$ -	$ 61,414
iShares MSCI International Quality Factor ETF	$ 200,577	$ 188,317	$ 193,135	$ 204,453	$ 199,467	$ -
Total International Equity	$ 506,329	$ 504,323	$ 516,815	$ 548,143	$ 529,239	$ 462,781
% of Total Portfolio	6.4%	6.3%	6.3%	6.6%	6.4%	6.0%
Total Equity	$ 3,411,858	$ 3,486,555	$ 3,620,672	$ 3,748,215	$ 3,619,321	$ 2,993,901
% of Total Portfolio	42.8%	43.3%	44.1%	44.8%	44.0%	38.8%
TOTAL TIAA PORTFOLIO MARKET VALUE	$ 7,963,533	$ 8,056,507	$ 8,212,460	$ 8,362,130	$ 8,233,135	$ 7,709,925
TOTAL CASH AND INVESTMENTS BALANCE	**$ 11,792,252**	**$ 13,822,890**	**$ 13,219,456**	**$ 12,790,672**	**$ 13,818,701**	**$ 9,630,163**

	TOTAL TIAA PORTFOLIO	TIAA CASH	FIXED INCOME	DOMESTIC EQUITY	INTERNATIONAL EQUITY
Value as of June 30, 2023	$ 8,233,135	$ 427,436	$ 4,186,378	$ 3,090,082	$ 529,239
Value as of October 31, 2023	$ 7,963,533	$ 461,540	$ 4,090,135	$ 2,905,529	$ 506,329
Diff $	$ (269,602)	$ 34,104	$ (96,243)	$ (184,553)	$ (22,910)
Diff %	-3.33%		-2.30%	-5.97%	-4.33%

PERSONNEL ACTIVITY REPORT FY24

December 1, 2023

New Hires

- **Administrative Staff**
  - Clarissa Schauseil – Regional Ecosystem Coordinator, Kricker Innovation Hub, August 28, 2023
  - Beverly Flowers – HR Coordinator, Human Resources, October 2, 2023
  - Seth Pluta – Coordinator, Game Day & Athletic Events, Athletics, October 18. 2023
  - Kevin Colley – Sports Information Director, Athletics, November 6, 2023
  - Spencer Stevens – Director, HR Operations, Human Resources, December 4, 2023
  - Wendi Bennett – General Studies & Major Career Exploration Advisor, Student Success Center, December 4, 2023

- **Support Staff**
  - Damon Cornwell – Custodian, Facilities, Planning & Construction, September 6, 2023
  - Heather Book – Custodian, Facilities, Planning & Construction, September 18, 2023
  - Sabrina Cline – Custodian, Facilities, Planning & Construction, October 20, 2023

Change of Status

- **Administrative Staff**
  - Marlita Cadogan – Interim Director, Student Life, August 13, 2023
  - Kimberly Cox – Admissions Associate, Admissions, September 15, 2023
  - Orlando Currie – Senior Admissions Associate, Admissions, October 5, 2023

Departures

- **Administrative Staff**
  - Eric Floyd – EOC Coordinator, Educational Opportunity Center, October 16, 2023

- **Faculty**
  - Larry Miller – Professor, Engineering, December 31, 2023
  - Isabel Graziani – Associate Professor, Fine, Digital & Performing Arts, December 31, 2023
  - Sarah Boehle – Associate Professor, School of Business, December 31, 2023
  - Nancy Bentley – Associate Professor, Dental Hygiene, January 1, 2024

PERSONNEL ACTIVITY REPORT FY24

December 1, 2023

- **Public Safety Staff**
  - Kasey Johnson – Security Officer, Public Safety, October, 13, 2023
- **Support Staff**
  - Greg Bond – Press Operator & Finisher, Printing Services, November 30, 2023
  - Lora Warner – Financial Aid Specialist, Financial Aid, December 31, 2023

CAPITAL PROJECTS STATUS REPORT

December 1, 2023

Gateway and Third Street Development - $3M (est.)

- A new campus gateway will be developed as well as a plan to reopen Third Street between Gay and Waller Streets. This will include traffic calming strategies, incorporate bicycle traffic, landscape features, and pedestrian crossings.

- On hold awaiting City/ODOT traffic design at campus/downtown transition area

Campus Master Plan Update - $150,000 – Capital

- Reconsidering master plan goals and strategies based on current University environment. Final plan in process.

- Wayfinding project to begin immediately upon plan completion.

Campus Safety Grant Keyless Entry - $75,570 - Capital

- Hardware installed. Programming and management of software in process.

Roof and Infrastructure Project - $1.25M – Capital

- Project will include complete/partial roof replacements and building envelope integrity updates of Kricker Hall and the Rhodes Athletic Center.

- Architect selected; design contract in process.