CENTRAL STATE UNIVERSITY FOUNDATION
AND SUBSIDIARIES
GREENE COUNTY
REGULAR AUDIT
FOR THE YEAR ENDED JUNE 30, 2023 AND 2022

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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800-282-0370

Governing Board
Central State University Foundation and Affiliates
P.O. Box 1004
1400 Brush Row Road
Wilberforce, Ohio 45384

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

Referral:

The Auditor of State has referred Central State University Foundation to the Ohio Attorney General for matters reported in the Independent Auditor's Report, including the Basis for Disclaimer of Opinion, Emphasis of Matter, Other Matter, Note 10, Note 11, Finding 2023-002, Finding 2023-003, and Finding 2023-004.

Auditor of State Conclusion for the Central State University Foundation Responses in the Schedule of Findings:

In addition to the communications from the Foundation's auditor throughout the process, the Auditor of State also communicated with the Foundation on multiple occasions throughout the audit to assist the auditor in getting the required records for the audit to no avail. Even after issuing a subpoena for the records, nothing further was provided by the Foundation. The Foundation has noted the University has all records pursuant to a memorandum of understanding; however, the University has confirmed no further records are available for audit. The Foundation did not ask for an extension of time until the final report was being put together, and therefore, the extension was not granted.

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. Central State University Foundation and Affiliates is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L Ridenbaugh

Tiffany L Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

July 07, 2026

CENTRAL STATE UNIVERSITY FOUNDATION
AND SUBSIDIARIES
Wilberforce, Ohio

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended June 30, 2023 and 2022

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CENTRAL STATE UNIVERSITY FOUNDATION
AND SUBSIDIARIES
Wilberforce, Ohio

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended June 30, 2023 and 2022

CONTENTS

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INDEPENDENT AUDITOR'S REPORT

Management and the Board of Directors
Central State University Foundation

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the consolidated financial statements of Central State University Foundation and Subsidiary (collectively the "Foundation"), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities and changes in net assets (deficit), and cash flows for the year then ended, and the related notes to the financial statements.

We do not express an opinion on the accompanying consolidated financial statements of the Foundation. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

Basis for Disclaimer of Opinion

Management could not provide certain board minutes and updated controls, policies and procedures, or audit support for various journal entries, contribution revenue, artwork, endowments, restricted net assets, donated stock, payroll and benefit expenses, accounts payable, subsequent disbursements, operating expenses, going concern analysis, potential tax liabilities and functional expense classifications as of and for the year ended June 30, 2023 and 2022, and we were unable to satisfy ourselves by performing other audit procedures. As a result of these matters, we were unable to determine whether any adjustments might have been necessary with respect to the accounts listed above, and the elements making up the consolidated statement of financial position, and the related consolidated statements of activities and changes in net assets (deficit), and cash flows.

We were not provided with a signed management representation letter for the fiscal year ended June 30, 2023. As a result, we were unable to obtain confirmation of management's responsibility for the preparation and fair presentation of the financial statements and related representations regarding the completeness and accuracy of information provided to us, including matters involving fraud, compliance with laws and regulations, related-party transactions, commitments and contingencies, and subsequent events. As a result of this matter, we were unable to determine whether any adjustments might have been necessary to the financial statements.

Emphasis of Matter

As discussed in Note 11 to the financial statements, Marauder has ceased operations as of December 20, 2023, and on November 15, 2024, the Foundation's 501(c)(3) status was revoked by the Internal Revenue Service. Our opinion is not modified with respect to this matter.

(Continued)

Other Matter

The Foundation's liquidity constraints have resulted in a significant shortfall of liquid assets required to comply with donor restrictions, and failures to comply with IRS reporting requirements led to the loss of the Foundation's tax-exempt status in November 2024. These conditions raise substantial doubt about the Foundation's ability to continue as a going concern.

Management did not provide an analysis of the Foundation's ability to continue as a going concern or related disclosures describing the relevant conditions or management's plans. As described in the Basis for Disclaimer of Opinion paragraph, we were unable to obtain sufficient appropriate audit evidence regarding the adequacy of management's analysis or plans to mitigate the substantial doubt about the Foundation's ability to continue as a going concern.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year from the date the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Foundation's consolidated financial statements in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the consolidated financial statements.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated February 26, 2026, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Columbus, Ohio
February 26, 2026

CENTRAL STATE UNIVERSITY FOUNDATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 589,747	$ 1,488,229
Receivable from Central State University	1,661,625	102,000
Contributions receivable, net	4,800	4,800
Other receivables	13,216	12,240
Prepaid expenses	2,250	2,023
Total current assets	2,271,638	1,609,292
Investments	4,580,697	4,028,169
Restricted cash and cash equivalents	2,705,381	2,791,069
Capital assets, net	8,232,307	8,644,304
Total assets	$ 17,790,023	$ 17,072,834
Liabilities		
Accounts payable	$ 80,094	$ 12,592
Accrued interest payable	232,738	259,041
Payable to Central State University	338,880	311,554
Current portion of long-term debt	775,000	730,000
Total current liabilities	1,426,712	1,313,187
Long-term debt, net of unamortized financing costs of $377,865 and $464,668 for 2023 and 2022	7,793,648	8,737,851
Total liabilities	9,220,360	10,051,038
Net assets (deficit)		
Without donor restrictions	650,807	(68,863)
With donor restrictions	7,918,856	7,090,659
Total net assets	8,569,663	7,021,796
Total liabilities and net assets	$ 17,790,023	$ 17,072,834

See accompanying notes to consolidated financial statements.

CENTRAL STATE UNIVERSITY FOUNDATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (DEFICIT)
For the year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Rental revenue	$ 3,413,483	$ -	$ 3,413,483
Contributions	-	493,503	493,503
Other	5,259	976	6,235
Investment income	121,753	371,805	493,558
Net assets released from restrictions	38,087	(38,087)	-
Total revenue	3,578,582	828,197	4,406,779
Expenses			
Programs:			
Housing programs	2,302,583	-	2,302,583
Other expenses	29,277	-	29,277
Operating expenses	424,499	-	424,499
Fundraising expenses	102,553	-	102,553
Total expenses	2,858,912	-	2,858,912
Increase (decrease) in net assets	719,670	828,197	1,547,867
Net assets - beginning of year	(68,863)	7,090,659	7,021,796
Net assets - end of year	$ 650,807	$ 7,918,856	$ 8,569,663

See accompanying notes to consolidated financial statements.

CENTRAL STATE UNIVERSITY FOUNDATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (DEFICIT)
For the year ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Rental revenue	$ 3,492,069	$ -	$ 3,492,069
Contributions	-	201,213	201,213
Other	173,343	-	173,343
Investment income	33,364	(575,957)	(542,593)
Net assets released from restrictions	-	-	-
Total revenue	3,698,776	(374,744)	3,324,032
Expenses			
Programs:			
Housing programs	2,934,526	-	2,934,526
Other expenses	35,530	-	35,530
Operating expenses	373,666	-	373,666
Fundraising expenses	154,261	-	154,261
Total expenses	3,497,983	-	3,497,983
Increase (decrease) in net assets	200,793	(374,744)	(173,951)
Net assets - beginning of year	(269,656)	7,465,403	7,195,747
Net assets - end of year	$ (68,863)	$ 7,090,659	$ 7,021,796

See accompanying notes to consolidated financial statements.

CENTRAL STATE UNIVERSITY FOUNDATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	$ 1,547,867	$ (173,951)
Adjustments to reconcile increase (decrease) in net assets to net cash from operating activities:		
Depreciation	411,997	411,995
Amortization of issuance costs	86,802	92,235
Amortization of bond discount	13,995	14,837
Unrealized and realized loss on investments	(210,484)	680,128
Changes in operating assets and liabilities:		
Contributions receivable	-	279,000
Prepaid expenses	(227)	(4,869)
Other receivables	(976)	(12,240)
Accounts payable	67,502	(23,322)
Receivable/payable to Central State University	(1,532,299)	(447,455)
Accrued interest payable	(26,303)	(28,746)
Net cash provided by operating activities	357,874	787,612
Cash flows from investing activities		
Purchases of investments	(1,586,780)	(1,310,692)
Sale of investments	1,244,736	1,067,691
Net cash used in investing activities	(342,044)	(243,001)
Cash flows from financing activities		
Principal payment on bonds payable	(1,000,000)	(1,080,000)
Net cash used in financing activities	(1,000,000)	(1,080,000)
Net change in cash and cash equivalents	(984,170)	(535,389)
Cash and cash equivalents - beginning of year	4,279,298	4,814,687
Cash and cash equivalents - end of year	$ 3,295,128	$ 4,279,298
Supplemental disclosures of cash flow information		
Cash paid during the year for interest	$ 491,778	$ 546,828

See accompanying notes to consolidated financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities: Central State University Foundation and its wholly owned subsidiaries, Marauder Development, LLC ("Marauder") and Marauder West, LLC ("West"), have been consolidated (collectively referred to as the "Foundation"). All significant intercompany transactions have been eliminated. On October 19, 2001, Marauder Development, LLC and Marauder West, LLC were incorporated as wholly owned subsidiaries of Central State University Foundation.

Description of Entity: Central State University Foundation is an Ohio nonprofit corporation and exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as of June 30, 2023 and 2022. Central State University Foundation was formed to receive contributions, which are to be used to support the educational undertakings of Central State University (the "University"). The Foundation is a component unit of the University. Marauder, an Ohio limited liability corporation, was formed to develop property for the use of Central State University. The property developed (residence halls) are rented to Central State University students. The financial operations of Marauder Development, LLC, which maintains a fiscal year end of August 31, have been consolidated within these financial statements. Marauder West, LLC, an Ohio limited liability corporation, was formed to develop property for the use of Central State University. The financial operations of Marauder West, LLC, which maintains a fiscal year end of June 30 have been consolidated within these financial statements. All significant intercompany accounts and transactions have been eliminated.

Method of Accounting and Basis of Presentation: The accompanying consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting. For external financial reporting purposes, in accordance with Accounting Standards Codification (ASC) 958, the Foundation presents its consolidated financial statements by net asset without donor restrictions and with donor restrictions classifications. The Foundation's significant accounting policies are described below.

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

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

Investments: Investments are generally carried at fair value, which is determined using valuations techniques as described in Note 2. Realized gains and losses are recorded using specific identifications of the securities sold.

Restricted Cash: Restricted cash represents various trust account balances in bond trust accounts established in accordance with bond legislation for specific purposes.

Concentration of Credit Risk Arising from Deposit Accounts: The Foundation maintains cash balances at a bank. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to $250,000. The Foundation evaluates the financial institutions with which it deposits funds; however, not all cash deposits are fully insured.

Risks and Uncertainties: The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. 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 consolidated statement of financial position.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets: Capital assets include land, buildings, and furniture, most of which is related to two student dormitory buildings. Capital assets are defined as assets with an initial individual cost of more than $1,000 and estimated useful life in excess of three years. Depreciation is computed on the straight-line basis over the following estimated useful lives:

Building	40 years
Building Improvements	15 years
Furniture	7 years

Impairment or Disposal of Long-lived Assets: The Foundation reviews the recoverability of long-lived assets, including buildings and equipment, and other assets, when events or changes in circumstances occur that indicate that the carrying value of the asset may not be recoverable. The assessment of possible impairment is based on the ability to recover the carrying value of the asset from the expected future pretax cash flows (undiscounted and without interest charges) of the related operations. If these cash flows are less than the carrying value of such asset, an impairment loss is recognized for the difference between estimated fair value and carrying value. The measurement of impairment requires management to make estimates of these cash flows related to long-lived assets, as well as other fair value determinations. There was no impairment recorded for the fiscal year ended 2023 and 2022.

Financing Costs: The unamortized financing costs include consulting, attorneys' fees, and other fees incurred in connection with the bond obligations of Marauder. These costs are netted against the long-term debt balance and are amortized using the interest method over the lives of the bonds and are included as amortization expense. The balance at August 31, 2023 was $377,865. Accumulated amortization at August 31, 2023 was $1,937,304. The balance at August 31, 2022 was $464,668. Accumulated amortization at August 31, 2022 was $1,850,501.

Surplus Expense: Marauder's agreement with the University requires that the year-end balance in the surplus account held by the trustee, less applicable amounts for management fees that have not been funded to the management fee accounts, is paid at 90 percent to the University as a land/lease payment, with the remaining 10 percent to the Foundation. The trustee is required to calculate this surplus from the audited financial statements. Based on the information provided by the trustee, no amount was calculated to be owed for the year ended August 31, 2023 and 2022 and no amounts were paid.

Net Assets: The Foundation classifies its net assets into the following categories:

Net Assets Without Donor Restrictions: The Foundation has the following significant funds without donor restrictions:

- Fund Without Donor Restrictions: This fund is used to account for all financial resources presently available for use by the Foundation.

- The Friends of WCSU: This fund is used to account for contributions presently available for use at the discretion of the management of WCSU, the campus's radio station.

- President's Discretionary Fund: This fund is used to account for contributions that are expendable at the discretion of the University's president.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets With Donor Restrictions: These funds are used to account for resources presently available for use, but expendable only for purposes specified by the donor. The Foundation had the following significant, funds with donor restrictions:

- General Scholarship Fund: This fund receives contributions for general scholarships to students who demonstrate financial need.

- College of Science and Engineering Funds: This fund receives contributions for the purpose of supporting programs and scholarships within the College of Science and Engineering.

- Memorial Scholarships: This fund receives contributions for the purpose of designated scholarships for student who demonstrate high achievement and community service.

These funds are used to account for resources for which the donor has stipulated, as a condition of the gift that the principal be maintained intact and only the investment income of the fund be expended as the donor specified. The Foundation also had the following categories of funds with such donor restrictions:

- Scholarship Endowment Funds: Investment income of the funds may be expended for student scholarships.

- Academic Endowment Funds: Investment income of the funds may be expended for academic purposes.

- General Endowment Funds: Investment income of the funds may be expended for general operations of the University at the discretion of the Foundation.

Expiration of Donor-Imposed Restrictions: The expiration of a donor-imposed restriction on a contribution or on endowment income is recognized in the period in which the restriction expires and at that time the related resources are reclassified to net assets without donor restrictions. A restriction expires when either the stipulated time has elapsed or when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donors or by the change of restrictions specified by the donors. When an expense is incurred for purposes for which both without donor restrictions and without donor restrictions resources are available, it is the Foundation's policy to apply restricted resources first, then resources without restrictions as needed.

Contributions: Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value. Contributions without donor-imposed restrictions and contributions with donor-imposed time or purpose restrictions that are met in the same period as the gift are both reported as support without donor restrictions. Other donor-restricted gifts are reported as support with donor restrictions and net assets in accordance with donor stipulations.

Revenue Recognition: Unconditional promises to give are recognized as revenues on a discounted basis in the period made. Conditional promises to give are recognized when the conditions on which they depend are substantially met and the promises become unconditional. Other revenue consists of miscellaneous fees, dues, game guarantees and special events organized by the Foundation.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recognition of Rental Revenue: Rental revenue is derived from leasing housing facilities (which were constructed and financed by Marauder as noted previously) to Central State University on behalf of their students. Rental revenue is recognized based on collection of receipts for the Fall 2022 and Spring 2023 semesters.

Income Taxes: The Foundation operates as a nonprofit corporation and has been determined to be exempt from federal income taxes under Section 501(c)(3) of the United States Internal Revenue Code. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Foundation and to recognize a tax liability if the Foundation has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken by the Foundation and has concluded that as of June 30, 2023 and 2022, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Foundation does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months.

Subsequent Events: The financial statements and related disclosures include evaluation of events up through and including February 26, 2026, which is the date the financial statements were issued.

NOTE 2 - DEPOSITS AND INVESTMENTS

As required by the bond indenture, the Foundation, through Marauder, maintains restricted cash balances in the following accounts as of August 31, 2023 and 2022.

	2023	2022
Debt interest account	$ 215,027	$ 298,610
Debt principal account	711,419	731,089
Redemption fund	2,857	272,368
Repair and replacement fund	480,125	227,897
Debt reserve fund	1,295,953	1,261,105
Total restricted cash	$ 2,705,381	$ 2,791,069

Investments are managed by a professional investment manager. The investment manager is subject to the Foundation’s investment policies which contain objectives, guidelines, and restrictions designed to provide for preservation of capital with emphasis on providing current income and achieving long-term growth of the funds.

The Foundation reports investments at estimated fair value, in accordance with the fair value hierarchy prescribed by ASC 820, Fair Value Measurements and Disclosures, which requires certain assets and liabilities to be reported at fair value in the financial statements and provides a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value. The following three-tier fair value hierarchy prioritizes the inputs used in measuring fair value:

Level 1 - Observable inputs such as quoted prices in active markets

Level 2 - Inputs, other than quoted prices in active markets, that are observable either directly or indirectly

(Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Level 3 - Unobservable inputs for which there is little or no market data that requires the Foundation to develop assumptions

In instances where 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 Foundation's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Investments of the Foundation include cash equivalents, equity mutual funds, and bond mutual funds. The Foundation records these investments at their current fair values based on quoted market prices in active markets for identical assets, which is consistent with Level 1 in the hierarchy.

If quoted market prices are not available, then fair values are estimated by using quoted market prices of securities with similar characteristics and are classified within Level 2 of the hierarchy.

	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
Cash/money market accounts:				
Money market accounts	$ 73,135	$ -	$ -	$ 73,135
Subtotal	73,135	-	-	73,135
Equity investments:				
Equity mutual funds	2,877,027	-	-	2,877,027
Subtotal	2,877,027	-	-	2,877,027
Fixed-income investments:				
Bond mutual funds	1,630,535	-	-	1,630,535
Subtotal	1,630,535	-	-	1,630,535
Total investments	$ 4,580,697	$ -	$ -	$ 4,580,697

The Foundation's policy is to recognize transfers between levels of the fair value hierarchy as of the beginning of the reporting period. For the year ended June 30, 2023, there were no transfers between levels of the fair value hierarchy.

(Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Assets	Assets Measured at Fair Value on a Recurring Basis 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	Balance
Cash/money market accounts:				
Money market accounts	$ 245,817	$ -	$ -	$ 245,817
Subtotal	245,817	-	-	245,817
Equity investments:				
Equity mutual funds	2,561,973	-	-	2,561,973
Subtotal	2,561,973	-	-	2,561,973
Fixed-income investments:				
Bond mutual funds	1,220,379	-	-	1,220,379
Subtotal	1,220,379	-	-	1,220,379
Total investments	$ 4,028,169	$ -	$ -	$ 4,028,169

The Foundation's policy is to recognize transfers between levels of the fair value hierarchy as of the beginning of the reporting period. For the year ended June 30, 2022, there were no transfers between levels of the fair value hierarchy.

Investment return for the years ended June 30, 2023 and 2022 was comprised of the following:

	2023	2022
Investment income - Foundation endowment	$ 161,321	$ 104,171
Interest income – Marauder Development, LLC	121,753	33,364
Net realized and unrealized (losses)/gains on investments reported at fair value	210,484	(680,128)
Total investment return	$ 493,558	$ (542,593)

Other Financial Instruments: The Foundation’s other financial instruments include cash and cash equivalents, accounts and contributions receivable, accounts payable, and indebtedness.

For cash and cash equivalents, accounts and contributions receivable, and accounts payable, the carrying amounts approximate fair value due to the short maturity of these items. The carrying amount of indebtedness approximates fair value due to the debt bearing interest at a variable rate.

(Continued)

NOTE 3 - DONOR ENDOWMENTS

The Foundation's endowment includes donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law: The board of trustees of the Foundation has interpreted the Ohio Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the historical value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

The composition of net assets by type of endowment fund at June 30, 2023 and 2022 was:

	Without Donor Restrictions	With Donor Restrictions	Totals
June 30, 2023			
Donor-restricted endowment funds	$ -	$ 4,580,697	$ 4,580,697
June 30, 2022			
Donor-restricted endowment funds	$ -	$ 4,179,071	$ 4,179,071

(Continued)

NOTE 3 - DONOR ENDOWMENTS (Continued)

The changes in endowment net assets for the fiscal year ended June 30, 2023 and 2022 was:

	2023 With Donor Restrictions	2022 With Donor Restrictions
Endowment Assets - beginning of the year	$ 4,179,071	$ 4,755,028
Net realized and unrealized gains and (losses)	210,484	(680,128)
Investment income	161,321	134,213
Total investment gain	371,805	4,209,113
Contributions	484,413	-
Administrative fee	(29,277)	(30,042)
Scholarships	(13,587)	-
Appropriation for expenditure	(411,728)	-
Endowment net assets, end of the year	$ 4,580,697	$ 4,179,071

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in net assets with donor restrictions were $56,904 as of June 30, 2023 and 2022. At June 30, 2023 and 2022 deficiencies of this nature existed in one fund which had an original value of $3,016 and a market value of $(53,888). These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions with donor restrictions and continued appropriation for certain programs that were deemed prudent by the board of trustees.

Return Objectives and Risk Parameters: The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for donor-specified periods. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 5 percent annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives: To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

(Continued)

NOTE 3 - DONOR ENDOWMENTS (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy: The Foundation is authorized only to expend the investment income and/or accumulated income above the principal amount from the invested endowment funds, and the remaining income is to be reinvested. Appropriations are discretionary. If an investment loss is incurred, the loss is allocated entirely as currently expendable. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 5 percent annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. Appropriation for expenditure amounts totaled $411,728 during the year ended June 30, 2023 and $0 for the year ended June 30, 2022.

NOTE 4 - CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are included in the consolidated financial statements as contributions receivable and contributions of the appropriate net asset category. All contribution receivables are unconditional promises to give that are expected to be collected within one year and are recorded at net realizable value. Conditional promises to give are not included as revenue until conditions are met.

NOTE 5 - CAPITAL ASSETS

Capital assets consisted of the following at June 30, 2023 and 2022:

	2023	2022
Land	$ 140,800	$ 140,800
Building	16,034,338	16,034,338
Furniture and fixtures	896,603	896,603
Total capital assets	17,071,741	17,071,741
Less accumulated depreciation	8,839,434	8,427,437
Net capital assets	$ 8,232,307	$ 8,644,304

NOTE 6 - CLASSIFICATION OF NET ASSETS

Details of the Foundation's net assets with donor restrictions at June 30, 2023 and 2022 are as follows:

	2023 With Donor Restrictions	2022 With Donor Restrictions
Academic	$ 1,763,161	$ 1,763,161
Scholarship	2,138,607	2,138,607
Other general funds	4,017,088	3,188,891
Total net assets	$ 7,918,856	$ 7,090,659

Net assets released from restriction totaled $38,087 and $0 at June 30, 2023 and 2022, respectively.

(Continued)

NOTE 7 - LONG-TERM DEBT

Marauder Development, LLC has the following debt related to the financing of student dormitories. Information is for the subsidiary's year ended August 31, 2023 and 2022:

	Interest Rate	Maturity	Balance September 1, 2022	Additions	Payments	Balance August 31, 2023
Revenue Bonds Series 2002	5.0%-5.625%	2028	$ 2,230,154	$ 5,216	$ (605,000)	$ 1,630,370
Revenue Bonds Series 2004	3.3%-5.1%	2035	7,702,365	8,778	(395,000)	7,316,143
Total			$ 9,932,519	$ 13,994	$(1,000,000)	8,946,513
Less current portion						(775,000)
Less unamortized financing costs						(377,865)
Long-term portion						$ 7,793,648

	Interest Rate	Maturity	Balance September 1, 2021	Additions	Payments	Balance August 31, 2022
Revenue Bonds Series 2002	5.0%-5.625%	2028	$ 2,929,557	$ 5,597	$ (705,000)	$ 2,230,154
Revenue Bonds Series 2004	3.3%-5.1%	2035	8,068,125	9,240	(375,000)	7,702,365
Total			$10,997,682	$ 14,837	$(1,080,000)	9,932,519
Less current portion						(730,000)
Less unamortized financing costs						(464,668)
Long-term portion						$ 8,737,851

Principal and interest payments on Marauder's long-term debt are as follows:

Year Ending	Series 2002 Bonds		Series 2004 Bonds		
August 31,	Principal	Interest	Principal	Interest	Total
2024	$ 360,000	$ 95,150	$ 415,000	$ 364,900	$ 1,235,050
2025	380,000	74,800	435,000	343,650	1,233,450
2026	400,000	53,350	455,000	321,173	1,229,523
2027	420,000	30,800	480,000	297,330	1,228,130
2028	80,000	9,625	505,000	272,213	866,838
2029-2033	-	-	2,940,000	936,870	3,876,870
2034-2036	-	-	2,145,000	167,663	2,312,663
Total	$ 1,640,000	$ 263,725	$ 7,375,000	$ 2,703,799	$ 11,982,524

(Continued)

NOTE 7 - LONG-TERM DEBT (Continued)

During 2002, Marauder issued $8,870,000 of Student Housing Revenue Bonds, Series 2002, dated December 1, 2002, to retire commercial loans used to finance the construction of the 2002 University Housing Project. The unamortized bond discount is $9,630 at August 31, 2023 and is being amortized to interest expense on the interest method over the life of the bonds. The bonds mature on September 1 in various amounts ranging from $360,000 on September 1, 2023, to $80,000 on September 1, 2027, subject to prior mandatory sinking fund redemptions. Interest, at rates varying from 5.0 to 5.625 percent per annum, is payable semiannually on March 1 and September 1. The bonds are collateralized by the building.

During 2004, Marauder issued $12,150,000 in University Housing Revenue Bonds, Series 2004, to finance construction of the 2004 University Housing Project. The unamortized bond discount is $58,857 at August 31, 2023 and is being amortized to interest expense on the interest method over the life of the bonds. The bonds mature on September 1 in various amounts ranging from $415,000 on September 1, 2023, to $750,000 on September 1, 2035, subject to prior mandatory sinking fund redemptions. Interest, at rates varying from 3.3 to 5.1 percent per annum, is payable semiannually on March 1 and September 1. The bonds are collateralized by the building.

Bond Legislation provides that Marauder Development, LLC, will charge rates sufficient for the excess of revenues over expenditures to equal not less than 120 percent of the aggregate amount of principal and interest requirements on the bonds payable during the year (coverage ratio). As of August 31, 2023, Marauder Development, LLC is in compliance with the funding requirements. During fiscal year 2023, Marauder Development, LLC was notified that they failed to provide the financial statement report as required by the loan agreement in Section 8.07(a) for the Series 2004A and 2002A bonds by the deadline, however no options against them were exercised.

NOTE 8 – RELATED-PARTY TRANSACTIONS

The University provides certain administrative, accounting, accounts payable, and payroll services on behalf of the Foundation. The Foundation operates exclusively for the benefit of the University and reimburses the University for costs incurred. The Foundation also pays a management fee to the University for the operation of two residence halls on the University's campus that are owned by the Foundation. At times, the University holds funds on behalf of the Foundation that have not been transferred.

The net amount of these transactions resulted in the University owing the Foundation $1,322,745 at June 30, 2023. At June 30, 2022, the net amount of these transactions resulted in the Foundation owing the University $209,554.

The University paid the Foundation $3,413,483 and $3,492,069 for the year ended June 30, 2023 and 2022, for student residence hall fees for the aforementioned residence halls and $9,090 and $0 for contributions.

(Continued)

NOTE 9 - EXPENSES BY NATURE

The statements of activities report certain categories of expenses attributable to the programs and supporting functions of the Foundation. Program Activities include Scholarship, Athletic, Academic, Institutional, Student Support, and Housing. The table below presents these functional expenses by their natural classification for the year ended June 30, 2023.

	PROGRAM ACTIVITIES							SUPPORTING ACTIVITIES			
	Scholarship	Athletic	Academic	Institutional	Student Support	Housing	Program Subtotal	Operating	Fundraising	Support Subtotal	Total Expenses
Staffing expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 171,778	$ -	$ 171,778	$ 171,778
Consulting	-	-	-	-	-	-	-	81,525	-	81,525	81,525
Brochures, other material	-	-	-	-	-	-	-	-	17,334	17,334	17,334
Public relations	-	-	-	-	-	-	-	-	70,179	70,179	70,179
Management fees	-	-	-	-	-	238,932	238,932	-	-	-	238,932
Scholarships	-	-	-	-	-	-	-	38,087	-	38,087	38,087
Contractual expenses	-	-	-	-	-	1,099,244	1,099,244	-	-	-	1,099,244
General & administrative	-	-	-	-	-	-	-	108,621	-	108,621	108,621
Depreciation and amortization	-	-	-	-	-	484,939	484,939	13,862	15,040	28,902	513,841
Interest	-	-	-	-	-	479,468	479,468	-	-	-	479,468
Other	-	-	-	-	-	-	-	39,903	-	39,903	39,903
	$ -	$ -	$ -	$ -	$ -	$ 2,302,583	$ 2,302,583	$ 453,776	$ 102,553	$ 556,329	$ 2,858,912

Expenses are allocated between the various programs and support activities on an actual basis, where available, or based upon the functional expense area most related to their purpose. Salaries are allocated to areas of operations in which the individual employees' activities are performed.

(Continued)

NOTE 9 - EXPENSES BY NATURE (Continued)

The statements of activities report certain categories of expenses attributable to the programs and supporting functions of the Foundation. Program Activities include Scholarship, Athletic, Academic, Institutional, Student Support, and Housing. The table below presents these functional expenses by their natural classification for the year ended June 30, 2022.

	PROGRAM ACTIVITIES							SUPPORTING ACTIVITIES			
	Scholarship	Athletic	Academic	Institutional	Student Support	Housing	Program Subtotal	Operating	Fundraising	Support Subtotal	Total Expenses
Staffing expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 228,861	$ -	$ 228,861	$ 228,861
Consulting	-	-	-	-	-	-	-	70,563	-	70,563	70,563
Brochures, other material	-	-	-	-	-	-	-	-	14,001	14,001	14,001
Public relations	-	-	-	-	-	-	-	-	115,820	115,820	115,820
Management fees	-	-	-	-	-	244,025	244,025	-	-	-	244,025
Scholarships	-	-	-	-	-	-	-	-	-	-	-
Contractual expenses	-	-	-	-	-	1,667,214	1,667,214	-	-	-	1,667,214
General & administrative	-	-	-	-	-	-	-	60,380	24,440	84,820	84,820
Depreciation and amortization	-	-	-	-	-	490,368	490,368	13,862	-	13,862	504,230
Interest	-	-	-	-	-	532,919	532,919	-	-	-	532,919
Other	-	-	-	-	-	-	-	35,530	-	35,530	35,530
	$ -	$ -	$ -	$ -	$ -	$ 2,934,526	$ 2,934,526	$ 409,196	$ 154,261	$ 563,457	$ 3,497,983

Expenses are allocated between the various programs and support activities on an actual basis, where available, or based upon the functional expense area most related to their purpose. Salaries are allocated to areas of operations in which the individual employees' activities are performed.

NOTE 10 - LIQUIDITY AND AVAILABILITY

The Foundation's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	2023	2022
Financial Assets	$ 5,175,244	$ 5,521,198
Less: Assets required to be maintained to comply with donor restrictions	(7,918,856)	(7,090,659)
	$ (2,743,612)	$ (1,569,461)

As part of the Foundation's liquidity management, the Foundation invests its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Financial assets determined to be liquid and available in the table above include unrestricted cash, investments and contributions receivable due in one year. The Foundation uses revenue received during the year to pay general expenditures to offset the negative balance presented as of the financial statement date.

The liquid financial assets presented above also include all assets that the Foundation maintains to comply with donor restrictions. Because of operating expenses paid for by the Foundation, the Foundation did not have sufficient assets to comply with donor restrictions as of June 30, 2023 and 2022. The nature of the relationship with the University and accumulated gifts to the University from assets without donor restrictions have contributed to the shortfall.

NOTE 11 – SUBSEQUENT EVENTS

On December 20, 2023 Marauder Development, LLC, sold the buildings and related equipment to UHS-CSU IV, LLC in the amount of $11,253,899. This transaction paid off the outstanding bonds, paid closing costs and resulted in a net payment to Central State University in the amount of $3,170,000. Additionally, a net payment of $1,500,000 was made to Central State University Foundation. This transaction released Marauder Development, LLC from all related restrictions, agreements and requirements.

On November 15, 2024 the Foundation's 501(c) (3) was revoked by the Internal Revenue Service for failure to file their annual Form 990 for three consecutive years.

SUPPLEMENTAL 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*

Management and the Board of Trustees
Central State University Foundation
and Subsidiaries

We were engaged to audit, 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 consolidated financial statements of Central State University Foundation and Subsidiaries (collectively the 'Foundation'), which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities and changes in net assets (deficit), and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 26, 2026. We did not express an opinion on the consolidated financial statements of the Foundation. Management could not provide certain board minutes and updated controls, policies and procedures, or audit support for various journal entries, contribution revenue, artwork, endowments, restricted net assets, donated stock, payroll and benefit expenses, accounts payable, subsequent disbursements, operating expenses, going concern analysis, potential tax liabilities and functional expense classifications as of and for the year ended June 30, 2023, and we were unable to satisfy ourselves by performing other audit procedures. We were also not provided a singed management representation letter for the year ended June 30, 2023. As a result, we were unable to obtain confirmation of management's responsibility for the preparation and fair presentation of the financial statements and related representations regarding the completeness and accuracy of information provided to us, including matters involving fraud, compliance with laws and regulations, related-party transactions, commitments and contingencies, and subsequent events. Additionally, our report included an emphasis of matter indicating Marauder has ceased operations as of December 20, 2023, and on November 15, 2024, the Foundation's 501(c)(3) status was revoked by the Internal Revenue Service. Within an other matter paragraph, we included that the Foundation's liquidity constraints have resulted in a significant shortfall of liquid assets required to comply with donor restrictions, and failures to comply with IRS reporting requirements led to the loss of the Foundation's tax-exempt status raise substantial doubt about the Foundation's ability to continue as a going concern.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Foundation'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of Foundation's internal control.

(Continued)

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2023-001, 2023-002, 2023-003 and 2023-004 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Foundation's financial statements are free of 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2023-001 and 2023-004.

Foundation's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Foundation's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Foundation'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 the response.

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 Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Columbus, Ohio
February 26, 2026

FINDING 2023-001 – INTERNAL CONTROLS OVER FINANCIAL REPORTING

Criteria: Based on the Trust Indenture and Loan Agreement all gross receipts related to the ownership, operation or leasing of the Facility are to be deposited upon receipt into the accounts maintained by Marauder.

Condition: Based on the schedule of the rent revenues, the total amount was not transferred into the Marauder account by Central State University (University). Additionally, other errors were identified within the schedule relating to students that were identified to be part of the Facility.

Context: The University pursuant to a management agreement in place during the fiscal year with Central State University Foundation (Foundation) was required to promptly deposit the total gross receipts into an account at US Bank.

Testing of the students on the rent rolls related to the Fall 2022 and Spring 2023 semester for the Foundation I and II halls identified the following errors.

- Cash received related to rent payments were not transferred timely. 35 students had additional payments that were not transferred timely from the University to the Marauder accounts and was not recorded in revenue. An adjustment to increase revenue by $805,181 was made for this error.
- 33 students were included on rent rolls that did not live in the applicable halls. An adjustment to decrease revenue by $102,960 was made for this error.
- 6 students were charged for a double room but were actually listed as being in a single room. Rent was understated by $1,200 as a result of this error.
- 3 students had rent charges reversed twice on their account, resulting in credit balances at the end of the year. Rent was understated by $9,000 as a result of this error.
- 7 students were charged twice on their account for rent resulting in duplicate charges. Rent was overstated by $21,120 as a result of this error.
- 8 students were charged various incorrect amounts to their accounts. Rent was overstated by $943 as a result of these errors.

Effect: Revenue was understated and non-compliance with the Trust Indenture and Loan Agreement.

Cause: Internal controls were not in place to verify the rent roll information was accurate and calculated correctly.

Repeat Finding: Yes

(Continued)

FINDING 2023-001 – INTERNAL CONTROLS OVER FINANCIAL REPORTING (Continued)

Recommendation:	We recommend that rent information be reviewed and recalculated with the resulting amount of revenues related to the housing be transferred upon receipt as directed by the Trust Indenture and Loan Agreement.
Response:	The Foundation agrees that pursuant to a management agreement entered into with the University, the University was responsible for depositing said funds and failed to do so without the Foundation's knowledge or agreement.

(Continued)

FINDING 2023-002 – INTERNAL CONTROLS OVER FINANCIAL STATEMENTS

Criteria:	Auditing standards require that entities have internal controls in place to prepare financial statements.
Condition:	Documentation related to the following areas was not available during the audit: board minutes, updated controls, policies and procedures, journal entries, contribution revenue, artwork, endowments, restricted net assets, donated stock, payroll and benefit expenses, accounts payable, subsequent disbursements, operating expenses, going concern analysis and review of financial statements.
Context:	We were unable to perform audit procedures over the areas identified.
Effect:	Without supporting documentation, we were unable to perform audit procedures and a disclaimer of opinion for the financial statements was issued.
Cause:	The Foundation was unable to find the original documentation supporting the areas identified.
Repeat Finding:	Repeated from prior year with additional items
Recommendation:	We recommend that supporting documentation be maintained for all areas.
Response:	The Foundation was well aware that the original documentation was at the University and under the University's control. At all times during this applicable period, the records of the Foundation were under the exclusive control and management of the University pursuant to a legally binding Memorandum of Understanding executed by the two entities. When the Foundation was finally informed by Crowe that the University did not provide the Auditor with all the requested documentation, the Foundation requested the Ohio Auditor for additional time to provide documentation. The Ohio Auditor's Office refused to provide the Foundation with additional time to provide the information.

(Continued)

FINDING 2023-003 – LACK OF DOCUMENTED REVIEWS AND RECONCILIATIONS

Criteria:	Auditing standards require that the Foundation's internal controls over financial reporting be considered when planning and performing the audit.
Condition:	We noted the following deficiencies in controls during the year: • Interfund transactions between the Foundation and the University were not reconciled timely or on a consistent basis. • Approval for expenses were not clearly identified on invoices. • Investment statements were not reconciled to the trial balance monthly, including the proper segregation of duties. • Bank reconciliations were not completed and were not prepared or reviewed by separate individuals. • The Foundation did not provide a listing of individuals that were able to make journal entries or how they were reviewed and approved. • Beginning net assets was not properly reconciled to the prior year audit report • Credit card transactions were not properly recorded and reconciled.
Context:	Adjustments to the financial statements were recorded to report balances related to various accounts.
Effect:	Errors in financial reports may occur and remain undetected resulting in management decisions being based on inaccurate reports.
Cause:	The Foundation did not have formal procedures in place.
Repeat Finding:	Repeated from prior year with additional items
Recommendation:	We recommend the Foundation develop and implement formal procedures for interfund transactions, expenses, investments, cash, journal entries, beginning net assets and credit card transactions.
Response:	The Foundation did have formal procedures in place when the records were under its control. As pursuant to the legally binding Memorandum of Understanding (MOU) between the parties, the records were transferred to the University and the University was responsible for performing these functions and represented to the Foundation that these functions were being performed. At all times during this applicable period, the records of the Foundation were under the exclusive control and management of the University pursuant the MOU executed by the two entities. When the Foundation was finally informed by Crowe that the University did not provide the Auditor with all the requested documentation, the Foundation requested the Ohio Auditor for additional time to provide documentation. The Ohio Auditor's Office refused to provide the Foundation with additional time to provide documentation.

(Continued)

FINDING 2023-004 – FILINGS WITH THE INTERNAL REVENUE SERVICE

Criteria:	26 CFR 1.6033-2(a)(2) provides, in part, that every organization exempt from taxation shall file its annual return with the Internal Revenue Service (IRS) on Form 990. 26 CFR 1.6033-2(e) provides that an annual return shall be filed on or before the 15th day of the fifth month following the close of the period for which the return is required to be filed. 26 CFR 6081(b) provides, in part, that an extension of 6 months for the filing of the return of income taxes shall be allowed if filed on the form prescribed. 26 CFR 6033(j)(1)(b) provides, in part, that if an organization fails to file an annual return for 3 consecutive years, such organization's status as an organization exempt from tax shall be considered revoked on and after the date set for the filing of the third annual return.
Condition:	We noted the Foundation did not file its required filings with the Internal Revenue Service (IRS) for tax years 2022 and 2023.
Context:	The Foundation's fiscal year ends on June 30. Based on this year end, the Foundation is required to file the IRS Form 990 by November 15th each fiscal year or file an IRS Form 8868 to request an automatic 6-month extension of time to file.
Effect:	Failure to file the required returns enables the IRS to assess additional penalties and interest and to revoke the Foundation's status as a tax-exempt organization.
Cause:	The Foundation did not have personnel that were qualified to complete and file the returns.
Repeat Finding:	No
Recommendation:	The Foundation should take the necessary steps to file the IRS Form 990s that are outstanding for tax years 2022 and 2023. The Foundation should implement policies and procedures to verify that the IRS Form 990 is filed by the required due date each tax year.
Response:	When the Foundation had control of its records, the Foundation had personnel who were qualified to complete and file the 990s. Pursuant to the MOU, the University was required to complete and file the 990s. The Foundation was informed by University officials that they had prepared and filed the 2022 and 2023 990s pursuant to their obligation to do so under the Memorandum of Understanding between the parties. The Foundation had no reason to believe that the University did not file the 990s. The Foundation did not find out that the 990s were not filed until the IRS issued an automatic revocation of the Foundation's 501c3 which was sent to the Foundation by a representative from the Ohio Auditor's office and not the University who received the notice. The Foundation additionally disputes the language under Cause as the cause of the Finding is the University intentionally did not file the 990s and misrepresented to the Foundation that the 990s were filed.

(Continued)

FINDING 2023-004 – FILINGS WITH THE INTERNAL REVENUE SERVICE (Continued)

Please note that for purposes of this report and financial statements, Central State University (University should be considered as management as they agreed to perform the duties identified throughout the report pursuant to a legally binding Memorandum of Understanding (MOU) between the University and Central State University Foundation (Foundation). TThe University was responsible for operating the Foundation and managing its day-to-day operations. Also, pursuant to the MOU all of the Foundation's records were transferred to the University. Please further note that University officials never advised or contacted Foundation officials to request any information on contributions, expenses or any information related to the audit or financial statements, contrary to the representations made by University officials to the Auditor.

When the Foundation board members were finally advised by the Auditor (not the University) that they needed additional documentation to complete the audit, the Foundation's request to the Ohio Auditor's representatives for additional time to provide the documentation, was denied by the Ohio auditor's office.

The Foundation cannot verify any of the financial information included in the financial statements that was provided by the University as the University had all the Foundation's records. The University provided the auditor with all the information for the audit without any input from Foundation representatives. Additionally, the Foundation has concerns that any work product performed by a certain University representative who is a former employee of the Foundation who was terminated by the Foundation due to incompetence, is unreliable.

The Foundation will not and can not sign the management representation letter as the Foundation did not provide any financial information included in the financial statements. As the University provided the information, they should sign the management representation letter.

FINDING 2022-001 – INTERNAL CONTROLS OVER FINANCIAL REPORTING

Condition: Based on the schedule of the rent revenues, the total amount was not transferred into the Marauder account by Central State University (University). Additionally, other errors were identified within the schedule relating to students that were identified to be part of the Facility.

Context: The University pursuant to a management agreement in place during the fiscal year with Central State University Foundation (Foundation) was required to promptly deposit the total gross receipts into an account at US Bank. The schedule provided of gross receipts had a calculation error of $102,000. The listing of rent roll for the Fall 2021 Semester for Foundation II housing had a formular error that omitted $102,000 from the total.

Testing of the students on the rent rolls related to the Fall 2021 and Spring 2022 semester for the Foundation I and II halls identified the following errors. As a result of the errors, the University transferred and excess of $80,931 to the Marauder accounts.

- 27 students were included on rent rolls that did not live in the applicable halls.
- 2 students were charged $24 less than the amount on the rent rolls.
- 1 student was charged $72 less than the amount on the rent rolls.
- 1 student was charged $96 more than the amount on the rent rolls.
- 1 student was charged $45 less than the amount on the rent rolls.

Status: Not Resolved. See Finding 2023-001

FINDING 2022-002 – INTERNAL CONTROLS OVER FINANCIAL STATEMENTS

Condition: Documentation related to the following areas was not available during the audit: board minutes, updated controls, policies and procedures, journal entries, contribution revenue, artwork, endowments, restricted net assets, donated stock, payroll and benefit expenses and operating expenses.

Context: We were unable to perform audit procedures over the areas identified.

Status: Not Resolved. See Finding 2023-002

(Continued)

FINDING 2023-003 – LACK OF DOCUMENTED REVIEWS AND RECONCILIATIONS

Condition: We noted the following deficiencies in controls during the year:

- Interfund transactions between the Foundation and the University were not reconciled timely or on a consistent basis
- Approval for expenses were not clearly identified on invoices.
- Investment statements were not reconciled to the trial balance monthly, including the proper segregation of duties.

Context: Adjustments to the financial statements were recorded to report balances related to various accounts.

Status: Not Resolved. See Finding 2023-003

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OHIO AUDITOR OF STATE
KEITH FABER

CENTRAL STATE UNIVERSITY FOUNDATION

GREENE 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 7/16/2026

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