

MARAUDER DEVELOPMENT LLC  
GREENE COUNTY  
REGULAR AUDIT  
FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021



OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Trustees  
Marauder Development, LLC  
1400 Brush Row Road  
Wilberforce, OH 45384

We have reviewed the *Independent Auditor's Report* of the Marauder Development, LLC, Greene County, prepared by Crowe LLP, for the audit period September 1, 2021 through August 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The 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

December 27, 2023

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

**FINANCIAL STATEMENTS**  
August 31, 2022 and 2021

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MARAUDER DEVELOPMENT, LLC

Wilberforce, Ohio

FINANCIAL STATEMENTS  
August 31, 2022 and 2021

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## INDEPENDENT AUDITOR'S REPORT

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

**Opinion**

We have audited the 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, 2022 and 2021, and the related statements of operations and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Marauder as of August 31, 2022 and 2021, 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.

**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*, 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 Marauder 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 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 Marauder's ability to continue as a going concern for one year from the date the financial statements are available to be issued.

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(Continued)

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 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 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 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 Marauder'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Marauder'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.

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2023 on our consideration of the 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 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 Marauder'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 Marauder's internal control over financial reporting and compliance.

  
Crowe LLP

Columbus, Ohio  
September 7, 2023

MARAUDER DEVELOPMENT, LLC  
BALANCE SHEETS  
August 31, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 1,213,373	\$ 975,362
Receivable from the University	102,000	-
Prepaid expenses	<u>2,025</u>	<u>6,892</u>
Total current assets	1,317,398	982,254
Restricted cash and cash equivalents	2,791,069	3,487,602
Capital assets-net	<u>8,133,973</u>	<u>8,532,106</u>
Total assets	<u>\$ 12,242,440</u>	<u>\$ 13,001,962</u>
<b>LIABILITIES AND MEMBER'S CAPITAL</b>		
Current Liabilities		
Management fees payable	\$ 1,475	\$ 183,197
Trustee fees payable	2,700	-
Payable to the University	310,079	473,812
Interest payable	259,041	287,787
Current portion of long-term debt	<u>730,000</u>	<u>695,000</u>
Total current liabilities	1,303,295	1,639,796
Long-term debt, net of unamortized financing costs of \$464,668 and \$556,903 for 2022 and 2021, respectively	8,737,851	9,745,779
Member's capital	<u>2,201,294</u>	<u>1,616,387</u>
Total liabilities and excess in member's capital	<u>\$ 12,242,440</u>	<u>\$ 13,001,962</u>

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See accompanying notes to financial statements.

MARAUDER DEVELOPMENT, LLC  
STATEMENTS OF OPERATIONS  
Years ended August 31, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>		
Rental revenues	\$ 3,486,069	\$ 2,617,110
Interest income	<u>33,364</u>	<u>26,019</u>
Total revenues	<u>3,519,433</u>	<u>2,643,129</u>
<b>EXPENSES</b>		
Management fees	244,025	183,197
Operating expenses	1,667,214	1,379,715
Depreciation and amortization expense	490,368	491,532
Interest expense	<u>532,919</u>	<u>594,796</u>
Total expenses	<u>2,934,526</u>	<u>2,649,240</u>
<b>Net income (loss)</b>	584,907	(6,111)
<b>Member's Capital - Beginning of year</b>	<u>1,616,387</u>	<u>1,622,498</u>
<b>Member's Capital - End of year</b>	<u>\$ 2,201,294</u>	<u>\$ 1,616,387</u>

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See accompanying notes to financial statements.

MARAUDER DEVELOPMENT, LLC  
 STATEMENTS OF CASH FLOWS  
 Years ended August 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>Cash Flows from Operating Activities</b>		
Net income (loss)	\$ 584,907	\$ (6,111)
Adjustments to reconcile net income (loss) to net cash from operating activities		
Depreciation	398,133	398,133
Amortization of issuance costs	92,235	96,398
Amortization of bond discount	14,837	15,143
Increase/decrease in assets/liabilities		
Prepaid expenses	4,867	(4,867)
Receivable from the University	(102,000)	763,200
Management fees payable	(181,722)	(36,757)
Trustee fees payable	2,700	-
Payable from the University	(163,733)	42,032
Accrued interest payable	<u>(28,746)</u>	<u>(21,141)</u>
Net cash provided by operating activities	621,478	1,243,030
 <b>Cash Flows from Financing Activities</b>		
Repayment of bonds payable	<u>(1,080,000)</u>	<u>(805,000)</u>
 <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(458,522)	438,030
 <b>Cash and Cash Equivalents - Beginning of year</b>	<u>4,462,964</u>	<u>4,024,934</u>
 <b>Cash and Cash Equivalents - End of year</b>	<u>\$ 4,004,442</u>	<u>\$ 4,462,964</u>
 <b>Supplemental disclosures of cash flow information</b>		
Cash paid during the year for interest	\$ 546,828	\$ 600,794

See accompanying notes to financial statements.

MARAUDER DEVELOPMENT, LLC  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

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**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, 2022 and 2021, amounts held in financial institutions that exceeded insured limits were approximately \$1,865,000 and \$1,912,000, 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, 2022 and 2021.

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, 2022 and 2021 was \$464,668 and \$556,903, respectively. Accumulated amortization at August 31, 2022 and 2021 was \$1,850,501 and \$1,758,265, respectively.

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MARAUDER DEVELOPMENT, LLC  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

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**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, 2022 and 2021, no amounts were paid for the years ended August 31, 2022 and 2021.

Management Fee: During 2022 and 2021, Marauder incurred a management fee of \$244,025 and \$183,197, respectively, to the University for administrative services.

Repair and Replacement Costs: During 2022 and 2021, Marauder incurred repair and replacement costs of \$736,774 and \$473,812, respectively, to the University.

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. As of August 31, 2022 and 2021, 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 September 7, 2023, the date the financial statements were issued. On September 1, 2022, \$270,000 of the 2002 Series Revenue Bonds were called and retired in addition to the \$335,000 scheduled to be retired on that date.

**NOTE 2 - RESTRICTED CASH AND CASH EQUIVALENTS**

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

	<u>2022</u>	<u>2021</u>
Debt interest account	\$ 298,610	\$ 307,538
Repair and replacement fund	227,897	807,791
Debt principal fund	731,089	695,018
Redemption fund	272,368	389,740
Debt reserve fund	<u>1,261,105</u>	<u>1,287,515</u>
Total restricted	<u>\$ 2,791,069</u>	<u>\$ 3,487,602</u>

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(Continued)

MARAUDER DEVELOPMENT, LLC  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**NOTE 3 – CAPITAL ASSETS**

Details of capital assets are summarized as follows:

	<u>2022</u>	<u>2021</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>(8,239,582)</u>	<u>(7,841,449)</u>
Net	<u>\$ 8,133,973</u>	<u>\$ 8,532,106</u>

Depreciation expense on property and equipment totaled \$398,133 for 2022 and \$398,133 for 2021.

**NOTE 4 – LONG-TERM DEBT**

For the year ended August 31, 2022, changes in debt consisted of the following:

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

For the year ended August 31, 2021, changes in debt consisted of the following:

	<u>Interest Rate</u>	<u>Maturity</u>	Balance September 1, <u>2020</u>	<u>Additions</u>	<u>Payments</u>	Balance August 31, <u>2021</u>
Revenue Bonds Series 2002	5.0%-5.625%	2029	\$ 3,369,093	\$ 5,464	\$ (445,000)	\$ 2,929,557
Revenue Bonds Series 2004	3.3%-5.1%	2035	<u>8,418,446</u>	<u>9,679</u>	<u>(360,000)</u>	<u>8,068,125</u>
Total			<u>\$ 11,787,539</u>	<u>\$ 15,143</u>	<u>\$ (805,000)</u>	10,997,682
Less current portion						(695,000)
Less unamortized financing costs						<u>(556,903)</u>
Long-term portion						<u>\$ 9,745,779</u>



MARAUDER DEVELOPMENT, LLC  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**NOTE 4 – LONG-TERM DEBT** (Continued)

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

Year Ending August 31,	Series 2002 Bonds		Series 2004 Bonds		Total
	Principal	Interest	Principal	Interest	
2023	\$ 335,000	\$ 114,053	\$ 395,000	\$ 385,150	\$ 1,229,203
2024	360,000	95,150	415,000	364,900	1,235,050
2025	380,000	74,800	435,000	343,650	1,233,450
2026	400,000	53,350	455,000	321,173	1,229,523
2027	420,000	30,800	480,000	297,330	1,228,130
2028-2032	350,000	9,625	2,795,000	1,083,112	4,237,737
2033-2036	-	-	2,795,000	293,633	3,088,633
Total	<u>\$ 2,245,000</u>	<u>\$ 377,778</u>	<u>\$ 7,770,000</u>	<u>\$ 3,088,948</u>	<u>\$ 13,481,726</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 \$14,846 and \$20,443 at August 31, 2022 and 2021, 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 \$335,000 on September 1, 2022, to \$350,000 on September 1, 2027, subject to prior mandatory sinking fund redemptions. During 2022, \$385,000 of bonds due on September 1, 2028 and September 1, 2027 were called and retired on September 1, 2021 in addition to the \$320,000 scheduled to be retired on September 1, 2021. During 2021, \$145,000 of bonds due on September 1, 2028 were called and retired on March 1, 2021 in addition to the \$300,000 scheduled to be retired on September 1, 2020. 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 the \$275,000 scheduled to be retired on September 1, 2018. During 2016, \$200,000 of bonds due on September 1, 2032 were called and retired in addition to \$545,000 scheduled to be retired on September 1, 2031 and \$105,000 of bonds due on September 1, 2030 were called 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 the \$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.

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 \$67,635 and \$76,875 at August 31, 2022 and 2021, 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 \$395,000 on September 1, 2022, 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, 2022 and 2021, Marauder Development, LLC is in compliance with these requirements.

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

Management and the Board of Trustees  
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'), a wholly owned subsidiary of Central State University Foundation,, which comprise the balance sheet as of August 31, 2022, 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.

### **Report on 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 certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be a material weakness.

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(Continued)

## Report on 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 is described in the accompanying schedule of findings and responses as item 2022-001.

## Marauder's Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the Marauder's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Marauder's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## Purpose of this Report

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

  
Crowe LLP

Columbus, Ohio  
September 7, 2023

MARAUDER DEVELOPMENT, LLC  
SCHEDULE OF FINDINGS AND RESPONSES  
August 31, 2022

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**FINDING 2022-001 – INTERNAL CONTROLS OVER FINANCIAL REPORTING**

Criteria:	Based on the Trust Indenture and Loan Agreement all gross receipts related to the ownership, operation or leasing of the Facility are to be deposited upon receipt into the accounts maintained by Marauder.
Condition:	Based on the schedule of the rent revenues, the total amount was not transferred into the Marauder account by Central State University (University). Additionally, other errors were identified within the schedule relating to students that were identified to be part of the Facility.
Context:	<p>The University pursuant to a management agreement in place during the fiscal year with Central State University Foundation (Foundation) was required to promptly deposit the total gross receipts into an account at US Bank. The schedule provided of gross receipts had a calculation error of \$102,000. The listing of rent roll for the Fall 2021 Semester for Foundation II housing had a formular error that omitted \$102,000 from the total.</p> <p>Testing of the students on the rent rolls related to the Fall 2021 and Spring 2022 semester for the Foundation I and II halls identified the following errors. As a result of the errors, the University transferred and excess of \$80,931 to the Marauder accounts.</p> <ul style="list-style-type: none"><li>• 27 students were included on rent rolls that did not live in the applicable halls.</li><li>• 2 students were charged \$24 less than the amount on the rent rolls.</li><li>• 1 student was charged \$72 less than the amount on the rent rolls.</li><li>• 1 student was charged \$96 more than the amount on the rent rolls.</li><li>• 1 student was charged \$45 less than the amount on the rent rolls.</li></ul>
Effect:	Revenue was understated and non-compliance with the Trust Indenture and Loan Agreement.
Cause:	Internal controls were not in place to verify the rent roll information was accurate and calculated correctly.
Repeat Finding:	No
Recommendation:	We recommend that rent information be reviewed and recalculated with the resulting amount of revenues related to the housing be transferred upon receipt as directed by the Trust Indenture and Loan Agreement.
Response:	The Foundation's management agrees with the finding and will recalculate the revenues related to the housing. Subsequently, after the review, the correct amounts will be transferred as per the Trust Indenture and the Loan Agreement.

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# OHIO AUDITOR OF STATE KEITH FABER



**CENTRAL STATE UNIVERSITY FOUNDATION - MARAUDER DEVELOPMENT, LLC**

**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 1/9/2024**

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](http://www.ohioauditor.gov)