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

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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800-282-0370

Management and the Board of Directors
Central State University Innovation and Development Foundation
1400 Brush Row Road
Wilberforce, Ohio 45384

We have reviewed the *Independent Auditor's Report* of the Central State University Innovation and Development Foundation, 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.

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 Central State University Innovation and Development Foundation 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

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CENTRAL STATE UNIVERSITY
INNOVATION AND DEVELOPMENT FOUNDATION
Wilberforce, Ohio

FINANCIAL STATEMENTS
For the year ended June 30, 2023

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CENTRAL STATE UNIVERSITY
INNOVATION AND DEVELOPMENT FOUNDATION
Wilberforce, Ohio

FINANCIAL STATEMENTS
For the year ended June 30, 2023

CONTENTS

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Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Management and the Board of Directors
Central State University Innovation and Development Foundation

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Central State University Innovation and Development Foundation (the "Foundation"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes of net assets 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 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 financial statements.

Basis for Disclaimer of Opinion

Management could not provide certain updated controls, policies and procedures, or audit support for various journal entries, bank reconciliations, amounts due to and from the University, contribution revenue, other revenues, operating expenses and potential tax liabilities as of and for the year ended June 30, 2023, 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 statement of financial position, and the related statements of activities and changes of net assets 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.

(Continued)

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year from the date the 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 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 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 March 13, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Columbus, Ohio
March 13, 2026

CENTRAL STATE UNIVERSITY
INNOVATION AND DEVELOPMENT FOUNDATION
STATEMENT OF FINANCIAL POSITION
June 30, 2023

Assets	
Cash and cash equivalents	$ 155,919
Other receivables	2,073
Due from Central State University	2,224,725
Total current assets	**2,382,717**
Liabilities	
Accounts payable	25,230
Payable to Central State University	69,573
Total current liabilities	**94,803**
Net Assets	
Without donor restrictions	683,852
With donor restrictions	1,604,062
Total net assets	**2,287,914**
Total liabilities and net assets	**$ 2,382,717**

See accompanying notes to financial statements.

CENTRAL STATE UNIVERSITY
INNOVATION AND DEVELOPMENT FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Contributions	$ 321,167	$ 1,088,371	$ 1,409,538
Other	37,661	153,318	190,979
Net assets released from restrictions	537,792	(537,792)	-
Total revenue	896,620	703,897	1,600,517
Expenses			
Programs:			
Academic programs	120,521	-	120,521
Institutional programs	247,157	-	247,157
Scholarships	363,795	-	363,795
Public services	257,564	-	257,564
Student services	22,630	-	22,630
Total expenses	1,011,667	-	1,011,667
Change in net assets	(115,047)	703,897	588,850
Net assets - beginning of the year	798,899	900,165	1,699,064
Net assets - end of year	**$ 683,852**	**$ 1,604,062**	**$ 2,287,914**

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS
For the year ended June 30, 2023

Cash flows from operating activities		
Change in net assets	$	588,850
Adjustments to reconcile increase (decrease) in net assets to net cash from operating activities:		
Changes in operating assets and liabilities:		
Due from Central State University		(1,637,741)
Other receivable		(551)
Accounts payable		25,230
Payable to Central State University		(965,945)
Net cash from operating activities		(1,990,157)
Net change in cash and cash equivalents		(1,990,157)
Cash and cash equivalents - beginning of year		2,146,076
Cash and cash equivalents - end of year	**$**	**155,919**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Entity: Central State University Innovation and Development Foundation (the “Foundation”) is an Ohio nonprofit corporation and exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Central State University Innovation and Development 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. All significant intercompany accounts and transactions have been eliminated.

Method of Accounting and Basis of Presentation: The accompanying 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 assets 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.

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.

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

Net Assets Without Donor Restrictions: These funds are used to account for all financial resources presently available for use by the Foundation.

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.

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

- President Jack Thomas Scholarship Fund: This fund receives contributions for scholarships to students who demonstrate financial need.

- Class of 1971 Fund: This fund receives contributions for scholarships to students who demonstrate financial need.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expiration of Donor-Imposed Restrictions: The expiration of a donor-imposed restriction on a contribution 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, and special events organized by the Foundation.

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, 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 March 13, 2026, which is the date the financial statements were issued.

NOTE 2 - CLASSIFICATION OF NET ASSETS

Details of the Foundation's net assets with donor restrictions at June 30, 2023:

	With Donor Restrictions
Academic	$ 76,630
Scholarship	881,125
Other general funds	646,307
Total net assets	$ 1,604,062

Net Assets released from restriction totaled $537,792 for the period ended June 30, 2023.

(Continued)

NOTE 3 – 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 owed the University $69,573 related to these expenses at June 30, 2023.

The University collected donations on behalf of the Foundation that were not transferred over to the Foundation cash accounts during the year. As of June 30, 2023 the University owed the Foundation $2,224,725 for these revenues.

NOTE 4 – EXPENSES BY NATURE

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

	PPROGRAM ACTIVITIES				SUPPORTING ACTIVITIES		
	Scholarships	Academic	Institutional	Program Subtotal	Public Services	Student Services	Total Expenses
Staffing Expense	$ -	$ 19,376	$ 3,270	$ 22,646	$ 5,800	$ -	$ 28,446
Scholarships	363,795	-	-	363,795	-	-	363,795
CFA Expenses	-	-	-	-	42,277	-	42,277
Other College Expenses	-	101,102	237,157	338,259	200,713	22,630	561,602
General and Administration	-	43	6,730	6,773	8,774	-	15,547
	$ 363,795	$ 120,521	$ 247,157	$ 731,473	$ 257,564	$ 22,630	$ 1,011,667

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 5 – 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:

Financial Assets	$ 2,382,717
Less: Assets required to be maintained to comply with donor restrictions	1,604,062
	$ 778,655

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 and other receivable due in one year. The liquid financial assets presented above also include all assets that the Foundation maintains to comply with donor restrictions.

(Continued)

NOTE 6 - DONOR ENDOWMENTS

The Foundation's endowment includes one 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 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 was:

June 30, 2023	Without Donor Restriction	With Donor Restriction	Totals
Donor-restricted endowment funds	$ -	131,797	131,797

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

	With Donor Restrictions
Endowment net assets, Beginning of the year	$ 25,000
Net realized and unrealized gains and (losses)	5,540
Investment Income	1,257
Total investment gain (loss)	6,797
Contributions	100,000
Adminstrative fee	-
Scholarships	-
Appropriation for expenditure	-
Endowment net assets, End of the year	$ 131,797

(Continued)

NOTE 6 - DONOR ENDOWMENTS (Continued)

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. There were 26 deficiencies of this nature that are reported in net assets with donor restrictions that totaled $164,601 as of June 30, 2023.

Return Objectives and Risk Parameters: The Foundation has not adopted investment and spending policies for endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for donor-specified periods.

Strategies Employed for Achieving Objectives: The Foundation has not adopted any strategies for achieving its objectives during the fiscal year.

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. The Foundation does not have a current spending policy. Appropriation for expenditure amounts totaled $0 during the year ended June 30, 2023.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Management and the Board of Trustees
Central State University Innovation and Development Foundation

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 financial statements of Central State University Innovation and Development Foundation (the "Foundation"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 13, 2026. We did not express an opinion on the financial statements of the Foundation. Management could not provide certain updated controls, policies and procedures, or audit support for various journal entries, bank reconciliations, amounts due to and from the University, contribution revenue, other revenues, operating expenses and potential tax liabilities 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 signed 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.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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.

(Continued)

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, 2023-004 and 2023-005 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 2023-005.

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

Crowe LLP

Crowe LLP

Columbus, Ohio
March 13, 2026

FINDING 2023-001 – INTERNAL CONTROLS OVER FINANCIAL REPORTING

Criteria: The Foundation should have internal controls over the financial reporting process designed to ensure that the financial statements are presented in accordance with accounting principles generally accepted in the United States of America.

Condition: Internal controls over financial reporting were not established by the Foundation to ensure that complete and accurate financial statements were prepared.

Context: Material adjusting and reclassification entries were necessary as a result of audit procedures. Additionally, the financial statement draft provided by management did not include all required disclosures. Other control issues identified were:

- Lack of documented board meetings.
- Related party (inter-entity accounts) reconciliations were not prepared and reviewed.
- Bank reconciliations were not prepared and reviewed.
- Accounts payable reconciliations were not prepared and reviewed.
- No documented procedures on approvers for expenses for each fund was identified.
- Expense documentation was not addressed to the Foundation.
- Journal entries did not contain proper support and were not reviewed.
- Revenues were not deposited into the correct entity bank accounts.

Effect: The financial statements required audit adjustments and reclassifications and additional footnote disclosures to be added. Without reconciliations being completed timely, errors can occur and may not be identified. Additionally, expenses can be recorded or approved incorrectly without proper invoicing and without the proper approval process being documented.

Cause: The Foundation did not establish internal controls over financial reporting.

Repeat Finding: Yes

Recommendation: We recommend the Foundation establish internal controls over financial reporting to ensure financial statements prepared by management are complete and accurate. Board meetings should be held at least quarterly. We recommend that monthly reconciliations for related parties, cash and accounts payable be performed and all journal entries contain the proper support and approvals. Also, we recommend that procedures identifying the proper approver for expenses for each fund be developed and that all expenses be addressed to the Foundation.

(Continued)

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

Response:

The Foundation acknowledges and agrees with this finding related to internal controls over financial reporting for the FY23 audit. The Foundation operates as a separate nonprofit entity governed by its Board of Trustees and relies on Central State University administrative offices for financial management and accounting support.

During FY23, financial and administrative support functions for the Foundation were provided through Central State University administrative offices. Certain procedures, reconciliations, and documentation were not formalized or maintained in centralized Foundation records during that period.

Since that time, University and Foundation leadership have taken steps to strengthen governance and financial oversight. These actions include:

- Re-establishing regular Foundation Board meetings and documentation of board activity
- Strengthening coordination between Advancement and University Administration & Finance regarding Foundation-related financial activity and documentation improving internal tracking and documentation of gift-related activity within Advancement
- Hiring an Annual Giving and Stewardship Director with significant experience in gift processing and advancement services to strengthen gift documentation, stewardship, and operational support

The Foundation will continue working with University Administration & Finance to improve documentation, reconciliation support, and financial processes related to Foundation activity going forward.

(Continued)

FINDING 2023-002 – INTERNAL CONTROLS OVER CONTRIBUTIONS/OTHER REVENUE

Criteria: The Foundation should have internal controls over the contribution and other revenue process designed to ensure that contributions are recorded when earned.

Condition: Internal controls over contributions and other revenues were not established by the Foundation to ensure that complete and accurate financial statements were prepared.

Context: The following control issues related to contributions and other revenues were identified:

- 57 of the 77 contributions were not recorded in the general ledger within 15 days of receipt.
- Reviews of contributions were not documented.
- Contribution documentation was not addressed to the Foundation.
- 5 of the 77 contributions were not recorded in the correct fiscal year.
- 8 of the 77 contributions were posted to the Foundation that should have been recorded to the Central State University Foundation.
- 2 of the 77 contributions were posted to Contributions but should have been posted to Other Revenue.
- 7 of the 77 contributions did not maintain the proper support for recording as restricted.
- 8 of the 77 contributions were recorded as unrestricted but should have been recorded as restricted.
- 2 of the 77 contributions did not have supporting documentation.
- 5 of the 18 other revenue transactions were posted to Other Revenue but should have been posted to Contributions.
- 8 of the 18 other revenue transactions tested were not recorded in the general ledger within 15 days of receipt.
- 4 of the 18 other revenue transactions did not have supporting documentation.
- Investment revenues related to endowments from the University were recorded in the Foundation revenues.

Effect: Revenues could be recorded incorrectly without proper reviews, without being addressed to the Foundation and without being recorded timely in the general ledger.

Cause: The Foundation did not establish internal controls over contributions.

Repeat Finding: Yes

Recommendation: We recommend the Foundation establish internal controls over contributions and other revenues. We recommend that contributions and other revenues be recorded within 15 days of receipt in the general ledger, monthly reconciliations on receipts be performed, all contributions and other revenues be addressed to the Foundation, and that two independent individuals prepare and review the recording and support for contributions and other revenues.

(Continued)

FINDING 2023-002 – INTERNAL CONTROLS OVER CONTRIBUTIONS/OTHER REVENUE (Continued)

Response:

The Foundation acknowledges the issues identified regarding the recording and documentation of contributions and other revenue during FY23.

During the audit period, contributions and other financial activity associated with the Foundation were processed through a combination of Institutional Advancement and University administrative processes. At that time, procedures related to the documentation, review, and recording of contributions were not fully formalized.

Additionally, certain transactions identified during the audit reflected activity related to University-held endowments and accounts that were historically recorded within Foundation financial records. These items are being reviewed in coordination with University Administration & Finance to ensure that activity is reflected within the appropriate entity.

Since FY23, Institutional Advancement has taken steps to strengthen documentation and internal tracking related to contributions and other revenue associated with the Foundation. These efforts include improving internal documentation of gift designations, strengthening coordination with Administration & Finance regarding gift processing, and enhancing internal tracking of gift activity within Advancement.

Management will continue working with University Administration & Finance to support accurate recording and documentation of contributions and related activity going forward.

(Continued)

FINDING 2023-003 – INTERNAL CONTROLS OVER NET ASSETS

Criteria:	The Foundation should have internal controls over net assets designed to ensure that restricted and unrestricted net assets are tracked and monitored compliance with restrictions.
Condition:	Internal controls over net assets were not established by the Foundation to ensure that complete and accurate financial statements were prepared.
Context:	The following control issues related to net assets were identified: • Net assets were not tracked or reviewed during the fiscal year to determine which funds had available restricted balances when expenses were recorded. • The general ledger does not track the funds for the Foundation separately from activity before the Foundation was established. • Approvals for spending were based on cumulative receipts and expenses from funds inception, not based on activity within the Foundation accounts from establishment. • Restrictions were not identified properly upon receipt of revenues or upon payment of expenses.
Effect:	Transactions recorded in net assets could be inaccurate without proper reviews, without using the proper time period of activity and without understanding the balance within the restricted funds.
Cause:	The Foundation did not establish internal controls over net assets.
Repeat Finding:	No
Recommendation:	We recommend the Foundation establish internal controls over net assets. We recommend separate funds be established to accurately track the restricted and unrestricted net asset balances.
Response:	The Foundation agrees with this finding and recognizes the necessity of accurate tracking of restricted and unrestricted net assets. The Foundation acknowledges the issues identified regarding the tracking and monitoring of restricted and unrestricted net assets during FY23 At the time of the audit period, the accounting structure did not fully distinguish activity occurring within the Foundation from historical activity associated with certain previous Foundation funds and accounts. As a result, certain restricted balances and approvals were tracked based on cumulative activity rather than activity specific to current Foundation accounts. Since that time, management has been working with University Administration & Finance to clarify the appropriate treatment of restricted funds and to ensure that activity associated with the Foundation is tracked appropriately.

(Continued)

FINDING 2023-003 – INTERNAL CONTROLS OVER NET ASSETS (Continued)

Response (Continued): Additionally, Institutional Advancement has hired an Annual Giving and Stewardship Director with experience in gift processing and advancement services. This role will support improved documentation of donor intent, internal tracking of restricted funds, and coordination with University Administration & Finance regarding gift processing and fund designations.

Management will continue working with University Administration & Finance to ensure that Foundation activity is appropriately documented and that restricted and unrestricted net assets are identified and monitored going forward.

(Continued)

FINDING 2023-004 – 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: updated controls, policies and procedures, journal entries, bank reconciliations, amounts due to and from the University, contribution revenue, other revenues and operating expenses.
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 and bank reconciliations were not completed.
Repeat Finding:	No.
Recommendation:	We recommend that supporting documentation be maintained for all areas and bank reconciliations are completed.
Response:	The Foundation acknowledges this finding. The challenges identified during the audit related to the availability of supporting documentation for certain financial transactions and reconciliations during FY23. During the audit period, financial records and supporting documentation related to Foundation activity were maintained across multiple University administrative offices. As a result, certain documentation supporting financial activity was not readily available during the audit process. Since that time, University and Foundation leadership have taken steps to improve documentation and record retention practices. Management is working with Administration & Finance to ensure that financial documentation, reconciliations, and supporting records related to Foundation activity are maintained in an organized and accessible manner. The Foundation remains committed to strengthening its financial management processes and ensuring that appropriate documentation is maintained to support future audits.

(Continued)

FINDING 2023-005 – 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 year 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 year 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:	The Foundation acknowledges the issues identified regarding the timing of IRS Form 990 filings. The Foundation relies on Central State University Administration & Finance and external advisors for the preparation of financial information necessary to support completion of the annual IRS Form 990 filings. During the period under audit, the financial statements required to complete the FY23 Form 990 were not finalized within the expected timeframe, which contributed to the delay in filing the return. The Foundation is currently working with University Administration & Finance and external advisors to complete any outstanding filings and bring the organization into compliance with IRS reporting requirements. Procedures are also being reviewed to ensure that required filings are prepared and submitted in accordance with IRS deadlines going forward.

FINDING 2022-001 – INTERNAL CONTROLS OVER FINANCIAL REPORTING

Condition:	Internal controls over financial reporting were not established by the Foundation to ensure that complete and accurate financial statements were prepared.
Effect:	The financial statements required audit adjustments and reclassifications and additional footnote disclosures to be added. Without reconciliations being completed timely, errors can occur and may not be identified. Additionally, expenses can be recorded or approved incorrectly without proper invoicing and without the proper approval process being documented.
Status:	Finding repeated as 2023-001.

FINDING 2022-002 – INTERNAL CONTROLS OVER CONTRIBUTIONS

Condition:	Internal controls over contributions were not established by the Foundation to ensure that complete and accurate financial statements were prepared.
Effect:	Revenues could be recorded incorrectly without proper reviews, without being addressed to the Foundation and without being recorded timely in the general ledger.
Status:	Finding repeated as 2023-002.

FINDING 2022-003 – INTERNAL CONTROLS OVER NET ASSETS

Condition:	Internal controls over net assets were not established by the Foundation to ensure that complete and accurate financial statements were prepared.
Effect:	Transactions recorded in net assets could be inaccurate without proper reviews, without using the proper time period of activity and without understanding the balance within the restricted funds.
Status:	Finding repeated as 2023-003.

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OHIO AUDITOR OF STATE
KEITH FABER

CENTRAL STATE UNIVERSITY INNOVATION AND DEVELOPMENT 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