

THE UNIVERSITY OF AKRON RESEARCH
FOUNDATION AND SUBSIDIARIES
SUMMIT COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Directors
The University of Akron Research Foundation and Subsidiaries
302 Buchtel Common
Akron, Ohio 44325

We have reviewed the *Independent Auditor's Report* of The University of Akron Research Foundation and Subsidiaries, Summit 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 University of Akron Research Foundation and Subsidiaries 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

December 07, 2023

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**THE UNIVERSITY OF AKRON RESEARCH
FOUNDATION AND SUBSIDIARIES**

Akron, Ohio

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023 and 2022

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THE UNIVERSITY OF AKRON RESEARCH FOUNDATION AND SUBSIDIARIES
Akron, Ohio

CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The University of Akron Research Foundation and Subsidiaries

Report on the Audit of the Financial Statements***Opinion***

We have audited the consolidated financial statements of The University of Akron Research Foundation and Subsidiaries (the "Research Foundation"), a discretely presented component unit of The University of Akron, which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Research Foundation as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Research Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Research Foundation's ability to continue as a going concern for one year from the date the consolidated financial statements are available to be issued.

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Research Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Research Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Statement of Financial Position and Activities are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2023 on our consideration of the Research 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 Research 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 Research Foundation's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Columbus, Ohio
November 17, 2023

THE UNIVERSITY OF AKRON RESEARCH FOUNDATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 354,890	\$ 733,408
Short-term investments (Notes 4 and 5)	6,302,321	6,315,094
Receivables - net (Note 6)	1,123,786	1,023,915
Prepaid expenses and other	<u>140,589</u>	<u>178,676</u>
Total current assets	7,921,586	8,251,093
Long-term investments (Note 4)	1,305,055	1,104,886
Property, plant, and equipment - Net (Note 7)	<u>2,926,368</u>	<u>3,187,451</u>
Total long-term assets	<u>4,231,423</u>	<u>4,292,337</u>
Total assets	<u>\$ 12,153,009</u>	<u>\$ 12,543,430</u>
 LIABILITIES AND NET ASSETS		
Accounts payable (Note 8)	\$ 2,410,228	\$ 2,196,274
Accrued expenses	776,288	553,640
Deferred revenue (Note 9)	<u>125,046</u>	<u>68,280</u>
Total current liabilities	3,311,562	2,818,194
Line of credit (Note 10)	<u>1,172,902</u>	<u>2,158,073</u>
Total long-term liabilities	<u>1,172,902</u>	<u>2,158,073</u>
Total liabilities	4,484,464	4,976,267
Net assets without donor restrictions	<u>7,668,545</u>	<u>7,567,163</u>
Total liabilities and net assets	<u>\$ 12,153,009</u>	<u>\$ 12,543,430</u>

See accompanying notes to consolidated financial statements.

THE UNIVERSITY OF AKRON RESEARCH FOUNDATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues		
Sponsored research	\$ 262,881	\$ 434,180
Experimental services	459,418	646,718
Rental income	480,922	456,608
License royalties and fees	166,897	60,060
Research funding	581,768	517,910
Investment income	264,383	340,641
Consulting income	880,768	341,991
Patent fee reimbursement	461,643	636,147
Realized and unrealized gain (loss) on investments	579,070	(1,231,021)
In-kind contributions	12,000	8,000
Other income	<u>112,348</u>	<u>277,169</u>
Total revenues	4,262,098	2,488,403
Expenses		
Program services:		
Direct costs	209,558	362,419
Allocated indirect costs	136,700	39,784
Research support	1,329,398	1,197,733
Experimental services	332,159	544,724
Royalty distributions	46,138	36,024
Bad debt expense	393,364	28,707
Depreciation and amortization expense	<u>306,355</u>	<u>374,536</u>
Total program services	2,753,672	2,583,927
Support services:		
Wages and benefits	611,080	483,846
Building operating	529,577	437,835
Interest (income) expense	83,871	(17,896)
Professional fees	38,832	6,252
Office expense	84,855	59,021
Insurance	<u>58,829</u>	<u>44,662</u>
Total support services	<u>1,407,044</u>	<u>1,013,720</u>
Total expenses	<u>4,160,716</u>	<u>3,597,647</u>
Change in net assets	101,382	(1,109,244)
Net assets - beginning of year	<u>7,567,163</u>	<u>8,676,407</u>
Net assets - end of year	<u>\$ 7,668,545</u>	<u>\$ 7,567,163</u>

See accompanying notes to consolidated financial statements.

THE UNIVERSITY OF AKRON RESEARCH FOUNDATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ 101,382	\$ (1,109,244)
Adjustments to reconcile change in net assets to net cash and cash equivalents from operating activities:		
Noncash items:		
Depreciation and amortization expense	306,355	374,536
Change in provision for allowance for doubtful accounts	382,001	19,038
Bad debt expense recovery	393,355	20,000
Realized and unrealized (gain) loss on investments	(579,070)	1,231,021
Change in interest rate swap	-	(69,022)
Forgiveness on Paycheck Protection Program loan	-	(74,792)
Changes in operating assets and liabilities:		
Receivables	(875,227)	(214,775)
Prepaid expenses	38,087	(4,338)
Payables and accrued expenses	436,602	548,772
Deferred revenue	<u>56,766</u>	<u>(37,836)</u>
Net cash and cash equivalents from operating activities	260,251	683,360
Cash flows from investing activities		
Purchases of investments	(1,557,396)	(347,581)
Proceeds from sales of investments	1,949,070	-
Purchases of property, plant and equipment	<u>(45,272)</u>	<u>-</u>
Net cash and cash equivalents from investing activities	346,402	(347,581)
Cash flows from financing activities		
Payments on term debt	-	(2,205,850)
Payments on line of credit	(1,073,999)	-
Proceeds from line of credit	<u>88,828</u>	<u>2,158,073</u>
Net cash and cash equivalents from financing activities	<u>(985,171)</u>	<u>(47,777)</u>
Increase (decrease) in cash and cash equivalents	(378,518)	288,002
Cash and cash equivalents - beginning of year	<u>733,408</u>	<u>445,406</u>
Cash and cash equivalents - end of year	<u>\$ 354,890</u>	<u>\$ 733,408</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 64,562	\$ 82,996
In-kind contribution disclosure	12,000	8,000

See accompanying notes to consolidated financial statements.

THE UNIVERSITY OF AKRON RESEARCH FOUNDATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2023

	Program Services			Total Program Services	Support Services			Total Support Services	Total
	Research and Commercialization	Polymer Training	Innovation Campus		Research	Innovation Campus	Administration		
Expenses									
Contracted – Direct and indirect costs	\$ 346,258	\$ -	\$ -	\$ 346,258	\$ -	\$ -	\$ -	\$ -	\$ 346,258
Contracted – Research support	1,329,398	-	-	1,329,398	-	-	-	-	1,329,398
Contracted – Experimental services	332,159	-	-	332,159	-	-	-	-	332,159
Contracted – Royalty distributions	46,138	-	-	46,138	-	-	-	-	46,138
Bad debt expense	393,364	-	-	393,364	-	-	-	-	393,364
Wages and benefits	-	-	-	-	456,205	-	154,875	611,080	611,080
Building operating expense	-	-	-	-	-	529,577	-	529,577	529,577
Interest (income) expense	-	-	-	-	-	83,871	-	83,871	83,871
Depreciation and amortization expense	51,799	-	254,556	306,355	-	-	-	-	306,355
Professional fees	-	-	-	-	-	-	38,832	38,832	38,832
Office expense	-	-	-	-	63,314	-	21,541	84,855	84,855
Insurance	-	-	-	-	58,829	-	-	58,829	58,829
Total expense	<u>\$ 2,499,116</u>	<u>\$ -</u>	<u>\$ 254,556</u>	<u>\$ 2,753,672</u>	<u>\$ 578,348</u>	<u>\$ 613,448</u>	<u>\$ 215,248</u>	<u>\$ 1,407,044</u>	<u>\$ 4,160,716</u>

See accompanying notes to consolidated financial statements.

THE UNIVERSITY OF AKRON RESEARCH FOUNDATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2022

	<u>Program Services</u>			Total Program Services	<u>Support Services</u>			Total Support Services	Total
	<u>Research and Commercialization</u>	<u>Polymer Training</u>	<u>Innovation Campus</u>		<u>Research</u>	<u>Innovation Campus</u>	<u>Administration</u>		
Expenses									
Contracted – Direct and indirect costs	\$ 402,203	\$ -	\$ -	\$ 402,203	\$ -	\$ -	\$ -	\$ -	\$ 402,203
Contracted – Research support	1,197,733	-	-	1,197,733	-	-	-	-	1,197,733
Contracted – Experimental services	544,724	-	-	544,724	-	-	-	-	544,724
Contracted – Royalty distributions	36,024	-	-	36,024	-	-	-	-	36,024
Bad debt expense	28,707	-	-	28,707	-	-	-	-	28,707
Wages and benefits	-	-	-	-	337,096	-	146,750	483,846	483,846
Building operating expense	-	-	-	-	-	437,835	-	437,835	437,835
Interest (income) expense	-	-	-	-	-	(17,896)	-	(17,896)	(17,896)
Depreciation and amortization expense	132,928	-	241,608	374,536	-	-	-	-	374,536
Professional fees	-	-	-	-	-	-	6,252	6,252	6,252
Office expense	-	-	-	-	38,041	-	20,980	59,021	59,021
Insurance	-	-	-	-	44,662	-	-	44,662	44,662
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expense	<u>\$ 2,342,319</u>	<u>\$ -</u>	<u>\$ 241,608</u>	<u>\$ 2,583,927</u>	<u>\$ 419,799</u>	<u>\$ 419,939</u>	<u>\$ 173,982</u>	<u>\$ 1,013,720</u>	<u>\$ 3,597,647</u>

See accompanying notes to consolidated financial statements.

THE UNIVERSITY OF AKRON RESEARCH FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2023 and 2022

NOTE 1 - ORGANIZATION

The University of Akron Research Foundation and Subsidiaries (the “Research Foundation”) was incorporated on November 14, 2001 to promote, encourage, and provide assistance to the research activities of the University of Akron (the “University”). The Research Foundation was granted tax-exempt status according to the provisions of Section 501(c)(3) of the Internal Revenue Service on August 4, 2003.

The Research Foundation is governed by an 11-member board of directors (the “Board”). The Board includes the University president, the University vice president for research, and three University directors whose appointments are directed by the University trustees and made by the University president. There are six non-University members elected by the Board.

The Research Foundation has two wholly owned subsidiaries for the years ended June 30, 2023 and 2022 Akron Innovation Campus LLC (AIC) and PolyMedTech, Inc. (PMT) which are consolidated in the fiscal year 2023 and 2022 financial statements.

AIC was formed in 2007 to hold two buildings and related property.

PMT was formed as a C corporation by the Research Foundation to develop wound closure adhesives based on the research of the University’s faculty. During fiscal year 2013, the Research Foundation provided the operating capital required to start the company and is the sole stockholder as of June 30, 2023 and 2022.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The consolidated financial statements of the Research Foundation have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

Principles of Consolidation: The consolidated financial statements include the accounts of the Research Foundation and its owned subsidiaries. All significant intercompany transactions have been eliminated in consolidation.

Revenue Recognition:

Sponsored Research

Sponsored research contracts are agreements for specific research, which are performed for a sponsor by the University largely under three-party agreements. The revenue is received by and maintained within the Research Foundation’s accounting records, while the direct costs associated with the contracts are incurred by and reflected within the University’s accounting records.

Effective March 2015, sponsored research contracts largely became two-party agreements between the sponsor and the University. The Research Foundation does not participate directly in sponsored research, except to complete current projects and to facilitate projects for the University, as needed.

The Research Foundation recognizes sponsored research contract revenue prorated based upon the direct costs incurred on each sponsored research contract. The prorated revenue closely approximates the percentage of work completed for each contract.

As of June 30, 2023, the Research Foundation had four outstanding sponsored research contracts.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Experimental Services

The Research Foundation facilitates experimental services for professors by managing agreements between the respective corporate customer and the University. The Research Foundation invoices and collects the fees for these services. Revenue is recognized as services are provided.

Patent Fee Reimbursement

The Research Foundation assists the University of Akron in securing patents in connection with its research and licensing. The legal fees incurred to secure these patents are reimbursed by licensees. Revenue is recorded as the underlying expenses are incurred. The expenses associated with securing the patents are recorded as research support expense on the consolidated statement of activities.

Other

Other revenue is recognized as the applicable service is performed.

The Foundation has identified performance obligations related to its facility rental revenue, licensing fees, and other services and recognizes revenue at the point in time that goods or services are provided to customers.

Functional Allocation of Expenses: The consolidated statement of activities reflects certain categories of expenses attributable to the programs and supporting functions of the Research Foundation. Program Activities include research and commercialization, and the Akron Innovation Campus. Supporting Activities include administrative support. The Consolidated Statement of Functional Expenses presents these functional expenses by their natural classification for the fiscal years ended June 30, 2023 and 2022. Costs 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.

Cash and Cash Equivalents: The Research Foundation considers all demand deposits, certificates of deposit, and money market funds with an original maturity of three months or less to be cash and cash equivalents. In addition, the Research Foundation maintains cash and cash equivalents that exceed federally insured amounts. The Research Foundation continually monitors its balance to minimize risk of loss.

Concentration of Credit Risk: The Research Foundation maintains cash balances at three banks in accounts which are insured by the Federal Deposit Insurance Corporation. These cash deposits may, at times, exceed the federally insured limits. The Research Foundation evaluates the financial institutions with which it deposits funds; however, it is not practical to independently insure all cash deposits. The Research Foundation has not experienced any losses in such accounts and believes it is not exposed to significant risk on cash.

Investments: Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value based on quoted market prices. Investments not publicly traded are either stated at cost, which approximates market, or at appraised market values when applicable. Investments in which the Research Foundation has more than a minor interest are accounted for using the equity method. Under the equity method, the investment is carried at cost, adjusted for the Research Foundation's proportionate share of undistributed earnings or losses. Realized gains (losses) on investments are the difference between the proceeds received and the cost of investments sold. Net appreciation (depreciation) in the fair value of investments (including realized gains (losses) and unrealized gains (losses) and dividends and interest) is included in revenue in the consolidated statement of activities.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risks and Uncertainties: The Research 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 possible that changes in the value 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.

Prepaid Expenses: Insurance and other expenses were paid in advance. The costs related to the current fiscal year are recognized as expense and payments for expenses yet to be incurred are reflected in prepaid expenses on the consolidated statement of financial position.

Property, Plant, and Equipment: Property, plant, and equipment are stated at cost. The straight-line method of depreciation is used over the assets' estimated useful lives. The buildings' useful life is 39 years; equipment is depreciated over five years. Tenant improvements are depreciated over the term of the lease and building improvement useful lives range from 10 to 20 years. The cost and related accumulated depreciation of assets disposed of are eliminated from the accounts in the year of disposal.

Fair Value of Financial Instruments: The estimated fair value amounts have been determined by the Research Foundation using available market information and appropriate valuation methodologies. These estimates are subjective in nature and involve uncertainties and matters of considerable judgment. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Research Foundation could realize in a current market exchange. The use of different assumptions, judgments, and/or estimation methodologies may have a material effect on the estimated fair value amounts. All investment securities are carried at fair value in the consolidated financial statements. The fair values of short-term financial instruments, including cash equivalents, receivables, and accounts payable approximate the carrying amounts in the accompanying consolidated financial statements due to the short maturity of such instruments. The inputs are based upon terms in contractual agreements. The fair values of these financial instruments are determined using Level 1 inputs.

Interest Rate Swap: The Research Foundation is exposed to certain risks in the normal course of its business operations. The main risks are those relating to the variability of cash flows, which are managed through the use of derivatives. All derivative financial instruments are reported in the consolidated statement of financial position at fair value.

The Research Foundation had entered into an interest rate swap agreement which matured May 2022. Gains or losses and changes in the valuation of the swap were recognized on the consolidated statement of activities.

Deferred Revenue: Cash received in advance of services being provided is recorded as deferred revenue. In the subsequent period when the revenue recognition criteria are met, revenue is recognized, and the deferred revenue is reduced accordingly.

University Support of the Research Foundation: University employees and affiliates provide administrative and management functions for the Research Foundation. The services and office space constitute in-kind contributions to the Research Foundation, the values of which are included as in-kind contributions and support service expenses on the consolidated statement of activities. For the fiscal years ended June 30, 2023 and 2022, in-kind support was provided by the University and others in the amount of \$12,000 and \$8,000, respectively.

(Continued)

THE UNIVERSITY OF AKRON RESEARCH FOUNDATION AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 June 30, 2023 and 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Recently Adopted Accounting Pronouncements: On July 1, 2022, the Research Foundation adopted ASU No. 2016-02, *Leases* ("Topic 842") using the modified retrospective method. Under this guidance, the net present value of future lease payments is recorded as right-of-use assets and lease liabilities. In addition, the Research Foundation elected the 'package of practical expedients' permitted under the transition guidance within the new standard, which among other things, allowed the Research Foundation to carry forward the historical lease classification. In addition, the Research Foundation elected not to utilize the hindsight practical expedient to determine the lease term for existing leases. The Research Foundation elected the short-term lease recognition exemption for all leases that qualify. This means, for those leases that qualify, the Research Foundation did not recognize right-of-use assets or lease liabilities, including not recognizing right-of-use assets or lease liabilities for existing short-term leases of those assets in transition. The Research Foundation does not have any material non-cancelable leases, and therefore there was no impact of the adoption of Topic 842 on the consolidated financial statements.

NOTE 3 - LIQUIDITY AND AVAILABILITY

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

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 354,890	\$ 733,408
Short-term investments (Notes 4 and 5)	6,302,321	6,315,094
Accounts receivable (Note 6)	<u>1,123,786</u>	<u>1,023,915</u>
 Total financial assets available	 <u>\$ 7,780,997</u>	 <u>\$ 8,072,417</u>

As part of the Research Foundation's liquidity management, the Research Foundation invests its financial assets to be available as its general expenses, liabilities, and other obligations come due.

NOTE 4 - INVESTMENTS

Investments at June 30, 2023 and 2022 are presented in the consolidated financial statements at fair market value and are composed of the following:

	<u>2023</u>	<u>2022</u>
Marketable securities - Stock equities and mutual funds (Note 5)	\$ 6,302,321	\$ 6,315,094
Alternative investments:		
Closely held stock and private equity (equity method)	1,009,643	808,879
Closely held stock and private equity (cost method)	<u>295,412</u>	<u>296,007</u>
Total alternative investments	<u>1,305,055</u>	<u>1,104,886</u>
 Total investments	 <u>\$ 7,607,376</u>	 <u>\$ 7,419,980</u>

(Continued)

NOTE 4 – INVESTMENTS (Continued)

The Research Foundation's marketable securities are held with Wells Fargo and advised by the Legacy Strategic Asset Management Group. Earnings on invested amounts are retained in the fund for reinvestment until such time as the Research Foundation authorizes delivery of all or part of the funds to or for the benefit of the University.

The Research Foundation does not exercise significant influence over the operating and financial policies of its alternative investments. These investments are periodically evaluated to determine if there have been any other-than-temporary declines below book value. A variety of factors is considered when determining if a decline in fair value below book value is other than temporary, including, among others, the financial condition and prospects of the investee.

NOTE 5 - FAIR VALUE MEASUREMENTS

Accounting standards require certain assets and liabilities 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 valuation techniques and inputs used to measure fair value.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Research Foundation has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is limited, if any, market activity for the related asset or liability. These Level 3 fair value measurements are based primarily on management's estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Research 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.

The Research Foundation's policy is to recognize transfers between levels of the fair value hierarchy as of the end of the reporting period. For the years ended June 30, 2023 and 2022, there were no transfers between levels of the fair value hierarchy.

The following tables present information about the Research Foundation's assets and liabilities measured at fair value on a recurring basis at June 30, 2023 and 2022 and the valuation techniques used by the Research Foundation to determine those fair values.

(Continued)

THE UNIVERSITY OF AKRON RESEARCH FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2023 and 2022

NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)

Assets and Liabilities Measured at Fair Value On a Recurring Basis at June 30, 2023:				
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Balance June 30, 2023
Assets - Short-term investments				
Exchange traded funds:				
Large growth	\$ 763,411	\$ -	\$ -	\$ 763,411
Large value	719,207	-	-	719,207
Mutual funds:				
Fixed income	1,540,570	-	-	1,540,570
Small- and mid-cap growth	686,479	-	-	686,479
Alternatives	1,371,092	-	-	1,371,092
Internationals	1,221,562	-	-	1,221,562
Total assets	\$ 6,302,321	\$ -	\$ -	\$ 6,302,321

Assets and Liabilities Measured at Fair Value On a Recurring Basis at June 30, 2022:				
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Balance June 30, 2022
Assets - Short-term investments				
Exchange traded funds:				
Large growth	\$ 945,256	\$ -	\$ -	\$ 945,256
Large value	791,476	-	-	791,476
Mutual funds:				
Fixed income	1,565,829	-	-	1,565,829
Small- and mid-cap growth	717,101	-	-	717,101
Alternatives	1,156,956	-	-	1,156,956
Internationals	1,138,476	-	-	1,138,476
Total assets	\$ 6,315,094	\$ -	\$ -	\$ 6,315,094

(Continued)

THE UNIVERSITY OF AKRON RESEARCH FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2023 and 2022

NOTE 6 - RECEIVABLES

Receivables consist of monies due to the Research Foundation at June 30, 2023 and 2022 from sponsored research contracts, licenses, rents, and other. After known uncollectible accounts are deducted, approximately 5 percent of the remaining receivable balance is allocated to a general allowance for doubtful accounts.

	<u>2023</u>	<u>2022</u>
Sponsored research	\$ 360,451	\$ 369,690
Patent	427,119	373,004
Experimental services	229,626	128,351
Licenses	159,975	2,828
Other	388,616	210,042
Allowance for doubtful accounts	<u>(442,001)</u>	<u>(60,000)</u>
Total	<u>\$ 1,123,786</u>	<u>\$ 1,023,915</u>

NOTE 7 - PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment consist of the following:

	<u>2023</u>	<u>2022</u>
Land	\$ 290,607	\$ 290,607
Buildings and building improvements	5,558,432	5,513,180
Equipment	<u>2,349,394</u>	<u>2,349,393</u>
Total property, plant, and equipment	8,198,433	8,153,180
Less accumulated depreciation	<u>(5,272,065)</u>	<u>(4,965,729)</u>
Net carrying amount	<u>\$ 2,926,368</u>	<u>\$ 3,187,451</u>

Depreciation expense for the years ended June 30, 2023 and 2022 totaled \$306,355 and \$359,407, respectively.

NOTE 8 - ACCOUNTS PAYABLE

Accounts payable are apportioned as follows at June 30:

	<u>2023</u>	<u>2022</u>
The University of Akron	\$ 2,295,227	\$ 2,065,647
Other nonrelated parties	<u>115,001</u>	<u>130,627</u>
Total	<u>\$ 2,410,228</u>	<u>\$ 2,196,274</u>

The Research Foundation reimburses the University for direct and certain indirect costs incurred by the University related to sponsored research contracts managed by the Research Foundation. The balance incurred by the University before year end is included in the payable to the University of Akron at June 30, 2023 and 2022.

(Continued)

THE UNIVERSITY OF AKRON RESEARCH FOUNDATION AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 June 30, 2023 and 2022

NOTE 8 - ACCOUNTS PAYABLE (Continued)

The Research Foundation is also permitted to recover indirect costs related to sponsored research contracts. A portion of those indirect costs is payable to the principal investigator. The undistributed indirect costs at June 30, 2023 and 2022 are included in the payable to the University of Akron.

NOTE 9 - DEFERRED REVENUE

The Research Foundation receives advance payment for certain sponsored research contracts, and rental income, which is recorded as deferred revenue until earned. At June 30, 2023 and 2022, the Research Foundation had deferred revenue from the following sources:

	<u>2023</u>	<u>2022</u>
Sponsored research and license	\$ 65,029	\$ 12,912
Rental income	<u>60,017</u>	<u>55,368</u>
Total	<u>\$ 125,046</u>	<u>\$ 68,280</u>

NOTE 10 - NOTE PAYABLE, PPP LOAN, AND LINE OF CREDIT

AIC entered into a \$2,925,000 15-year note with Citizens Bank on May 14, 2007 for the purchase of two buildings on Wolf Ledges in Akron, Ohio. This loan included an interest rate swap agreement (swap) with a swap counterparty. The original notional amount of the loan was \$1,950,000 with a fixed rate of 6.39%.

The note payable matured on May 2, 2022 and was paid off in full.

The note payable was collateralized by certain real property, all personal property, and future rents of AIC. The Research Foundation has guaranteed the loan.

On January 28, 2021, the Research Foundation borrowed \$74,792 from its bank in the form of a Paycheck Protection Program loan. The balance on the note at June 30, 2021 was \$74,792. The note is recorded as a note payable in accordance with FASB Accounting Standard Codification topic 470. The note was issued pursuant to the Coronavirus Aid, Relief and Economic Security Act. The Note bears interest at 1% from January 28, 2021, the date the funds were advanced to the Research Foundation. All or a portion of the note may be forgiven in accordance with the requirements of the Program Term Note. The conditions the Research Foundation must meet to qualify for forgiveness include maintaining of certain employee retention criteria and spending the funds on payroll and other permitted expenses. All principal and interest payments have been deferred until a decision has been made by the Small Business Administration (SBA) on the forgiveness application. Any accrued interest and principal amounts that are not forgiven, must be repaid in equal monthly installments beginning on the 15th day of the month following notification from the SBA of any unforgiven amounts through the maturity date of January 28, 2026. As of December 7, 2021, the Research Foundation received a formal forgiveness letter from the SBA. The Research Foundation recognized a gain on forgiveness of the loan balance in other income in the consolidated statement of activities for the year ended June 30, 2022.

On May 10, 2022 UARF entered into a line of credit agreement with Wells Fargo. The maximum borrowing amount is \$4,000,000, renewable every three years. The line of credit bears variable interest at prime minus a spread as defined in the Priority Credit Line agreement. The spread at June 30, 2023 and 2022 was 1.25%. The interest rate as of June 30, 2023 and 2022 was 6.60% and 4.25%, respectively. The outstanding amount at June 30, 2023 and 2022 was \$1,172,902 and \$2,158,073, respectively.

(Continued)

THE UNIVERSITY OF AKRON RESEARCH FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2023 and 2022

NOTE 11 - OPERATING LEASE RENTALS

AIC and the Research Foundation have operating lease agreements to lease space to 14 tenants at its two professional buildings. Rental income is recognized over the life of the operating lease, with leases expiring through June 30, 2029. As of June 30, 2023 and 2022, leased buildings and building improvements are recorded within property, plant, and equipment at a cost of \$5,532,670 and \$5,463,180, respectively, with accumulated depreciation of \$2,823,520 and \$2,682,193, respectively.

As of June 30, 2023, the minimum future rentals on the noncancelable portion of the operating lease rentals aggregate \$1,305,448 and are due in the fiscal years ending June 30 as follows:

<u>Years Ending June 30</u>	<u>Amount</u>
2024	\$ 429,662
2025	332,234
2026	217,409
2027	173,805
2028	92,667
Thereafter	<u>59,671</u>
Total	<u>\$ 1,305,448</u>

NOTE 12 - RELATED PARTIES

The Research Foundation has a contractual agreement with Akron Ascent Innovation (AAI), RooSense and Ocius, Inc. to perform certain services. The Research Foundation has minority interest in these companies. For the years ended June 30, 2023 and 2022, these companies reimbursed the Research Foundation \$12,413 and \$7,518, respectively for expenses paid on their behalf. As of June 30, 2023 and 2022 the Research Foundation has recorded a receivable due from these companies for \$0 and \$505, respectively. These amounts are included in net receivables on the consolidated statements of financial position.

The University of Akron is a public institution offering a broad array of programs. During the years ended June 30, 2023 and 2022 the Research Foundation transferred \$432,252 and \$936,355, respectively, to the University for research and polymer training expenses.

NOTE 13 - EMPLOYEES' RETIREMENT PLAN

The Research Foundation offers its eligible employees the opportunity to participate in the retirement plan offered by The University of Akron Research Foundation. The Research Foundation matches contributions at 100 percent of employee contributions up to 3 percent plus 50 percent of the employee contributions between 3 percent and 5 percent of participant compensation. The Research Foundation's total contribution was \$30,494 and \$10,807 for the fiscal years ended June 30, 2023 and 2022, respectively.

NOTE 14 – SUBSEQUENT EVENTS

Subsequent Events: The consolidated financial statements and related disclosures included evaluation of events up through and including November 17, 2023, which is the date the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

THE UNIVERSITY OF AKRON RESEARCH FOUNDATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2023

	University of Akron Research Foundation	Akron Innovation Campus LLC	PolyMedTech, Inc.	Eliminations	Total
ASSETS					
Cash and cash equivalents	\$ 289,302	\$ 65,568	\$ 20	\$ -	\$ 354,890
Short-term investments	6,302,321	-	-	-	6,302,321
Receivables – net	1,116,474	7,312	-	-	1,123,786
Prepaid expenses and other	<u>139,153</u>	<u>1,436</u>	<u>-</u>	<u>-</u>	<u>140,589</u>
Total current assets	7,847,250	74,316	20	-	7,921,586
Long-term Investments	1,315,055	-	-	(10,000)	1,305,055
Investment in subsidiary	4,622,684	-	-	(4,622,684)	-
Property, plant, and equipment - net	<u>2,881</u>	<u>2,923,487</u>	<u>-</u>	<u>-</u>	<u>2,926,368</u>
Total long-term assets	<u>5,940,620</u>	<u>2,923,487</u>	<u>-</u>	<u>(4,632,684)</u>	<u>4,231,423</u>
Total assets	<u>\$ 13,787,870</u>	<u>\$ 2,997,803</u>	<u>\$ 20</u>	<u>\$ (4,632,684)</u>	<u>\$ 12,153,009</u>
LIABILITIES AND NET ASSETS (DEFICIT)					
Liabilities					
Accounts payable	\$ 2,405,818	\$ 3,359	\$ 1,051	\$ -	\$ 2,410,228
Accrued expenses	682,841	93,447	-	-	776,288
Deferred revenue	<u>64,939</u>	<u>60,107</u>	<u>-</u>	<u>-</u>	<u>125,046</u>
Total current liabilities	3,153,598	156,913	1,051	-	3,311,562
Line of Credit	<u>1,172,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,172,902</u>
Total liabilities	<u>4,326,500</u>	<u>156,913</u>	<u>1,051</u>	<u>-</u>	<u>4,484,464</u>
Member contributions	<u>-</u>	<u>4,622,684</u>	<u>10,000</u>	<u>(4,632,684)</u>	<u>-</u>
	4,326,500	4,779,597	11,051	(4,632,684)	4,484,464
Net assets (deficit) without donor restrictions					
University of Akron Research Foundation and Subsidiaries					
Total net assets (deficit)	<u>9,461,370</u>	<u>(1,781,794)</u>	<u>(11,031)</u>	<u>-</u>	<u>7,668,545</u>
Total liabilities and net assets (deficit)	<u>\$ 13,787,870</u>	<u>\$ 2,997,803</u>	<u>\$ 20</u>	<u>\$ (4,632,684)</u>	<u>\$ 12,153,009</u>

See Independent Auditor's Report.

THE UNIVERSITY OF AKRON RESEARCH FOUNDATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
Year ended June 30, 2023

	University of Akron Research Foundation	Akron Innovation Campus LLC	PolyMedTech, Inc.	Eliminations	Total
Revenues					
Sponsored research	\$ 262,881	\$ -	\$ -	\$ -	\$ 262,881
Experimental services	459,418	-	-	-	459,418
Rental income	-	548,808	-	(67,886)	480,922
License royalties and fees	166,897	-	-	-	166,897
Research funding	581,768	-	-	-	581,768
Interest income	264,383	-	-	-	264,383
Consulting Income	880,768	-	-	-	880,768
Patent fee reimbursement	461,643	-	-	-	461,643
Realized and unrealized gain on investments	579,070	-	-	-	579,070
In-kind contributions	12,000	-	-	-	12,000
Other income	<u>105,042</u>	<u>7,306</u>	<u>-</u>	<u>-</u>	<u>112,348</u>
Total revenues	3,773,870	556,114	-	(67,886)	4,262,098
Expenses-					
Direct costs	209,558	-	-	-	209,558
Allocated indirect costs	136,700	-	-	-	136,700
Research support	1,329,398	-	-	-	1,329,398
Experimental services	332,159	-	-	-	332,159
Royalty distributions	46,138	-	-	-	46,138
Bad debt expense	393,364	-	-	-	393,364
Wage and benefit expense	611,080	-	-	-	611,080
Building operating expense	-	529,577	-	-	529,577
Interest expense	83,871	-	-	-	83,871
Depreciation and amortization expense	51,799	254,556	-	-	306,355
Professional fees	38,832	-	-	-	38,832
Office expense	152,741	-	-	(67,886)	84,855
Insurance	<u>39,266</u>	<u>19,563</u>	<u>-</u>	<u>-</u>	<u>58,829</u>
Total expenses	<u>3,424,906</u>	<u>803,696</u>	<u>-</u>	<u>(67,886)</u>	<u>4,160,716</u>
Change in Net Assets	348,964	(247,582)			101,382
Net Assets (Deficit) - Without Donor Restrictions – Beginning of year	<u>9,112,406</u>	<u>(1,534,212)</u>	<u>(11,031)</u>	<u>-</u>	<u>7,567,163</u>
Net Assets (Deficit) - Without Donor Restrictions – End of year	<u>\$ 9,461,370</u>	<u>\$ (1,781,794)</u>	<u>\$ (11,031)</u>	<u>\$ -</u>	<u>\$ 7,668,545</u>

See Independent Auditor's Report.

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

To Management and the Board of Directors
The University of Akron Research Foundation and Subsidiaries

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The University of Akron Research Foundation and Subsidiaries, which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 17, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The University of Akron Research Foundation and Subsidiaries' 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 University of Akron Research Foundation and Subsidiaries' internal control. Accordingly, we do not express an opinion on the effectiveness of The University of Akron Research Foundation and Subsidiaries' 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 2023-001 that we consider to be a material weakness.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether The University of Akron Research Foundation and Subsidiaries' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The University of Akron Research Foundation and Subsidiaries' Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on The University of Akron Research Foundation and Subsidiaries' response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The University of Akron Research Foundation and Subsidiaries' 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 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
November 17, 2023

THE UNIVERSITY OF AKRON RESEARCH FOUNDATION AND SUBSIDIARIES
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2023

FINDING 2023-001 – INTERNAL CONTROLS OVER FINANCIAL REPORTING

Criteria:	The allowance for doubtful accounts was comprised of known uncollectible accounts and a general 5 percent calculation of the remaining receivable balance.
Condition:	Management concluded substantially all balances related to four outstanding customer accounts associated with patent receivables are uncollectible but had no specific reserve identified in the allowance for doubtful account calculation.
Context:	The four customer accounts were concluded to be uncollectible but unreserved on the financial statements.
Effect:	An adjusting journal entry was recorded to increase the allowance for doubtful accounts and bad debt expense in the consolidated financial statements by approximately \$362,000 for the balances.
Cause:	Management did not perform a specific reserve review regarding past due receivables and make necessary adjustments to their allowance.
Repeat Finding:	No
Recommendation:	We recommend management implement a formal and timely review process of customer balances collectability and utilize specific reserves when there are customers with collectability concerns.
Response:	Management will perform a formal review of receivables on a quarterly basis. This review will include examining the accounts receivable aging and a discussion on the status of all large and past due amounts. The UARF Director of Accounting will prepare a memo documenting the discussion and any action taken.

THE UNIVERSITY OF AKRON RESEARCH FOUNDATION AND SUBSIDIARIES
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
June 30, 2023

FINDING 2022-001 – INTERNAL CONTROLS OVER FINANCIAL REPORTING

Criteria: Sponsored Research revenue was determined by the percentage of work completed for each contract. The tracking of the work completed and revenue was maintained by The University of Akron Research Foundation and Subsidiaries' ("Research Foundation") accounting records.

Condition: For one sponsored research contract, revenue was incorrectly calculated and recorded.

Status: This finding was not repeated in the current fiscal year.

OHIO AUDITOR OF STATE KEITH FABER



UNIVERSITY OF AKRON RESEARCH FOUNDATION

SUMMIT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/19/2023

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

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