

**KENNESAW STATE UNIVERSITY
RESEARCH AND SERVICE FOUNDATION, INC.**

FINANCIAL STATEMENTS AND COMPLIANCE

As of and for the Year Ended June 30, 2024

And Reports of Independent Auditor

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Report of Independent Auditor

To the Board of Directors
Kennesaw State University Research and Service Foundation, Inc.
Kennesaw, Georgia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Kennesaw State University Research and Service Foundation, Inc. (the "Foundation"), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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. 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 Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 generally accepted auditing standards 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 generally accepted auditing standards 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 the 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2025, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Augusta, Georgia
March 25, 2025

KENNESAW STATE UNIVERSITY RESEARCH AND SERVICE FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

ASSETS

Current Assets:

Cash	\$ 5,789,289
Investments	1,959,160
Grants receivable, net	<u>1,803,879</u>
Total Assets	<u>\$ 9,552,328</u>

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$ 4,344,612
Deferred revenue	<u>1,812,351</u>
Total Liabilities	<u>6,156,963</u>

NET ASSETS

Without donor restrictions	3,262,499
With donor restrictions	<u>132,866</u>
Total Net Assets	<u>3,395,365</u>
Total Liabilities and Net Assets	<u>\$ 9,552,328</u>

The accompanying notes to the financial statements are an integral part of these statements.

KENNESAW STATE UNIVERSITY RESEARCH AND SERVICE FOUNDATION, INC.
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:			
Sponsored research - grants	\$ 11,367,367	\$ 331,176	\$ 11,698,543
Program service revenue	2,309,570	5,375	2,314,945
Royalties	1,150,873	-	1,150,873
Contributed nonfinancial assets	425,706	-	425,706
Investment return, net	306,209	-	306,209
Other income	498,029	-	498,029
Net assets released from restrictions	437,028	(437,028)	-
Total Revenues and Other Support	16,494,782	(100,477)	16,394,305
Expenses:			
Program Services:			
Research grants, contracts, and other	14,459,965	-	14,459,965
Development of intellectual property	141,902	-	141,902
Total Program Services	14,601,867	-	14,601,867
Supporting Services:			
Management and general	450,699	-	450,699
Total Expenses	15,052,566	-	15,052,566
Change in net assets	1,442,216	(100,477)	1,341,739
Net assets, beginning of year	1,820,283	233,343	2,053,626
Net assets, end of year	\$ 3,262,499	\$ 132,866	\$ 3,395,365

The accompanying notes to the financial statements are an integral part of these statements.

KENNESAW STATE UNIVERSITY RESEARCH AND SERVICE FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	Program Services		Total Program Services	Supporting Services	Total
	Research Grants and Contracts	Development of Intellectual Property		Management and General	
Expenses:					
Advertising	\$ 3,427	\$ -	\$ 3,427	\$ -	\$ 3,427
Bank fees	-	-	-	1,640	1,640
Consultants and honorariums	34,500	-	34,500	10,300	44,800
Dues and subscriptions	12,764	-	12,764	5,423	18,187
Gifts and contributions	810	-	810	4,200	5,010
Management fee	7,587	-	7,587	-	7,587
Insurance	-	-	-	3,331	3,331
Legal and accounting	-	-	-	233,434	233,434
Materials and supplies	20,361	-	20,361	6,527	26,888
Meals and entertainment	32,732	-	32,732	22,967	55,699
Meetings	597	-	597	-	597
Miscellaneous	59,970	-	59,970	12,386	72,356
Postage	-	-	-	172	172
Registration fees	-	-	-	3,645	3,645
Rent	-	-	-	3,832	3,832
Grants and contracts subcontracted to					
Kennesaw State University	12,984,326	-	12,984,326	-	12,984,326
Donated salaries	141,902	141,902	283,804	141,902	425,706
Travel	-	-	-	940	940
Royalties	1,159,947	-	1,159,947	-	1,159,947
Noncapitalized equipment	1,042	-	1,042	-	1,042
Total Expenses	<u>\$ 14,459,965</u>	<u>\$ 141,902</u>	<u>\$ 14,601,867</u>	<u>\$ 450,699</u>	<u>\$ 15,052,566</u>

The accompanying notes to the financial statements are an integral part of these statements.

KENNESAW STATE UNIVERSITY RESEARCH AND SERVICE FOUNDATION, INC.
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2024

Cash flows from operating activities:

Change in net assets	\$ 1,341,739
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Change in operating assets and liabilities:	
Grants receivable	(776,872)
Prepaid expenses	53,038
Project advances	-
Accounts payable	1,836,165
Deferred revenue	210,159
Net cash flows from operating activities	<u>2,664,229</u>

Cash flows from investing activities:

Net purchase of investments	<u>(102,497)</u>
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Net change in cash	2,561,732
Cash, beginning of year	<u>3,227,557</u>
Cash, end of year	<u>\$ 5,789,289</u>

The accompanying notes to the financial statements are an integral part of these statements.

KENNESAW STATE UNIVERSITY RESEARCH AND SERVICE FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 1—Organization and summary of significant accounting policies

Kennesaw State University Research and Service Foundation, Inc. (the “Foundation”) was established and incorporated as a non-profit organization in the state of Georgia in August 2005 to contribute to the educational, research and service functions of Kennesaw State University (the “University”). The Foundation secures gifts, contributions, and grants from individuals, private organizations, and public agencies and obtains contracts with such individuals or entities for the performance of sponsored research, development, education, or other programs by the various colleges, schools, departments, or other units of the University. Research grants awarded to the Foundation are primarily subcontracted to the University. At June 30, 2024, there was \$4,169,806, due to the University related to research grants awarded recorded in accounts payable.

Basis of Presentation – The Foundation prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). This basis of accounting involves the application of accrual accounting; consequently, revenues are recognized when earned, and expenses are recognized when incurred.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash – The Foundation maintains cash balances at a high-quality financial institution. Cash balances are insured by the Federal Deposit Insurance Corporation (“FDIC”) for up to \$250,000. Cash balances often exceed the FDIC insurance limit; however, management does not believe it is exposed to significant credit risk on its account.

Fair Value of Financial Instruments – At June 30, 2024, the carrying value of financial instruments such as cash, grants receivable, and accounts payable approximated their fair values due to the short-term maturity of these financial instruments.

Grants Receivable, Net – Grants receivable represents amounts due to the Foundation for research and service from various funding sources. An allowance for uncollectible receivables is provided based on management’s evaluation of potential uncollectible amounts at year-end. As of June 30, 2024, the allowance for uncollectible grants receivables was zero.

Investments – The Foundation invests in Georgia Fund 1, an investment pool managed in trust by the Georgia Office of the State Treasurer. Georgia Fund 1 is managed to maintain a consistent net asset value equal to one dollar per share.

Net Assets – Revenues and other support are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor or grantor restrictions. At times, the governing board may review its financial standing and designate sums from net assets without donor restrictions for specific operating activities. At June 30, 2024, the governing board has not designated any net assets without donor restrictions for any other purposes.

Net Assets With Donor Restrictions – Net assets subject to donor or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

KENNESAW STATE UNIVERSITY RESEARCH AND SERVICE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 1—Organization and summary of significant accounting policies (continued)

Revenue Recognition – Contributions are recognized when a donor makes a promise to give to the Foundation that is, in substance, unconditional. Revenue from non-exchange transactions, contributions, and grants may be subject to conditions, in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments) and are included in contributions and grants on the accompanying statement of activities once all conditions have been met.

Contributions and grants are only reported as donor-restricted when the restriction is more specific than the broad limits resulting from the nature of the Foundation, the environment in which it operates, and the purposes specified in the Foundation's Articles of Incorporation and Bylaws.

Revenue from sponsored research is recognized as expenditures are made for approved research activities, or the Foundation has been notified of approved research activities related to the funds received and all eligibility requirements have been met.

Deferred revenue represents funds received from grants and research and service agreements prior to the Foundation incurring related costs or prior to the Foundation overcoming the purpose or time restrictions.

Income Tax – The Foundation is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (the "IRC") and is classified as an organization which is not a private foundation under Section 509(a) of the IRC.

The Foundation accounts for uncertain tax positions in accordance with accounting standards that provide guidance on when uncertain tax positions are recognized in an entity's financial statements and how the values of these positions are determined. No liability has been recorded as of June 30, 2023 due to uncertain tax positions.

Contributed Nonfinancial Assets – The Foundation records contributed nonfinancial assets at their estimated fair value on the date of receipt and reported as expense when utilized. The Foundation receives services, space, equipment, and other nonfinancial items from the University without payment or compensation. When the value of such services and support is ascertainable and meets the criteria for recognition, it is recognized in the accompanying financial statements as revenue and expense at the estimated fair value on the date of donation.

Functional Allocation of Expenses – The cost of providing various programs and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include donated salaries and professional services, which are allocated on the basis of estimates of time and effort.

KENNESAW STATE UNIVERSITY RESEARCH AND SERVICE FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 2—Liquidity and availability of resources

Financial assets available for general expenditure of resources, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30, 2024:

Cash	\$ 5,789,289
Investments	1,959,160
Grants receivable, net	<u>1,803,879</u>
	9,552,328
Less net assets with donor restrictions	<u>(132,866)</u>
Financial assets available for general expenditures	<u>\$ 9,419,462</u>

The Foundation maintains all cash balances, including amounts in excess of daily requirements, in deposit accounts at major financial institutions and in an investment fund managed in trust by the Office of the State Treasurer.

Note 3—Fair value measurements

U.S. GAAP has established a framework for measuring fair value that provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Net Asset Value ("NAV") – Valued at NAV of shares on the last trading day of the fiscal year, which is the basis for transactions at that date.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value on a recurring basis:

Investments in Georgia Fund 1 – Valued at the net asset value of shares held by the Foundation at year-end.

KENNESAW STATE UNIVERSITY RESEARCH AND SERVICE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 3—Fair value measurements (continued)

The preceding method described may produce a valuation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes the valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different valuation at the reporting date.

The Foundation adopted the provisions of ASU 2009-12, *Investments in Certain Entities that Calculate Net Asset Value per Share*, for certain investments in funds that do not have readily determinable fair values. The guidance allows for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value to use net asset value per share or its equivalent. NAV, in many instances, may not equal fair value that would be calculated under the standards.

The fair values of the Foundation's investment assets at June 30, 2024 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
Georgia Fund 1	\$ -	\$ -	\$ -	\$ 1,959,160	\$ 1,959,160

There were no unfunded commitments or specified redemption periods as of June 30, 2024.

Note 4—Net assets with donor restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2024.

Net assets with donor restrictions as of June 30, 2024 are restricted for the following purpose:

Subject to expenditure for specified purpose:

Research agreements	\$ 132,866
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Note 5—Net assets released from restrictions

Net assets were released from restrictions during the year ended June 30, 2024 by incurring expenses satisfying the restricted purpose of research and service as specified by donors and grantors. Net assets released from restrictions totaled \$437,028 for the year ended June 30, 2024.

Note 6—Contributed nonfinancial assets

The Foundation received the following contributions of nonfinancial assets for the year ended June 30, 2024:

<u>Nonfinancial Contributions Category</u>	<u>Types of Contributions</u>	<u>Report Classification</u>	<u>Amount</u>
Donated salaries	Salaries	Contributed nonfinancial assets	\$ 425,706

These contributions are valued at their estimated fair value on the date of contribution and the University placed no restrictions on these contributions.

KENNESAW STATE UNIVERSITY RESEARCH AND SERVICE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 7—Commitments

Grants often require fulfillment of certain conditions as set forth in the grant agreement. Failure to fulfill the conditions could result in the return of the funds to the grantor. Although the return of funds is a possibility, the Foundation deems the contingency unlikely as the Foundation has implicitly agreed to comply with the provisions of each grant received.

The Foundation may be party to legal proceedings and claims that arise in the ordinary course of business. In the opinion of management, the ultimate outcome of the claims and litigation, if any, will not have a material adverse effect on the Foundation's financial position.

Note 8—Subsequent events

Management has evaluated events occurring through March 25, 2025, the date the financial statements were available to be issued.

COMPLIANCE SECTION

**Report of Independent Auditor 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 the Board of Directors
Kennesaw State University Research and Service Foundation, Inc.
Kennesaw, Georgia

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 Kennesaw State University Research and Service Foundation, Inc. (a nonprofit organization) (the "Foundation"), which comprise the statement of financial position as of June 30, 2024, and the related 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 March 25, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

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

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's 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 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*.

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

Cherry Bekaert LLP

Augusta, Georgia
March 25, 2025

Report of Independent Auditor on Compliance for the Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
Kennesaw State University Research and Service Foundation, Inc.
Kennesaw, Georgia

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Kennesaw State University Research and Service Foundation, Inc.'s (the "Foundation") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Foundation's major federal program for the year ended June 30, 2024. The Foundation's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Foundation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Foundation's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Foundation's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Foundation's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Augusta, Georgia
March 25, 2025

KENNESAW STATE UNIVERSITY RESEARCH AND SERVICE FOUNDATION, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

Cluster/ Agency Program	Project Name	Identifying Number	ALN #	Total Federal Expenditures	Amount Provided to Subrecipients
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
AmeriCorps Volunteers in Service to America Direct Awards	KSURSF/CNCS/AmeriCorpsVISTA	431631	94.013	\$ 21,739	\$ 21,739
			Total ALN #94.013	21,739	21,739
		Total Corporation for National and Community Service		21,739	21,739
HIGHWAY SAFETY CLUSTER					
DEPARTMENT OF TRANSPORTATION					
State and Community Highway Safety Direct Awards	KSURSF/GOHS/YAKSU FY22	431628 / 687 / 735	20.600	17,537	16,388
Pass-through from:					
NHTSA/Governor's Office of Highway Safety	KSURSF/NHTSA/GOHS	431518 / 431547	20.600	7,310	7,310
BOR/UGA/Fed Highway Administration	KSURSF/BOR/UGA/NHTSA	431705	20.600	34,188	31,949
			Total ALN #20.600	59,035	55,647
		Total Department of Transportation		59,035	55,647
		Total Highway Safety Cluster		59,035	55,647
RESEARCH & DEVELOPMENT CLUSTER					
DEPARTMENT OF AGRICULTURE					
Specialty Crop Block Grant Program - Farm Bill Direct Awards	KSURSF/USDA/PSCE-MUSHROOM	431626	10.170	11,174	11,174
			Total ALN #10.170	11,174	11,174
Sustainable Agriculture Research and Education Pass-through from:					
University of Georgia Research Foundation, Inc.	KSURSF/UGARF/SARE	431762	10.215	4,912	4,800
			Total ALN #10.215	4,912	4,800
Agriculture and Food Research Initiative (AFRI) Pass-through from:					
Bowling Green State University	KSURSF/USDANIFA/BGSU-PollIntn	431583	10.310	6,066	5,773
			Total ALN #10.310	6,066	5,773
National Fish and Wildlife Foundation Pass-through from:					
Texas Parks & Wildlife Department	KSURSF/NFWF-TPWD/TricoloredBat	431541	10.683	672	672
			Total ALN #10.683	672	672
		Total Department of Agriculture		22,824	22,419
DEPARTMENT OF DEFENSE					
Military Medical Research and Development Direct Awards	KSURSF/UTHSCSA/MilitaryTrainee	431608	12.420	857	857
			Total ALN #12.420	857	857
Basic Scientific Research Direct Awards	KSURSF/Army/CognitiveProcesses	431578 / 431739	12.431	113,841	107,949
			Total ALN #12.431	113,841	107,949
Basic, Applied, and Advanced Research in Science and Engineering Pass-through from:					
Florida Institute of Technology	KSURSF/FIT/Dept	431689	12.630	8,269	7,727
			Total ALN #12.630	8,269	7,727
Information Security Grants Direct Awards	KSURSF/NSA/DODCySP2021	431666	12.902	49,199	49,199
			Total ALN #12.902	49,199	49,199
GenCyber Grants Program Direct Awards	KSURSF/NSA/Gencyber 2022-24	431658 / 431659	12.903	132,168	123,511
			Total ALN #12.903	132,168	123,511
CyberSecurity Core Curriculum Direct Awards	KSURSF/NSA/Towson/QUARCEL	431691	12.905	45,697	42,704
Pass-through from:					
Towson University	KSURSF/Towson/LearningModules	431690	12.905	46,738	43,677
University of Louisville Research Foundation, Inc.	KSURSF/ULRF/NSA/HealthcareCybe	431680	12.905	57,904	54,519
			Total ALN #12.905	150,339	140,900
		Total Department of Defense		454,673	430,143

KENNESAW STATE UNIVERSITY RESEARCH AND SERVICE FOUNDATION, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2024

Cluster/ Agency Program	Project Name	Identifying Number	ALN #	Total Federal Expenditures	Amount Provided to Subrecipients
DEPARTMENT OF THE INTERIOR					
State Wildlife Grants					
Pass-through from:					
Clemson University	KSU/Clemson/Dept	431745	15.634	6,781	6,529
			Total ALN #15.634	6,781	6,529
Endangered Species Recovery Implementation					
Direct Awards	KSURSF/NFWF/TestVOCsWNS.66731	431580 / 431698	15.657	29,394	28,325
			Total ALN #15.657	29,394	28,325
Candidate Species Conservation					
Direct Awards	KSURSF/USFWS/Chamberlaini	431662	15.660	31,786	30,602
Pass-through from:					
Juniata College/NSF	KSURSF/JUNIATA/NSF-RCN-UBE	431668	15.660	9,597	8,968
			Total ALN #15.660	41,383	39,570
			Total Department of the Interior	77,558	74,424
DEPARTMENT OF JUSTICE					
National Institute of Justice Research, Evaluation, and Development Project Grants					
Pass-through from:					
University of Central Missouri		431707	16.560	21,465	20,060
			Total ALN #16.560	21,465	20,060
			Total Department of the Justice	21,465	20,060
DEPARTMENT OF STATE					
Academic Exchange Programs - Undergraduate Programs					
Pass-through from:					
University of Nebraska at Omaha		431546	19.009	4,549	4,549
			Total ALN #19.009	4,549	4,549
			Total Department of State	4,549	4,549
DEPARTMENT OF TRANSPORTATION					
Highway Planning and Construction					
Pass-through from:					
Georgia Department of Transportation (GDOT)		431753	20.205	45,890	42,384
			Total ALN #20.205	45,890	42,384
			Total Department of Transportation	45,890	42,384
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION					
Sea Grant Collage Program Institutional Plan Omnibus Proposal					
Pass-through from:					
University of Puerto Rico		431670	11.417	37,936	36,701
University of Georgia Research Foundation		431733	11.417	1,930	1,782
			Total ALN #11.417	39,866	38,483
			Total Oceanic and Atmospheric Administration	39,866	38,483
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
Office of Stem Engagement (OSTEM)					
Pass-through from:					
GA Tech/NASA	KSURSF/GT/NASA-FY21-STEMenrich	431592	43.008	3,896	2,833
GA Tech_NASA	KSURSF/GT/NASA-FY21-Leadership	431591	43.008	8,823	8,191
			Total ALN #43.008	12,719	11,024
			Total National Aeronautics and Space Administration	12,719	11,024
NATIONAL ENDOWMENT FOR THE HUMANITIES					
Promotion of the Humanities Division of Preservation and Access					
Direct Awards	KSURSF/NEH/Mountains Metropoli	431686	45.149	11,505	10,752
			Total ALN #45.149	11,505	10,752
Promotion of the Humanities Fellowships and Stipends					
Direct Awards	KSURSF/NEH/NATURALHISTORY	431708	45.160	3,829	3,829
			Total ALN #45.160	3,829	3,829
			Total National Endowment for the Humanities	15,334	14,581
NATIONAL SCIENCE FOUNDATION					
Engineering					
Direct Awards	KSURSF/NSF	431621 / 684 / 714 / 725 / 736 / 752	47.041	251,030	233,470
			Total ALN #47.041	251,030	233,470
Mathematical and Physical Sciences					
Direct Awards	KSURSF/NSF/Collaborative-AMPS	431667 / 660 / 571 / 656 / 643 / 543 / 622 / 657 / 650 / 617 / 718	47.049	575,942	539,456
			Total ALN #47.049	575,942	539,456
Geosciences					
Pass-through from:					
University of Connecticut		431709	47.050	50,264	48,606
			Total ALN #47.050	50,264	48,606
Computer and Information Science and Engineering					
Direct Awards	KSURSF/NSF/RethinkVirtualizat	431655 / 609 / 613 / 673 / 641 / 696 / 590 / 474 / 630 / 744	47.070	810,381	785,460
			Total ALN #47.070	810,381	785,460

KENNESAW STATE UNIVERSITY RESEARCH AND SERVICE FOUNDATION, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2024

Cluster/ Agency	Program	Project Name	Identifying Number	ALN #	Total Federal Expenditures	Amount Provided to Subrecipients
	Biological Sciences					
	Direct Awards	KSURSF/NSF/TranscriptFact21-24	431606 / 611 / 661 / 615 / 597	47.074	317,113	301,241
	Pass-through from:					
	University of North Carolina at Asheville		431700	47.074	11,965	11,182
				Total ALN #47.074	329,078	312,423
	Social, Behavioral, and Economic Sciences					
	Direct Awards	KSURSF/UCF/ERAC-DP	431653 / 711	47.075	119,255	111,445
				Total ALN #47.075	119,255	111,445
	STEM Education (formerly Education and Human Resources)					
	Direct Awards	KSURSF/NSF/ChemistryModeling	431259 / 317 / 319 / 442 / 544 / 569 / 585 / 618 / 645 / 647 / 648 / 654 / 693 / 712 / 723 / 726 / 729 / 730 / 750	47.076	748,492	720,335
	Pass-through from:					
	University of Nebraska-Lincoln	KSURSF/UN-LINCOLN/ACT-UP-MATH	431669	47.076	9,529	8,905
	University of Georgia	KSURSF/UGA/LSAMP FY23	431685	47.076	51,122	50,237
	University of Georgia	KSURSF/NSF-UGA	431442	47.076	882	882
				Total ALN #47.076	810,025	780,359
	Polar Programs					
	Direct Awards	KSURSF/NSF/CLIMATECHANGE	431692	47.078	75,020	71,011
				Total ALN #47.078	75,020	71,011
	Office of Cyberinfrastructure					
	Pass-through from:					
	North Carolina Agricultural & Tech State Univ		431732	47.080	12,355	11,411
				Total ALN #47.080	12,355	11,411
				Total National Science Foundation	3,033,350	2,893,641
	ENVIRONMENTAL PROTECTION AGENCY					
	Environmental Education Grants Program					
	Direct Awards		431720	66.951	784	732
				Total ALN #66.951	784	732
	DEPARTMENT OF ENERGY					
	Office of Science Financial Assistance Program					
	Direct Awards	KSURSF/DOE/HYBRID-NETWORKS	431625	81.049	17,458	15,903
				Total ALN #81.049	17,458	15,903
	Technical Assistance					
	Pass-through from:					
	LBNL-University of California	KSURSF/DOE-LBNL/Geo-Economics	431560	81.000	112,791	106,382
				Total ALN #81.000	112,791	106,382
	Energy Efficiency and Renewable Energy Information					
	Dissemination, Outreach, Training and Technical Assistance					
	Direct Awards	KSURSF/NSF/OrdHyperLoss	431638 / 758	81.117	312,598	299,483
				Total ALN #81.117	312,598	299,483
	Total Department of Energy				442,847	421,768
	DEPARTMENT OF EDUCATION					
	Javits Gifted and Talented Students Education					
	Pass-through from:					
	Eastern Michigan University	KSURSF/EMU/MATTEROFEQUITY	431677	84.206A	3,312	3,203
				Total ALN #84.206A	3,312	3,203
	Gaining Early Awareness and Readiness for Undergraduate Programs					
	Direct Awards	KSURSF/GATECH/GearUp	431448	84.334	15,405	15,330
				Total ALN #84.334	15,405	15,330
	Total Department of Education				18,717	18,533
	DEPARTMENT OF HEALTH AND HUMAN SERVICES					
	Oral Diseases and Disorders Research					
	Direct Awards	KSURSF/NIH/RemovingBarriersSup	431683 / 682 / 637	93.121	348,133	329,648
				Total ALN #93.121	348,133	329,648
	Injury Prevention and Control Research and State and Community Based Programs					
	Pass-through from:					
	Georgia State University	KSURSF/GSU/SUSI-SexViolence	431595	93.136	6,143	6,143
				Total ALN #93.136	6,143	6,143
	Mental Health Research Grants					
	Direct Awards	KSURSF/NIH/PTSD	431588 / 635	93.242	590,704	576,514
				Total ALN #93.242	590,704	576,514
	Substance Abuse and Mental Health Services Projects of Regional and National Significance					
	Direct Awards	KSURF/SAMHSA/MEDIOPIODDIS	431674	93.243	170,340	168,655
	Pass-through from:					
	Georgia State University	KSURSF/GSU/NATLCTRONCHLDRFK	431697 / 703	93.243	151,055	149,470
				Total ALN #93.243	321,395	318,125
	Discovery and Applied Research for Technological Innovations to Improve Human Health					
	Direct Awards	KSURSF/NIH/CPPA	431537 / 688 / 644 / 706 / 728	93.286	206,678	195,174
				Total ALN #93.286	206,678	195,174

KENNESAW STATE UNIVERSITY RESEARCH AND SERVICE FOUNDATION, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2024

Cluster/ Agency	Program	Project Name	Identifying Number	ALN #	Total Federal Expenditures	Amount Provided to Subrecipients
	Chafee Education and Training Vouchers Program (ETV)					
	Direct Awards	KSURSF/NIH/SPAD	431607 / 742	93.310	284,800	284,990
				Total ALN #93.310	284,800	284,990
	Temporary Assistance for Needy Families					
	Pass-through from:					
	Criminal Justice Coordinating Council (CJCC)	KSURSF/CJCC/SAFE Center	431749	93.558	15,645	15,290
				Total ALN #93.558	15,645	15,290
	Foster Care Title IV-E					
	Pass-through from:					
	Georgia State University	42700-040-0000106788	431671 / 431722	93.658	111,973	111,973
				Total ALN #93.658	111,973	111,973
	Mental and Behavioral Health Education and Training Grants					
	Direct Awards	KSURSF/HRSA/CEBBH	431623	93.732	230,539	229,064
				Total ALN #93.732	230,539	229,064
	Cardiovascular Diseases Research					
	Direct awards	KSURSF/NIH/Akirin/NuRDInter	431676	93.837	53,784	50,261
				Total ALN #93.837	53,784	50,261
	Allergy and Infectious Diseases Research					
	Direct awards	KSURSF/NIH/PARALOGS	431672 / 605	93.855	463,538	448,860
				Total ALN #93.855	463,538	448,860
	Biomedical Research and Research Training					
	Direct Awards	KSURSF/NIH/CRISPR	431513 / 633 / 642 / 575 / 646 / 716 / 717 / 721 / 740	93.859	488,720	472,993
	Pass-through from:					
	Ubitrix	KSURSF/NIH/mHealthAppSecurity	431629	93.859	4,725	4,416
				Total ALN #93.859	493,445	477,409
	Child Health and Human Development Extramural Research					
	Direct Awards	KSURSF/EMORY/PostpartumFamPlan	431570 / 715 / 719	93.865	289,093	280,372
				Total ALN #93.865	289,093	280,372
	Aging Research					
	Direct Awards	KSURSF/NIH/HITCircuitTraining	431616 / 713	93.866	107,542	100,497
				Total ALN #93.866	107,542	100,497
				Total Department of Health and Human Services	3,523,412	3,404,320
	DEPARTMENT OF HOMELAND SECURITY					
	Centers for Homeland Security					
	Pass-through from:					
	University of Nebraska	NATIONAL COKSURSF/UNIVNEBRASKA/NCITEUNTERTERI	431694	97.061	48,965	45,758
				Total ALN #97.061	48,965	45,758
				Total Department of Homeland Security	48,965	45,758
	DEPARTMENT OF VETERANS AFFAIRS					
	Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program					
	Direct	KSURSF/GDVS/SUICIDEREDUCTION	431679 / 695	64.055	672,683	630,527
	Pass-through from:					
	Highlands Rivers Behavioral Health	KSURSF/HIGHLAND/CHEROKEE	431741	64.055	734	734
				Total ALN #64.055	673,417	631,261
				Total Department of Veterans Affairs	673,417	631,261
				Total Research & Development Cluster	8,436,370	8,074,080
	STUDENT FINANCIAL AID CLUSTER					
	DEPARTMENT OF HEALTH AND HUMAN SERVICES					
	Nurse Faculty Loan Program (NFLP)					
	Direct Awards	KSURSF/HRSA/FY20	431542	93.264	3,043	3,043
				Total ALN #93.264	3,043	3,043
				Total Student Financial Aid Cluster	3,043	3,043
	TRIO CLUSTER					
	DEPARTMENT OF EDUCATION					
	TRIO Upward Bound					
	Direct Awards	KSURSF/DOE/EastPaulding	431482	84.047	683	683
		KSURSF/DOE/HIRAMUPBOUND	431665	84.047	386,433	379,908
		KSURSF/DOE/HiramHigh	431468	84.047A	583	583
		KSURSF/DOE/ROCKMART-CEDARTOWN	431663	84.047A	309,438	304,587
		KSURSF/DOE/EASTPAULDINGUPBOUND	431675	84.047A	282,092	277,868
				Total ALN #84.047	979,229	963,429
				Total TRIO Cluster	979,229	963,429
	DEPARTMENT OF EDUCATION					
	Education Stabilization Funds					
	COVID-19 American Rescue Plan Elementary and Secondary Emergency Relief Fund					
	Direct Awards	KSURSF/DOE/EASTPAULDINGUPBOUND	431652	84.425U	230,156	226,382
				Total Department of Education	230,156	226,382
				Total Schedule of Expenditures of Federal Awards	\$ 9,729,572	\$ 9,344,320

KENNESAW STATE UNIVERSITY RESEARCH AND SERVICE FOUNDATION, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

Note 1—Basis of presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Kennesaw State University Research and Service Foundation, Inc. (the "Foundation") under programs of the federal government for the year ended June 30, 2024 and is presented on the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Foundation, it is not intended to, and does not, present the financial position, changes in its net assets, or cash flows of the Foundation.

Note 2—Summary of significant accounting policies

Basis of Accounting – Expenditures reported on the Schedule are prepared on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Negative Expenditures – Negative expenditures reported in the Schedule may be the result of a correction of an expenditure which was originally posted in a prior fiscal year, such as the recording of a refund for goods or services not received. Although the current expenditures on a grant may be negative, the total of all expenditures on the grant is expected to be positive over its entire period of performance.

Note 3—Assistance listing numbers

All programs included in the Schedule are presented by Federal agency and major subdivision within the Federal agency. Pass-through awards have been presented by pass-through entity and Federal identification number or pass-through entity identification number, when available.

Note 4—Indirect cost rate

The Foundation has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

Note 5—Noncash awards

The Foundation did not receive any material noncash federal awards during the year ended June 30, 2024.

Note 6—Contingencies

These award programs are subject to financial and compliance audits by grantor agencies. The amount, if any, of expenditures that may be disallowed by the grantor agencies cannot be determined at this time, although the Foundation expects such amounts, if any, to be immaterial.

Note 7—Subrecipient

The Foundation provided all federal awards, net of a portion of the indirect costs retained by the Foundation, to Kennesaw State University as a subrecipient.

KENNESAW STATE UNIVERSITY RESEARCH AND SERVICE FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2024

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the
financial statements were prepared in
accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness identified? ☐ yes ☒ no
- Significant deficiencies identified that are
not considered to be material weaknesses ☐ yes ☒ none reported

Noncompliance material to financial statements noted ☐ yes ☒ no

Federal Awards

Internal control over major federal programs:

- Material weakness identified? ☐ yes ☒ no
- Significant deficiencies identified that are
not considered to be material weaknesses ☐ yes ☒ none reported

Noncompliance material to federal awards ☐ yes ☒ no

Type of auditor's report issued on compliance for
the major federal program:

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with 2 CFR 200.516(a)? ☐ yes ☒ no

Identification of the major federal program:

**Assistance
Listing #**

Various (listed by ALN number on
the Schedule)

Program Name

Research and Development Cluster

Dollar threshold used to distinguish between
Type A and Type B Programs

\$ 750,000

Auditee qualified as low-risk auditee? ☐ yes ☒ no

KENNESAW STATE UNIVERSITY RESEARCH AND SERVICE FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2024

Section II. Findings in Relation to the Audit of the Financial Statements

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

Section III. Federal Awards Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major federal programs, as required to be reported by 2 CFR 200.516(a).

There were no findings required to be reported by 2 CFR 200.516(a).

KENNESAW STATE UNIVERSITY RESEARCH AND SERVICE FOUNDATION, INC.
SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2024

Finding 2023-001 Year-end Closing Process

Condition: The year-end closing process for the year ended June 30, 2023, extended over a period of time because monthly procedures were not performed during the fiscal year as it pertains to proper classification of net assets and accounting for proper revenue recognition resulting in a restatement of opening net assets, an overstatement of revenue and understatement of deferred revenue.

Current Status: The finding has been resolved.