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Board of Trustees
The University of Akron
302 Buchtel Common
Akron, Ohio 44325

We have reviewed the *Independent Auditor's Report* of The University of Akron, Summit County, prepared by Crowe LLP, for the audit period July 1, 2021 through June 30, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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(A component unit of the State of Ohio)

Financial Report

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The University of Akron

The University of Akron
Management's Discussion and Analysis (Unaudited)
June 30, 2022

Statements of Net Position

The University of Akron
Management's Discussion and Analysis (Unaudited)
June 30, 2022

Assets and deferred outflows of resources (continued)

Following is the composition of assets and deferred outflows for each year (with 2022 percentages):

Liabilities and deferred inflows of resources

include all items that are due or mature within one year. The current liabilities include

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Net position

As reflected earlier, _____ represents the residual balance and, over time, is one indicator of improving or eroding financial health. Net position represents the difference between all other elements in the

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Operating revenues

include all tuition and fees assessed for educational purposes, net of refunds and recognized discounts. Beginning in the fall 2018, new baccalaureate degree seeking students to The University participate in the Tuition Guarantee Program which provides fixed tuition, select fees, and room and board rates for each incoming cohort. In addition, GASB requires the portion of student aid, which is provided in the form of reduced tuition, to be reported as a

The University of Akron
Management's Discussion and Analysis

The University of Akron

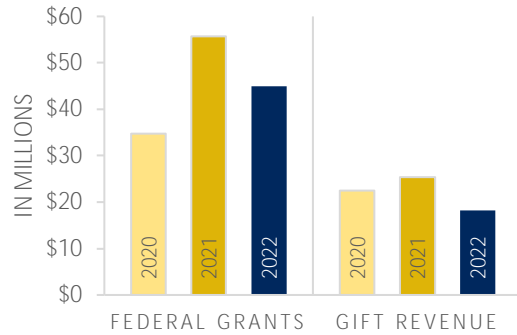
Management's Discussion and Analysis (Unaudited)

June 30, 2022

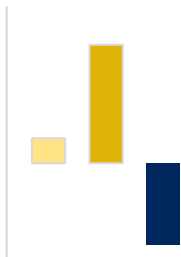
Nonoperating revenues and expenses (continued)

The University records Pell grant awards as nonoperating revenue. Federal grant revenue increased 60.4% during 2021 and increased 8.4% during 2022. The 2021 increase was due to \$13.2 million and \$35.5 million recognized from COVID-19 relief funds in 2020 and 2021, respectively. In 2022, COVID-19 relief funds recognized decreased to \$21.5 million.

The University receives from a wide array of friends including alumni, the business community, and foundations. The University views continued donor support as integral to its continued success. Student scholarships, capital construction costs, and endowed positions are a result of our very generous contributors. Oftentimes, gifts and awards are accompanied by donor restrictions. The University maintains a system of internal controls to ensure the requirements. Gift revenues increased by \$2.9 million during 2021 and increased by \$1.4 million during 2022.



represent the remaining sources and uses of funds that generally do not result from providing educational and instructional services in connection with The University including investment income and interest payments on debt.



Investment income, net of investment expenses, increased \$29.8 million during 2021 and decreased \$63.5 million during 2022. The changes were due to overall fluctuations in returns on all investments and the balances invested.

GASB requires investments to be reported at fair value for financial statement reporting purposes. Included in the change in net investment income was a net increase of \$4.4 million and \$24.0 million in 2020 and 2021, respectively, within net unrealized appreciation on investments because of market conditions as of fiscal year end. For 2022, the favorable trend of unrealized appreciation reversed into a net decrease of \$33.8 million. These changes in investments were not redeemed but were recorded as adjustment to the fair value of the investments.

includes the interest incurred during the fiscal year on all debt and leases less capitalized interest. Interest expense decreased \$1.9 million to \$15.5 million in 2021 and decreased \$1.5 million to \$14.0 million in 2022.

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Management's Discussion and Analysis (Unaudited)
June 30, 2022

Capital Assets and Long-term Debt Activity

The University uses state capital appropriations, internal resources including the proceeds from debt issuances, and gifts and other grants for capital asset expansion throughout the campus. During 2022, renovations in the consolidation of Crouse and Ayers Halls commenced. During 2021, renovations to the Buckingham Building and Bierce Library were completed as well as a roof replacement and air handler on Whitby Hall. The capital asset activity is reflected in more thorough detail within Note 5 of the financial statements.

The University's long-term debt principally consists of its general receipts bonds, which totaled \$367.8 million, \$352.7 million, and \$350.7 million in 2020, 2021, and 2022, respectively. During 2022, The University issued bond series 2021 A & B to refinance the remaining portion of 2018 B and a significant portion of 2015 A. During 2020, The University issued bond series 2020 A to refinance the remaining portion 2012A and issued bond series 2019 A & B to refinance the remaining portion of 2010 A and 2011. The University's 2015 A bond rating was changed to A2 from A1 while the outlook continues to be stable. Fitch Ratings, Inc. revised the University's bond rating in November 2021 from A+ to A and has revised the outlook to stable from negative. The long-term debt activity is reflected in more thorough detail within Note 6 of the financial statements.

Factors Impacting Future Periods

Student tuition and fees and state appropriations are the principal revenue sources which supported the University's annual operations. For both 2021 and 2022, those revenue sources alone represented \$



Auditor's Responsibilities for the Audit of the Financial Statements

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

(Continued)

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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 December 2, 2022 on our consideration of the University's internal control over financial reporting and on our tests of its



ASSETS	2022	2021	2022	2021
Current assets:				
Cash and cash equivalents	\$ 10,871,527	\$ 13,999,863	\$ 10,055,875	\$ 4,521,980
Pooled investments	204,731,483	199,348,856	6,315,094	7,336,110
Accounts receivable, net	15,777,133	42,080,259	1,430,805	3,795,778
Pledges receivable, net	1,193,305	893,862	1,669,921	2,133,317
Notes receivable, net	817,243	948,910	220,884	-
Lease receivable, net	320,537	-	-	-
Accrued interest receivable	397,500	393,820	-	-
Inventories	540,063	551,536	-	-
Prepaid expenses	1,106,936	921,412	178,676	183,014
Total current assets	235,755,727	259,138,518	19,871,255	17,970,199
Noncurrent assets:				
Restricted cash and cash equivalents	265,399	503,193	-	-
Restricted investments	3,400,826	3,730,340	1,104,886	973,814
Endowment investments	73,556,014	85,416,686	217,016,683	235,427,593
Investments held in trust by others	7,321,661	7,597,043	-	-
Pledges receivable, net	1,143,862	1,707,074	10,319,033	7,960,014
Notes receivable, net	3,305,778	4,052,304	-	230,000
Lease receivable, net	2,498	-	-	-
Capital assets, net	612,048,191	634,146,252	3,935,351	4,294,757
Right-to-use assets, net	819,178	-	-	-
Net OPEB Asset	14,558,945	13,296,632	-	-
Total assets	952,178,079	1,009,588,042	252,247,208	266,856,377
DEFERRED OUTFLOW OF RESOURCES				
Deferred amount on bond refundings	28,714,994	27,563,320	-	-
Deferred outflows related to pensions	35,932,431	35,096,585	-	-
Deferred outflows related to OPEB	4,702,302	8,541,211	-	-
Total deferred outflow of resources	69,349,727	71,201,116	-	-
LIABILITIES				
Current liabilities:				
Accounts payable	4,740,730	3,600,133	2,759,192	1,800,755
Accrued liabilities	16,425,507	19,131,007	553,640	667,553
Accrued interest payable	7,321,661	7,597,042	-	-
Unearned income	10,800,583	30,556,350	96,780	134,616
Deposits	-	-	5,000	5,000
Current portion of long-term liabilities	21,782,339	15,928,446	-	98,952
Total current liabilities	61,070,820	76,812,978	3,414,612	2,706,876
Noncurrent liabilities:				
Refundable federal student loans	5,123,876	6,477,962	-	-
Actuarial liability for annuity/unitrust agreements	-	-	8,874,610	11,130,271
Net pension liability	106,199,641	240,203,037	-	-
Net OPEB liability	15,358,908	21,891,680	-	-
Long-term liabilities	363,189,928	378,925,248	2,158,073	2,181,690
Total liabilities	550,943,173	724,310,905	14,447,295	16,018,837
DEFERRED INFLOW OF RESOURCES				
Deferred inflows related to pensions	130,198,708	39,679,150	-	-
Deferred inflows related to OPEB	44,684,925	48,212,413	-	-
Other deferred inflows	5,001,820	5,275,703	-	-
Total deferred inflow of resources	179,885,453	93,167,266	-	-
NET POSITION				
Net investment in capital assets	259,078,261	269,266,751	1,777,278	

The University of Akron
Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 109,680,664	\$ 120,733,325
Grants and contracts	30,018,855	16,760,514
Auxiliary enterprises	22,218,635	16,808,281
Sales and service of educational activities	4,753,596	4,276,657
Payments to suppliers	(72,243,126)	(54,778,892)
Payments for compensation and benefits	(185,626,905)	(197,804,902)
Payments for scholarships and fellowships	(39,446,457)	(30,446,240)
Loans issued to students	(65,651)	(67,373)
Collection of loans to students	130,117	145,729
Other receipts	1,518,557	951,815
Net cash used in operating activities	(129,061,715)	(123,421,086)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	95,504,251	95,062,309
Gifts, grants, and contracts for other than capital purposes	77,312,148	62,582,588
Private gifts for endowment purposes	397,335	957,947
Collection of loans to students for Perkins Program	813,728	1,150,010
Other (payments) receipts	(317,232)	363,985
Net cash provided by noncapital financing activities	173,710,230	160,116,839
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from capital debt	228,643	-
Capital appropriations	11,821,792	6,088,037
Capital grants and gifts received	1,128,735	6,349,605
Purchases of capital assets	(17,118,951)	(10,998,497)
Principal paid on capital debt and leases	(11,801,331)	(15,358,384)
Interest paid on capital debt and leases	(14,358,572)	(15,705,667)
Net cash used in capital financing activities	(30,099,684)	(29,624,906)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	158,113,585	152,751,105
Interest on investments	7,875,280	13,638,858
Purchase of investments	(183,903,827)	(172,150,554)
Net cash provided by investing activities	(17,914,962)	(5,760,591)
Net (decrease) increase in cash and cash equivalents	(3,366,131)	1,310,256
Cash and cash equivalents, restricted cash and cash equivalents - beginning of the year	14,503,056	13,192,800
Cash and cash equivalents, restricted cash and cash equivalents - end of the year	\$ 11,136,925	\$ 14,503,056
NONCASH TRANSACTIONS		
Proceeds from capital debt paid directly by bank included in Note 6	38,041,733	-
Repayment of capital debt paid directly by bank included in Note 6	(37,813,090)	-

(continued)

The University of Akron
 Statements of Cash Flows
 For the Years Ended June 30, 2022 and 2021

	2022	2021
RECONCILIATION OF OPERATING LOSS TO		
NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	\$ (118,399,163)	\$ (90,847,612)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	38,083,450	47,073,126
Changes in assets, and liabilities, and deferred inflows/outflows:		
Accounts receivable, net	26,303,127	(298,708)
Notes receivable, net	64,466	78,356
Inventories	11,473	31,439
Prepaid expenses	(185,525)	78,994
Net OPEB asset	(1,262,313)	(2,338,632)
Accounts payable	765,314	1,066,853
Accrued liabilities	(2,705,500)	(5,098,247)
Unearned income	(19,755,768)	(1,434,260)
Deposits held for others	-	(511,192)
Sick leave liability	45,489	367,751
Net pension liability	(134,003,396)	(5,217,177)
Net OPEB liability	(6,532,772)	(75,773,259)
Deferred inflows / outflows relating to pension	89,683,712	(1,673,420)
Deferred inflows / outflows relating to OPEB	311,421	13,148,369
Changes in lease payable, receivable and deferred inflows	(131,644)	-

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

1. Summary of Significant Accounting and Reporting Policies

Organization

The University of Akron (The University) is a coeducational, degree granting state university which was established by the General Assembly of the State of Ohio (the State) in 1967 by statutory act under Chapter 3359 of the Revised Code of the State of Ohio. As such, it is a component unit of the State and is included as a discretely presented entity in the State's Annual Comprehensive Financial Report. The University offers degrees at the undergraduate, masters, and doctoral levels. The University is exempt from federal income taxes under Section 115 of the Internal Revenue Code, except for unrelated business income.

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

1. Summary of Significant Accounting and Reporting Policies - continued

Operating revenues and expenses generally result from providing educational and instructional services

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

1. Summary of Significant Accounting and Reporting 4my of0

The University of Akron
Notes to the Basic

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

1. Summary of Significant Accounting and Reporting Policies - continued

Adoption of New Accounting Pronouncements - continued

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

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology*

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

2. Cash and Investments

Cash

At June 30, 2022 and 2021 the carrying amounts of The University's bank deposits and interest-bearing cash equivalents were \$11,136,926 and \$14,503,056, respectively, as compared to bank balances of \$12,698,203 and \$16,027,960, respectively. The differences between carrying amounts and bank balances were caused by items in transit. Of the June 30, 2022 and 2021 bank balances, \$12,086,941 and \$15,360,372, respectively, were uninsured but collateralized with securities held by the depository banks in The University's name.

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

2. Cash and Investments - continued

Investments - continued

The GASB requires certain disclosures related to interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net position.

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. Credit risk exists when there is a possibility that the issuer or other counterparty to an investment may be unable to fulfill its obligations. Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. At June 30, 2022 and 2021, aside from obligations of the U.S. Government, The University did not have more than 5% of its fixed-income investments in any single issuer. Foreign currency risk is the risk that changes in exchange rates can adversely affect the fair value of an investment. At June 30, 2022 and 2021, The University did not have investments that are subject to foreign currency risk in its fixed income portfolio. To limit exposure to these risks, The University's investment policies set guidelines for maturities based on investment type (short-term, intermediate, or long-term), limits percentage exposure to a single issuer or market, and requires that a majority of the holdings consist of domestic (U.S.) securities of investment grade (at least rated BBB or BAA) as rated by a nationally recognized statistical rating organization.

The U.S. Treasury and agencies securities and corporate bonds were invested through banks that keep the securities in their names in safekeeping accounts at the Federal Reserve Bank.

The credit ratings and maturities of The University's interest-bearing investments at June 30, 2022 are as follows:

Investment	Rating (S&P)	Less than 1
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The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

3.

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

5. Capital and Lease Assets - continued

Changes in capital assets during fiscal years 2022 and 2021 were as follows:

	Balance July 1, 2021	Additions	Reductions	Transfers	Balance June 30, 2022
Nondepreciable capital assets:					
Land	\$ 44,167,536				

The University of Akron
Notes to the Basic

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

6. Long-term Liabilities - continued

In November 2019, The University issued \$59.5 million Series 2019A General Receipts Refunding Bonds and \$12.0 million Series 2019B Taxable General Receipts Refunding Bonds, with a combined average coupon rate of 4.22% with payments for 2019A through 2030 and payments for 2019B through 2038. The proceeds of Series 2019A bonds were used to refund \$69.4 million of The University's outstanding General Receipts Bonds Series 2010A and pay issuance costs. The proceeds of Series 2019B bonds were

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

6. Long-term Liabilities - continued

Changes in long-term liabilities during fiscal year 2022 were as follows:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Current Portion
Bonds payable:					
General receipts refunding bonds - Series 2014A, 2.0% to 5.0%,	26,315,000	-	-	26,315,000	-
General receipts refunding bonds - Series 2015A, 1.0% to 5.0%,	81,675,000	-	(23,580,000)	58,095,000	6,105,000
General receipts refunding bonds -	1,695,000	-	(1,695,000)	-	-
General receipts refunding bonds -	90,715,000	-	-	90,715,000	660,000
General receipts refunding bonds -	14,935,000	-	-	14,935,000	-
Taxable general receipts refunding bonds -	16,085,000	-	(16,085,000)	-	-
General receipts refunding bonds -	56,645,000	-	-	56,645,000	4,450,000
Taxable general receipts refunding bonds -	11,095,000	-	-	11,095,000	-
General receipts refunding bonds - Series 2020A, 1.68%,	12,290,000	-	-	12,290,000	1,470,000
General receipts refunding bonds -	-	13,255,000	-	13,255,000	-
General receipts refunding bonds - Series 2021B, 1.77% to 3.058%,	-	20,500,000	-	20,500,000	-
Direct Placement:					
Ohio Air Quality Development Authority: Tax exempt revenue bonds - Series 2013A, 2.48%	20,173,837	-	(3,839,544)	16,334,293	3,934,765
Tax credit revenue bonds -	15,000,000	-	-	15,000,000	-
Total bonds payable	346,623,837	33,755,000			

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

6. Long-term Liabilities - continued

Changes in long-term liabilities during fiscal year 2021 were as follows:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Current Portion
Bonds payable:					
General receipts refunding bonds - Series 2014A, 2.0% to 5.0%,	26,315,000	-	-	26,315,000	-
General receipts refunding bonds - Series 2015A, 1.0% to 5.0%,	87,210,000	-	(5,535,000)	81,675,000	5,800,000
General receipts refunding bonds -	3,355,000	-	(1,660,000)	1,695,000	1,695,000
General receipts refunding bonds -	90,715,000	-	-	90,715,000	-
General receipts refunding bonds -	14,935,000	-	-	14,935,000	-
Taxable general receipts refunding bonds -	16,085,000	-	-	16,085,000	-
General receipts refunding bonds -	59,535,000	-	(2,890,000)	56,645,000	-
Taxable general receipts refunding bonds -	12,045,000	-	(950,000)	11,095,000	-
General receipts refunding bonds - Series 2020A, 1.68%,	12,290,000	-	-	12,290,000	-
Direct Placement:					
Ohio Air Quality Development Authority: Tax exempt revenue bonds - Series 2013A, 2.48%	23,920,465	-	(3,746,628)	20,173,837	3,839,544
Tax credit revenue bonds -	15,000,000	-	-	15,000,000	-
Total bonds payable	361,405,465	-	(14,781,628)	346,623,837	11,334,544
Bond premiums:					
Series 2014A	1,608,995	-	(107,267)	1,501,728	107,266
Series 2015A	9,686,085	-	(824,347)	8,861,738	824,348
Series 2016A	13,541,498	-	-	-	-

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

6. Long-term Liabilities - continued

The general receipts bonds and the general receipts refunding bonds are payable from and secured by a first pledge and lien on the general receipts of The University, excluding state appropriations. The bonds contain a provision that in an event of financial default, outstanding amounts become immediately due and payable. If there is a nonfinancial default, the Trustee may accelerate the maturity of the outstanding amounts, but is only required to do so if requested in writing by 25% of the bondholders.

The University has defeased certain debt by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liabilities for the defeased debt are not included in The University's basic financial statements. The defeased debt is as follows:

Amount Amount

The aggregate annual principal and interest for the debt agreements for fiscal years subsequent to June 30, 2022 are as follows:

Fiscal Year:	Principal	Interest	Principal	Interest	Total
2023	\$ 12,685,000	\$ 13,221,111	\$ 3,934,765	\$ 1,104,799	\$ 30,945,675
2024	12,625,000	12,662,650	4,032,347	1,006,007	30,326,004
2025	13,110,000	12,120,166	4,132,349	904,765	30,267,280
2026	13,625,000	11,555,587	4,234,832	801,012	30,216,431
2027	20,105,000	10,839,727	-	748,500	31,693,227
2028-2032	103,390,000				

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

6. Long-term Liabilities - continued

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

7. State Support

The University is a state-

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

8. Employee Benefit Plans - continued

Benefits Provided

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

8. Employee Benefit Plans - continued

The University of Akron

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

8. Employee Benefit Plans - continued

Net Pension Liability, Deferrals, and Pension Expense - continued

For the year ended June 30, 2022 and 2021, The University recognized pension revenue of \$31,057,515 and pension expense of \$6,899,679, respectively. The difference between this total and the pension revenue of \$44,319,684 and \$6,890,597 at June 30, 2022 and 2021, respectively, included in the Pension revenue reported separately on the Statement of Revenue, Expenses, and Changes in Net Position is recorded as employee benefits within functional expenses.

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

8. Employee Benefit Plans - continued

Net OPEB Liability/(Asset), Deferrals, and OPEB Expense

At June 30, 2022, The University reported a liability/(asset) for its proportionate share of the net OPEB liability/(asset) of STRS/SERS/OPERS. For June 30, 2022, the net OPEB liability/(asset) was measured as of June 30, 2021 for STRS, June 30, 2021 for SERS, and December 31, 2021 for the OPERS plan. For June 30, 2021 the net OPEB liability/(asset) was measured as of June 30, 2020 for STRS, June 30, 2020 for SERS, and December 31, 2020 for the OPERS plan. The total OPEB liability/(asset) 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, 2020 and 2019, 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) is 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

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

8. Employee Benefit Plans - continued

Net OPEB Liability/(Asset), Deferrals, and OPEB Expense - continued

For the years ended June 30, 2022 and 2021, The University recognized OPEB income of \$7,284,488 and \$64,740,487, respectively. The difference between this total and the OPEB revenue of \$7,483,664 and \$64,963,522 at June 30, 2022 and 2021, respectively, included in the OPEB revenue reported separately on the Statement of Revenue, Expenses, and Changes in Net Position is recorded as employee benefits within functional expenses. At June 30, 2022 and 2021, The University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 648,304	\$ 12,495,668	\$ 1,096,857	\$ 16,237,356
Changes of assumptions	3,838,586	10,193,174	5,353,086	15,025,841
Net difference between projected and actual earnings on pension plan investments	-	5,182,038	628,822	1,293,523
Changes in proportion and differences between University contributions and proportionate share of contributions	16,236	16,814,045	1,239,411	15,655,693
University contributions subsequent to the measurement date	199,176	-		

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

Year Ended June 30	
2023	\$ (12,256,426)
2024	(10,341,526)
2025	(9,009,973)
2026	(5,406,206)
2027	(2,476,217)
Thereafter	(691,451)
Total	<u><u>\$ (40,181,799)</u></u>

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the following year (2023).

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

8. Employee Benefit Plans - continued

Actuarial Assumptions

The total pension liability and OPEB liability/(asset) is based on the results of an actuarial valuation and were determined using the following actuarial assumptions for The University's June 30, 2022 fiscal year end:

	STRS	SERS	OPERS
Valuation date - Pension	June 30, 2021	June 30, 2021	December 31, 2021
Valuation date - OPEB	June 30, 2021	June 30, 2021	December 31, 2020
Actuarial cost method	Entry age normal	Entry age normal	Individual entry age
Cost of living	None	2.0 percent	2.05 percent - 3.0 percent
Salary increases, including inflation	2.5 percent - 12.5 percent	3.25 percent - 13.58 percent	2.75 percent -10.75 percent
Inflation	2.5 percent	2.4 percent	2.75 percent
Investment rate of return - Pension	7.0 percent, net of investment expense, including inflation	7.0 percent, net of investment expense, including inflation	6.9 percent, net of plan investment expense, including inflation
Investment rate of return - OPEB	7.0 percent, net of investment expense, including inflation	7.0 percent, net of investment expense, including inflation	6.0 percent, net of investment expense, including inflation
Health care cost trend rates	-16.2 percent to 30.0 percent initial, 4.0 percent ultimate	6.75 percent to 4.4 percent pre-Medicare, 5.125 percent to 4.4 percent Medicare	5.5 percent initial, 3.5 percent ultimate in 2034
Experience study date	Period of 5 years ended June 30, 2016	Period of 5 years ended June 30, 2020	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.	<p>Healthy Retirees - PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.2% for males and set forward 2 years and adjusted 81.35% for females.</p> <p>Disabled Retirees - PUB-2010 General Disable Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.</p> <p>Contingent Survivors - PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.</p> <p>Actives - PUB-2010 General Amount Weighted Below Median Employee mortality table</p>	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.

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

8. Employee Benefit Plans - continued

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

8. Employee Benefit Plans - continued

OPEB Discount Rate - continued

The long-term expected rate of return on pension plan and OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. OPERS has two different portfolios of 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 June 30, 2021			SERS as of June 30, 2021			OPERS as of December 31, 2021				
Investment Category	Target Allocation	Long-term Expected Real Rate of Return	Investment Category	Target Allocation	Long-term Expected Real Rate of Return	Defined Benefit Portfolio		Health Care Portfolio		
						Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return	
Domestic Equity	28.00%	7.35%	Cash	2.00%	-0.33%	Fixed Income	24.00%	1.03%	34.00%	0.91%
International Equity	23.00%	7.55%	US Equity	24.75%	5.72%	Domestic Equities	21.00%	3.78%	25.00%	3.78%
Alternatives	17.00%	7.09%	Non-U.S. Equity			Real Estate	11.00%	3.66%	0.00%	0.00%
Fixed Income	21.00%	3.00%	Developing Non-U.S. Equity	13.50%	6.55%	Private Equity	12.00%	7.43%	0.00%	0.00%
Real Estate	10.00%	6.00%	Emerging	6.75%	8.54%	International Equities	23.00%	4.88%	25.00%	4.88%
Liquidity Reserves	1.00%	2.25%	Fixed Income	19.00%	1.14%	Risk Parity	5.00%	2.92%	2.00%	2.92%
			Private Equity	11.00%	10.03%	REITs	0.00%	0.00%	7.00%	3.71%
			Real Assets	16.00%	5.41%	Other Investments	4.00%	2.85%	7.00%	1.93%
			Multi-Asset Strategies	4.00%	3.47%					
			Private Debt	3.00%	5.28%					
Total	100.00%		Total	100.00%		Total	100.00%		100.00%	

as of June 30, 2020			as of June 30, 2020							
Investment Category	Target Allocation	Long-term Expected Real Rate of Return	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
International Equity	23.00%	7.55%	US Equity	22.50%	5.75%	Domestic Equities	21.00%	5.64%	25.00%	5.64%
Alternatives	17.00%	7.09%	International Equity	22.50%	6.50%	Real Estate	10.00%	5.39%	0.00%	0.00%
Fixed Income	21.00%	3.00%	Fixed Income	19.00%	2.85%	Private Equity	12.00%	10.42%	0.00%	0.00%
Real Estate	10.00%	6.00%	Private Equity	12.00%	7.60%	International Equities	23.00%	7.36%	25.00%	7.36%

Payable to the Pension Plan and OPEB Plan

At June 30, 2022, The University reported a payable of \$1,358,563 and \$5,758 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2022. At June 30, 2021, The University reported a payable of \$1,154,401 and \$6,092 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2021.

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

8. Employee Benefit Plans - continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

		2022					
		<u>1.00 percent decrease</u>		<u>Current Discount rate</u>		<u>1.00 percent increase</u>	
STRS	6.00%	\$ 116,504,325	7.00%	\$ 62,214,420	8.00%	\$ 16,339,568	
SERS	6.00%	53,531,098	7.00%	32,174,880	8.00%	14,164,248	
OPERS	5.90%	<u>31,571,063</u>	6.90%	<u>11,810,341</u>	7.90%	<u>(4,630,653)</u>	
		<u>\$ 201,606,486</u>		<u>\$ 106,199,641</u>		<u>\$ 25,873,163</u>	
		2021					
		<u>1.00 percent decrease</u>		<u>Current Discount rate</u>		<u>1.00 percent increase</u>	
STRS	6.45%	\$ 213,031,243	7.45%	\$ 149,618,884	8.45%	\$ 95,882,192	
SERS	6.50%	96,405,487	7.50%	70,375,241	8.50%	48,535,370	
OPERS	6.20%	<u>38,795,738</u>	7.20%	<u>20,208,912</u>	8.20%	<u>4,758,838</u>	
		<u>\$ 348,232,468</u>		<u>\$ 240,203,037</u>		<u>\$ 149,176,400</u>	

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

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

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

8. Employee Benefit Plans - continued

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB liability/(asset) of The University, calculated using the healthcare cost trend rate listed below, as well as what The University's net OPEB liability/(asset) would be if it were calculated using healthcare cost trend rates that are 1.00 percentage point lower or 1.00 percentage point higher than the current healthcare cost trend rate

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 20

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

9. Litigation, Commitments, and Contingencies - continued

The University provides employee health insurance benefits through a self-insurance program. Two third-party administrators, Anthem Blue Cross and Blue Shield for medical insurance and Delta Dental of Ohio for dental insurance, review all claims which are then paid by The University. Full-time employees are eligible for health insurance benefits effective on the first day of the month following appointment or date of hire. Employees are offered two traditional PPO medical plans with differing levels of coverage and one PPO dental plan. Employees make contributions to pay a portion of health insurance benefits

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

9. Litthe Basic

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

10. Component units

Details of the component units' net position at June 30, 2022 and 2021 are as follows:

	2022			2021		
	Foundation	Research Foundation	Totals	Foundation	Research Foundation	Totals
Assets						
Current assets:						
Cash and cash equivalents	\$ 9,322,467	\$ 733,408	\$ 10,055,875	\$ 4,076,574	\$ 445,406	\$ 4,521,980
Pooled investments	-	6,315,094	6,315,094	-	7,336,110	7,336,110
Accounts receivable, net	406,890	1,023,915	1,430,805	2,947,600	848,178	3,795,778
Pledges receivable, net	1,669,921	-	1,669,921	2,133,317	-	2,133,317
Related party land note receivable	220,884	-	220,884	-	-	-
Prepaid expenses	-	178,676	178,676	-	183,014	183,014
Total current assets	11,620,162	8,251,093	19,871,255	9,157,491	8,812,708	17,970,199
Noncurrent assets:						
Restricted investments	-	1,104,886	1,104,886	-	973,814	973,814
Endowment investments	217,016,683	-	217,016,683	235,427,593	-	235,427,593
Pledges receivable, net	10,319,033	-	10,319,033			

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

10. Component units - continued

Details of the component units' revenues, expenses, and changes in net position at June 30, 2022 and 2021 are as follows:

	Foundation	2022 Research Foundation	Totals	Foundation	2021 Research Foundation	Totals
Revenues						
Operating revenues:						
Private grants and contracts	\$ -	\$ 494,240	\$ 494,240	\$ -	\$ 728,074	\$ 728,074
Gifts and contributions	16,398,775	-	16,398,775	12,007,159	-	12,007,159
Other sources	-					

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

10. Component units - continued

The following tables present information about the component units' assets and liabilities measured at fair value on a recurring basis at June 30, 2022 and 2021 and the valuation techniques used to determine those fair values:

Foundation Assets and Liabilities Measured at Fair Value on a Recurring Basis at 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)	Net Asset Value
Assets - Investments					
Beneficial interest in real estate	\$ 335,000	\$ -	\$ -	\$ 335,000	\$ -
Bonds	10,329,568	-	10,329,568	-	-
Cash and cash equivalent	16,605,556	16,605,556	-	-	-
Common stocks	2,571,573	2,571,573	-	-	-
Equity funds	19,018,749	7,683,332	-	-	11,335,417
Equity trust	35,459	35,459	-	-	-
Exchange traded funds	262,197	262,197	-	-	-
Fixed income funds	15,701,108	-	-	-	15,701,108
Floater	380,000	-	380,000	-	-
Hedge funds	41,699,155	-	-	-	-

Foundation Assets and Liabilities Measured at Fair Value on a Recurring Basis at June 30, 2021

	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)	Net Asset Value
Assets - Investments					
Beneficial interest in real estate	\$ 335,000	\$ -	\$ -	\$ 335,000	\$ -
Bonds	4,056,801	-	4,056,801	-	-
Cash and cash equivalent	1,242,345	-	-	-	-

The University of Akron
Notes to the Basic Financial Statements
June 30, 2022 and 2021

10. Component units - continued

Research Foundation Assets and Liabilities Measured at Fair Value on a Recurring Basis at June 30, 2021

	Balance at June 30, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value
Assets - Short-term investments					
Fixed income	\$ 1,756,660	\$ 1,756,660	\$ -	\$ -	\$ -
Large growth	975,590	975,590	-	-	-
Large value	1,016,900	1,016,900	-	-	-
Small- and mid-cap growth	796,937	796,937	-	-	-
Alternatives	1,302,126	1,302,126	-	-	-
Internationals	1,487,897	1,487,897	-	-	-
Liabilities					
Interest rate swap	(69,022)	-	(69,022)	-	-

Details of the component units' capital assets at June 30, 2022 and 2021 are as follows:

Required Supplementary Information

The University of Akron

Schedule of University's Proportionate Share of the Net Pension Liability Fiscal Years Ended June 30, 2015 to 2022

Plan Year	University's proportion of the net pension liability	University's proportionate share of the net pension liability	University's covered payroll	University's proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
State Teachers Retirement System (STRS)					
2022	0.486586%	\$ 62,214,420	\$ 71,273,436	87.29%	87.80%
2021	0.618351%	149,618,884	74,643,389	200.44%	75.50%
2020	0.661606%	146,310,173	92,564,876	158.06%	70.85%
2019	0.723614%	159,106,476	95,918,966	165.88%	77.30%
2018	0.802782%	190,702,668	100,964,550	188.88%	75.29%
2017	0.844647%	282,728,801	106,894,227	264.49%	66.78%
2016	0.913123%	252,360,353	107,800,627	234.10%	72.10%
2015	0.950840%	231,277,151	114,757,851	201.53%	74.70%
State Employees Retirement System (SERS)					
2022	0.872017%	\$ 32,174,880	\$ 27,886,579	115.38%	82.86%
2021	1.064001%	70,375,241	31,555,857	223.02%	68.55%
2020	1.201677%	71,898,430	38,297,517	187.74%	77.40%
2019	1.388076%	79,497,683	42,216,488	188.31%	71.36%
2018	1.663330%	99,380,266	46,295,774	214.66%	69.50%
2017	1.763465%	129,069,381	51,923,833	248.57%	62.98%
2016	1.989093%	113,499,597	57,391,681	197.76%	69.16%
2015	2.065374%	104,527,403	65,124,508	160.50%	71.70%
Ohio Public Employees Retirement System (OPERS)					
2022	0.364106%	\$ 11,810,341	\$ 27,570,160	42.84%	93.01%
2021	0.354894%	20,208,912	23,082,211	87.55%	87.21%
2020	0.390496%	27,211,611	23,749,437	114.58%	82.44%
2019	0.266603%	27,472,320	18,717,610	146.77%	74.91%
2018	0.123075%	7,940,334	11,568,937	68.63%	84.85%
2017	0.030957%	6,697,227	3,843,681	174.24%	77.39%
2016	0.029042%	5,030,441	2,724,473	184.64%	81.08%
2015	0.032842%	3,961,106	3,080,746	128.58%	86.45%

Note: For 2022, the plan fiduciary net position as a percentage of the total pension liability is as follows for each plan:

STRS: 87.80%
SERS: 82.86%
OPERS: 93.01%

The University of Akron

Schedule of University's Proportionate Share of the Net OPEB Liability/(Asset) Fiscal Years Ended June 30, 2018 to 2022

Plan Year	University's proportion of the net OPEB liability/(asset)	University's proportionate share of the net OPEB liability/(asset)	University's covered payroll	University's proportionate share of the net OPEB liability/(asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability/(asset)
State Teachers Retirement System (STRS)					
2022	0.486586%	\$ (10,259,000)	\$ 71,273,436	-14.39%	174.70%
2021	0.618351%	(10,868,000)	74,643,389	-14.56%	182.10%
2020	0.661606%	(10,958,000)			

The University of Akron
 Schedule of University's OPEB Contributions
 Fiscal Years Ended June 30, 2018 to 2022

Fiscal Year	Statutorily required contribution	Contributions in relation to the actuarially determined contractually required contribution	Contribution deficiency (excess)	University's covered payroll	Contributions as a percentage of covered payroll
State Teachers Retirement System (STRS)					
2022	\$ -	\$ -	\$ -	\$ 71,273,438	0.00%
2021	-	-	-	74,643,389	0.00%
2020	-	-	-	92,564,876	0.00%
2019	-	-	-	95,918,966	0.00%
2018	-	-	-	100,964,550	0.00%
State Employees Retirement System (SERS)					
2022	\$ 198,064	\$ 198,064	\$ -	\$ 27,886,579	0.71%
2021	223,035	223,035	-	31,555,857	0.71%
2020	287,741	287,741	-	38,297,517	0.75%
2019	516,517	516,517	-	42,216,488	-

The University of Akron
Schedule of Changes in the University's
Net OPEB Liability and Related Ratios
Fiscal Years Ended June 30, 2018 to 2022

The University of Akron
Notes to the Required Supplementary Information
Fiscal Years Ended June 30, 2015 to 2022

Basis of Presentation

These are 10-year schedules. However, the information in the schedules is not required to be presented retroactively. Years will be added to the schedules in future fiscal years until 10 years of information is available.

The amounts presented for each fiscal year for STRS and SERS on the Schedule of University Proportionate Share of

The University of Akron

Supplemental Financial Information



INDEPENDENT AUDITOR'S 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*

To Management and the Board of Trustees
The University of Akron

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of The University of Akron (the "University"), a component unit of the State of Ohio, as of and for the year ended June 30, 2022, and the related notes to the financial statements which collectively comprise the University's basic financial statements, and have issued our report thereon dated December 2, 2022.

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 opi

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether





INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE

The Board of Trustees
The University of Akron

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The University of Akron's (the "University") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2022. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and conclusions (of au1mo27Tw 363 Tw 2yn0 Tc)53o Tc -(qW)qSu mS6n8TJ0-vn the OMal)

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.

(Continued)

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

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



Crowe LLP

Columbus, Ohio
December 2, 2022



The University of Akron
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Entity	Pass-Through to	Total
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The University of Akron
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Assistance

The University of Akron
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Pass-Through to Subrecipient	Total Expenditures
Other Programs				
Instruction				
National Aeronautics and Space Administration				
Direct				
Aeronautics and Space Act of 1958	43.008	N/A	\$ -	\$ 10,393
Total National Aeronautics and Space Administration			-	10,393
Department of Education				
Direct				
Special Education-Personnel Development to Improve Services and Results for Children with Disabilities	84.325K	N/A	-	84,852
English Language Acquisition Grants	84.365	N/A	5,712	424,764
Total Department of Education			5,712	509,616
Department of Health and Human Services				
Direct				
Nurse Anesthetist Traineeships	93.124	N/A	-	48,982
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	N/A	-	59,970
Mental and Behavioral Health Education and Training Grant	93.732	N/A	66,201	341,163
Pass Through				
Northeast Ohio Medical Univ. (NEOMED)-Model State-Supported Area Health Education Centers	93.107	N/A	-	66,571
Ohio Department of Job and Family Serviv-Child Welfare Services_State Grants	93.645	N/A	-	11,500
Ohio Department of Job and Family Serviv-Social Services Block Grant	93.667	N/A	-	80,664
Total Department of Health and Human Services			66,201	608,849

The University of Akron
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Pass-Through to Subrecipient	Total Expenditures
Department of Education				
Direct				
COVID-19 Emergency Financial Aid Grants to Students under the Coronavirus Aid, Relief, and Economic Security (CARES) Act	84.425E	P425E200041	\$ -	\$ 19,200,450
COVID-19 Education Stabilization Fund -PL 116-136 Title VIII Coronavirus Aid, Relief and Security Act	84.425F	N/A	-	2,261,613
Pass Through				
COVID-19 Ohio Department of Higher Educations - Governor's Emergency Education Relief Fund (GEER)	84.425C	N/A		332,387
COVID-19 Ohio Department of Higher Educations - Governor's Emergency Education Relief Fund (GEER)	84.425D	N/A		5,754
Total Department of Education			-	21,800,204
Department of Health and Human Services				
Pass Through				
The Lupus Foundation of America-Chronic Diseases: Research	93.068	NU58DP006	-	3,850
Summa Health System-Immunization Grants	93.268	N/A	-	16,773
American College Health Association-Protecting and Improving	93.318	N/A	-	2,904

The University of Akron
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of The University of Akron (The University) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (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

The University of Akron
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Note 5 - Reconciliation

The following schedule is a reconciliation of total expenditures as shown on the Schedule to the revenue shown as federal grants and contracts on the Statement of Revenues, Expenses and Changes in Position (the Statement), which is included as part of The University's financial statements:

Expenditures per the Schedule	\$ 118,357,943
Pell grants	(18,489,620)
Federal direct loans	(55,824,930)
Federal Perkins loan program	(5,884,091)
Nursing student loan program	(763,195)
Federal grants passed through state entities	(1,627,257)
Federal grants passed through local entities	(26,386)
Private grants	(2,915,660)
Federal purchased service contracts	(1,942,209)
Indirect costs excluded from federal grants on Statement	46,007
Change in deferred revenue from federal grants	<u>(21,248,686)</u>
Federal grants and contracts as shown on the Statement	<u>\$ 9,681,918</u>

Current restricted funds derived from appropriations, gifts or grants may be used only to meet current expenditures for the purposes specifically identified by sponsoring agencies. The appropriations, gifts or grants are recognized as revenue in The University's external financial statements as expended. Therefore, expenditures per the Schedule reconciles

The University of Akron
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2022

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

Noncompliance material to financial statements noted? Yes X None reported

Federal Awards

Internal control over major programs:

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

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

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Opinion</u>
Various	Research and Development Cluster	Unmodified
84.425C, 84.425D, 84.425E, 84.425F	COVID-19 Higher Education Emergency Relief Fund and COVID-19 Governor's Emergency Education Relief Fund	Unmodified

Dollar thresh144 268.812 0 612 792 re1.7 329.38 To4Tf2 10.08 Tf1 0 0 1 178.15 598.01 Tm0 g0 G[)TJETQ

report

The University of Akron
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section II - Financial Statement Findings

Reference

The University of Akron
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section III - Federal Program Audit Findings

Reference Number	Findings
Current Year	None

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UNIVERSITY OF AKRON

SUMMIT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 1/31/2023

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

This report is a matter of public record and is available online at
www.ohioauditor.gov