

MARAUDER DEVELOPMENT, LLC
(a wholly owned subsidiary of Central
State University Foundation)
Wilberforce, Ohio

FINANCIAL STATEMENTS
August 31, 2020 and 2019

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Trustees
Marauder Development, LLC
PO Box 64
Dayton, Ohio 45401

We have reviewed the *Independent Auditor's Report* of the Marauder Development, LLC, Montgomery County, prepared by Crowe LLP, for the audit period September 1, 2019 through August 31, 2020. 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 Marauder Development, LLC is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

February 13, 2021

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MARAUDER DEVELOPMENT, LLC

Wilberforce, Ohio

FINANCIAL STATEMENTS

August 31, 2020 and 2019

CONTENTS

INDEPENDENT AUDITOR'S REPORT 1

FINANCIAL STATEMENTS

 BALANCE SHEETS 3

 STATEMENTS OF OPERATIONS 4

 STATEMENTS OF CASH FLOWS 5

 NOTES TO FINANCIAL STATEMENTS 6

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* 11

SCHEDULE OF FINDINGS AND RESPONSES 13

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees and Management
Marauder Development, LLC
Wilberforce, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of Marauder Development, LLC (Marauder), a wholly owned subsidiary of Central State University Foundation, which comprise the balance sheets as of August 31, 2020 and 2019, and the related statement of operations and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marauder as of August 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2020, on our consideration of Marauder'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 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 Marauder's internal control over financial reporting and compliance.



Crowe LLP

Columbus, Ohio
December 7, 2020

MARAUDER DEVELOPMENT, LLC
BALANCE SHEETS
August 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 989,110	\$ 1,180,761
Receivable from the University	763,200	-
Prepaid expenses	<u>2,025</u>	<u>6,930</u>
Total current assets	1,754,335	1,187,691
Restricted cash and cash equivalents	3,035,824	2,573,551
Capital assets-net	<u>8,930,239</u>	<u>9,328,372</u>
Total assets	<u>\$ 13,720,398</u>	<u>\$ 13,089,614</u>
LIABILITIES AND MEMBER'S CAPITAL		
Current Liabilities		
Management fees payable	\$ 219,954	\$ -
Payable to University for repairs and replacement	431,780	-
Interest payable	308,928	325,087
Current portion of long-term debt	<u>660,000</u>	<u>625,000</u>
Total current liabilities	1,620,662	950,087
Long-term debt, net of unamortized financing costs of \$650,301 and \$746,499 for 2020 and 2019, respectively	10,477,238	11,025,396
Member's capital	<u>1,622,498</u>	<u>1,114,131</u>
Total liabilities and excess in member's capital	<u>\$ 13,720,398</u>	<u>\$ 13,089,614</u>

See accompanying notes to financial statements.

MARAUDER DEVELOPMENT, LLC
STATEMENTS OF OPERATIONS
Years ended August 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
REVENUES		
Rental revenues	\$ 3,142,200	\$ 3,498,453
Interest income	<u>56,348</u>	<u>93,384</u>
Total revenues	<u>3,198,548</u>	<u>3,591,837</u>
EXPENSES		
Management fees	219,954	244,892
Operating expenses	1,342,396	1,296,474
Surplus expense	-	44,550
Depreciation and amortization expense	494,330	506,443
Interest expense	<u>633,501</u>	<u>670,000</u>
Total expenses	<u>2,690,181</u>	<u>2,762,359</u>
Net income	508,367	829,478
Member's Capital - Beginning of year	<u>1,114,131</u>	<u>284,653</u>
Member's Capital - End of year	<u>\$ 1,622,498</u>	<u>\$ 1,114,131</u>

See accompanying notes to financial statements.

MARAUDER DEVELOPMENT, LLC
 STATEMENTS OF CASH FLOWS
 Years ended August 31, 2020 and 2019

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities		
Net income	\$ 508,367	\$ 829,478
Adjustments to reconcile net income to net cash from operating activities		
Depreciation	398,133	398,133
Amortization of issuance costs	96,198	108,310
Amortization of bond discount	15,644	17,294
Increase (decrease) in liabilities		
Prepaid expenses	4,905	(230)
Receivable from the University	(763,200)	-
Management fees payable	219,954	(212,974)
Repair and replacement fees payable	431,780	-
Accrued interest payable	<u>(16,159)</u>	<u>(41,266)</u>
Net cash provided by operating activities	895,622	1,098,745
 Cash Flows from Financing Activities		
Repayment of bonds payable	<u>(625,000)</u>	<u>(1,530,000)</u>
 Net Increase in Cash and Cash Equivalents	270,622	(431,255)
 Cash and Cash Equivalents - Beginning of year	<u>3,754,312</u>	<u>4,185,567</u>
 Cash and Cash Equivalents - End of year	<u>\$ 4,024,934</u>	<u>\$ 3,754,312</u>
 Supplemental disclosures of cash flow information		
Cash paid during the year for interest	\$ 634,016	\$ 693,972

See accompanying notes to financial statements.

MARAUDER DEVELOPMENT, LLC
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019

NOTE 1 - NATURE OF ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Marauder Development, LLC (Marauder) have been prepared on the accrual basis of accounting. The following significant accounting policies are described below to enhance the usefulness of the financial statements to the reader. Marauder is a wholly owned subsidiary of Central State University Foundation (the "Foundation"), which was formed for the construction and financing of the Central State University Housing Project. Marauder has entered into a 40-year lease agreement with Central State University (the "University") for land upon which student housing was constructed for use by the University. Marauder also has entered into an agreement with the University for the management of the housing project, for which it pays a fee of 7% of gross rental receipts.

Cash and Cash Equivalents: Marauder considers all demand bank deposits as cash. Marauder considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Marauder maintains commercial checking and savings accounts in several financial institutions. These accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of August 31, 2020 and 2019, amounts held in financial institutions that exceeded insured limits were approximately \$1,950,000 and \$2,110,000, respectively.

Restricted Cash and Cash Equivalents: Restricted assets represent various bond trust account balances established in accordance with bond legislation for specific purposes.

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

<u>Description</u>	<u>Years</u>
Building	40
Building improvements	15
Furniture	7

Impairment or Disposal of Long-lived Assets: Marauder 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 years ended August 31, 2020 and 2019.

Financing Costs: The unamortized financing costs include consulting fees, attorney's fees and other fees incurred in connection with the bond obligations. These costs are netted against the long-term debt balance and are amortized on the interest method over the lives of the bonds and are included as amortization expense. The balance at August 31, 2020 and 2019 was \$650,301 and \$746,499, respectively. Accumulated amortization at August 31, 2020 and 2019 was \$1,664,867 and \$1,568,670, respectively.

(Continued)

MARAUDER DEVELOPMENT, LLC
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019

NOTE 1 - NATURE OF ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recognition of 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 occupancy.

Surplus Expense: The 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 beginning with the August 31, 2005 year-end. Based on the information provided by the trustee, the amount calculated to be paid for the years ended August 31, 2020 and 2019 was \$0 and \$44,550, respectively. The trustee has paid the surplus fee for all applicable years.

Management Fee: During 2020 and 2019, Marauder incurred a management fee of \$219,954 and \$244,892, respectively, to the University for administrative services. In 2019, the amount was paid in August and no accrual was necessary.

Repair and Replacement Costs: During 2020 and 2019, Marauder incurred repair and replacement costs of \$431,780 and \$416,307, respectively, to the University. In 2019, the amount was paid in August and no accrual was necessary.

Income Taxes: Marauder is treated as a pass-through entity for federal income tax purposes. Marauder's taxable income or loss is passed through to the Foundation, which is a tax-exempt entity. The Foundation files income tax returns in the U.S. federal and various state jurisdictions. With few exceptions, the Foundation is no longer subject to tax examinations by tax authorities for years before June 30, 2014. As of August 31, 2020 and 2019, Marauder's unrecognized tax benefits were not significant. There were no significant penalties or interest recognized during the year or accrued at year end. Marauder does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months.

Estimates: The preparation of financial statements in conformity with generally accepted 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 statement and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events: The financial statements and related disclosures include evaluation of events through and including December 7, 2020, the date the financial statements were issued.

NOTE 2 - RESTRICTED CASH AND CASH EQUIVALENTS

As required by the bond indenture, Marauder maintains restricted cash balances in the following accounts:

	<u>2020</u>	<u>2019</u>
Debt interest account	\$ 308,961	\$ 341,720
Repair and replacement fund	768,037	298,132
Debt principal fund	660,190	630,746
Redemption fund	10,152	10,064
Debt reserve fund	<u>1,288,484</u>	<u>1,293,159</u>
Total restricted	<u>\$ 3,035,824</u>	<u>\$ 2,573,551</u>

(Continued)

MARAUDER DEVELOPMENT, LLC
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019

NOTE 3 – CAPITAL ASSETS

Details of capital assets are summarized as follows:

	<u>2020</u>	<u>2019</u>
Building	\$ 15,267,051	\$ 15,267,051
Building improvements	246,851	246,851
Furniture	<u>859,653</u>	<u>859,653</u>
Total capital assets	16,373,555	16,373,555
Less accumulated depreciation	<u>(7,443,316)</u>	<u>(7,045,183)</u>
Net	<u>\$ 8,930,239</u>	<u>\$ 9,328,372</u>

Depreciation expense on property and equipment totaled \$398,133 for 2020 and \$398,133 for 2019.

NOTE 4 – LONG-TERM DEBT

For the year ended August 31, 2020, changes in debt consisted of the following:

	<u>Interest Rate</u>	<u>Maturity</u>	Balance September 1, <u>2019</u>	<u>Additions</u>	<u>Payments</u>	Balance August 31, <u>2020</u>
Revenue Bonds Series 2002	3.0%-5.625%	2030	\$ 3,648,549	\$ 5,544	\$ (285,000)	\$ 3,369,093
Revenue Bonds Series 2004	3.3%-5.1%	2035	<u>8,748,346</u>	<u>10,100</u>	<u>(340,000)</u>	<u>8,418,446</u>
Total			<u>\$ 12,396,895</u>	<u>\$ 15,644</u>	<u>\$ (625,000)</u>	11,787,539
Less current portion						(660,000)
Less unamortized financing costs						<u>(650,301)</u>
Long-term portion						<u>\$ 10,477,238</u>

(Continued)

MARAUDER DEVELOPMENT, LLC
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019

NOTE 4 – LONG-TERM DEBT (Continued)

For the year ended August 31, 2019, changes in debt consisted of the following:

	<u>Interest Rate</u>	<u>Maturity</u>	Balance September 1, 2018	<u>Additions</u>	<u>Payments</u>	Balance August 31, 2019
Revenue Bonds Series 2002	3.0%-5.625%	2030	\$ 4,846,753	\$ 6,796	\$ (1,205,000)	\$ 3,648,549
Revenue Bonds Series 2004	3.3%-5.1%	2035	<u>9,062,848</u>	<u>10,498</u>	<u>(325,000)</u>	<u>8,748,346</u>
Total			<u>\$ 13,909,601</u>	<u>\$ 17,294</u>	<u>\$ (1,530,000)</u>	12,396,895
Less current portion						(625,000)
Less unamortized financing costs						<u>(746,499)</u>
Long-term portion						<u>\$ 11,025,396</u>

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

<u>Year Ending</u> <u>August 31,</u>	<u>Series 2002 Bonds</u>		<u>Series 2004 Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2021	\$ 300,000	\$ 178,019	\$ 360,000	\$ 422,775	\$ 1,260,794
2022	320,000	161,356	375,000	404,400	1,260,756
2023	335,000	143,753	395,000	385,150	1,258,903
2024	360,000	124,850	415,000	364,900	1,264,750
2025	380,000	104,500	435,000	343,650	1,264,750
2026-2030	1,700,000	192,775	2,530,000	1,354,560	6,262,460
2031-2035	-	-	3,245,000	621,562	3,873,105
2036	-	-	<u>750,000</u>	<u>19,125</u>	<u>1,540,607</u>
Total	<u>\$ 3,395,000</u>	<u>\$ 905,253</u>	<u>\$ 8,505,000</u>	<u>\$ 3,916,122</u>	<u>\$ 16,721,375</u>

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 was \$25,907 and \$31,451 at August 31, 2020 and 2019, respectively, 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 \$285,000 on September 1, 2019, to \$440,000 on September 1, 2028, subject to prior mandatory sinking fund redemptions. During 2019, \$415,000 of bonds due on September 1, 2030, \$490,000 of bonds due on September 1, 2029, and \$25,000 of bonds due on September 1, 2028 were called and retired in addition to \$275,000 scheduled to be retired on September 1, 2018. During 2016, \$200,000 of bonds due on September 1, 2032, \$545,000 of bonds due on September 1, 2013, and \$105,000 of bonds due on September 1, 2030 were called and retired in addition to the \$235,000 scheduled to be retired on September 1, 2015. During 2015, \$85,000 of bonds due on September 1, 2032 were called and retired in addition to \$225,000 scheduled to be retired on September 1, 2014. During the year ending August 31, 2014, \$335,000 of bonds due on September 1, 2032 were called and retired in addition to \$215,000 scheduled to be retired on September 1, 2013. 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.

(Continued)

MARAUDER DEVELOPMENT, LLC
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019

NOTE 4 – LONG-TERM DEBT (Continued)

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 \$86,554 and \$96,654 at August 31, 2020 and 2019, respectively, 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 \$340,000 on September 1, 2019, 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, 2020 and 2019, Marauder Development, LLC is in compliance with these requirements.

NOTE 5 – REDUCED SPRING SEMESTER RENTAL REVENUES

As a result of the Novel Coronavirus Disease (COVID-19), the President of the United States declared that the COVID-19 outbreak in the United States constituted a national emergency effective March 1, 2020. As a result, Central State University made adjustments to its operations and academic delivery based on the spread of COVID-19 throughout the United States and State of Ohio.

Effective March 22, 2020, all students were required to move-off campus and all face-to-face courses at the University moved to remote and online delivery for the remainder of the Spring 2020 semester. Students were refunded a proportionate share of unused rental fees, less amounts owed on their accounts. Total potential Spring 2020 dormitory rental fees payable under the University Housing Bonds agreement would have been approximately \$1,860,000. Actual rental fees recognized for the Spring 2020 semester total \$1,153,200. This amount, combined with the Fall 2019 rental fees, is sufficient to maintain a 120% coverage ratio required by the bond covenant on an annual basis for the academic year. Students returned to campus for the Fall 2020 semester and occupancy in the residence halls owned by Marauder exceeded 80% at the beginning of the semester.

The extent to which the coronavirus may impact business activity will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

(Continued)

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
Marauder Development, LLC

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Marauder Development, LLC ('Marauder'), which comprise the balance sheet as of August 31, 2020, and the related statements of operations, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated the same day as this report.

Internal Control Over Financial Reporting

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

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 a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2020-001 that we consider to be a material weakness.

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marauder'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 are described in the accompanying schedule of findings and responses as item 2020-001.

Marauder's Response to Finding

Marauder's response to the finding identified in our audit are described in the accompanying schedule of findings and responses. Marauder's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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
December 7, 2020

MARAUDER DEVELOPMENT, LLC
SCHEDULE OF FINDINGS AND RESPONSES
August 31, 2020

FINDING 2020-001 – 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:	All of the Spring 2020 rent revenues were not transferred into the Marauder account by Central State University (University).
Context:	<p>The University pursuant to a management agreement in place during the fiscal year with the Central State University Foundation (Foundation) was required to promptly deposit the gross receipts into an account at US Bank.</p> <p>\$1,860,000 was the original amount of the facility revenue for the Spring 2020 semester related to the housing. However, due to the pandemic, all students were required to move off campus effective March 22, 2020 and finish the semester on-line. A credit was given for approximately 38% of the semester revenue totaling \$706,800 resulting in a net amount of \$1,153,200 expected revenue for the Spring 2020 semester. When compared to what was deposited, there was a shortfall of \$763,200.</p>
Effect:	Revenue was understated and non-compliance with the Trust Indenture and Loan Agreement.
Cause:	The University did not transfer all revenues collected.
Repeat Finding:	No
Recommendation:	We recommend that all revenues related to the housing are transferred upon receipt as directed by the Trust Indenture and Loan Agreement.
Response:	The University failed to deposit the dorm fees in the amount of \$763,200 into the US Bank account for Spring 2020 and failed to timely notify the Foundation of its failure to deposit the funds. The University's failure to perform its duties pursuant to the management agreement with the Foundation caused this negative audit finding.

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OHIO AUDITOR OF STATE KEITH FABER



CENTRAL STATE UNIVERSITY FOUNDATION - MARAUDER DEVELOPMENT, LLC

MONTGOMERY 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 2/25/2021

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

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