

**CENTENNIAL FALCON PROPERTIES, INC.
AND SUBSIDIARIES
(A NOT-FOR-PROFIT CORPORATION)**

**WOOD COUNTY
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025**



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Columbus, Ohio 43215
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Board of Directors
Centennial Falcon Properties, Inc. and Subsidiaries
1851 N Research Drive
Bowling Green, Ohio 43403

We have reviewed the *Independent Auditor's Report* of the Centennial Falcon Properties, Inc. and Subsidiaries, Wood County, prepared by Forvis Mazars, LLP, for the audit period July 1, 2024 through June 30, 2025. 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 Centennial Falcon Properties, Inc. and Subsidiaries is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

January 29, 2026

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Centennial Falcon Properties, Inc.

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Independent Auditor's Report

Board of Directors
Centennial Falcon Properties, Inc. and Subsidiaries
Bowling Green, Ohio

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Centennial Falcon Properties, Inc. and Subsidiaries, a component unit of Bowling Green State University, which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Centennial Falcon Properties, Inc. and Subsidiaries as of June 30, 2025, 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are required to be independent of Centennial Falcon Properties, Inc. and Subsidiaries and to meet our other ethical responsibilities, in accordance with the 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 audit opinion.

Responsibilities of Management for the Consolidated 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 Centennial Falcon Properties, Inc. and Subsidiaries' ability to continue as a going concern within one year after the date that these consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated 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 Centennial Falcon Properties, Inc. and Subsidiaries' 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 Centennial Falcon Properties, Inc. and Subsidiaries' 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 11, 2025, on our consideration of Centennial Falcon Properties, Inc. and Subsidiaries' 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 Centennial Falcon Properties, Inc. and Subsidiaries' 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 Centennial Falcon Properties, Inc. and Subsidiaries' internal control over financial reporting and compliance.

Forvis Mazars, LLP

Cincinnati, Ohio
September 11, 2025

Centennial Falcon Properties, Inc. and Subsidiaries

Consolidated Statement of Financial Position

June 30, 2025

Assets

Current assets:

Cash and cash equivalents	\$ 622,340
Funds held by Bowling Green State University	21,557
Total current assets	<u>643,897</u>

Other assets:

Capital assets, net	12,839,943
Total other assets	<u>12,839,943</u>
Total assets	<u><u>\$ 13,483,840</u></u>

Liabilities and net assets

Current liabilities:

Construction funding payable – current portion	\$ 596,800
Total current liabilities	<u>596,800</u>

Long-term liabilities:

Construction funding payable – net of current portion	7,570,218
Total long-term liabilities	<u>7,570,218</u>

Total liabilities	8,167,018
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Net assets:

Without donor restriction	5,316,822
Total liabilities and net assets	<u><u>\$ 13,483,840</u></u>

See accompanying notes.

Centennial Falcon Properties, Inc. and Subsidiaries

Consolidated Statement of Activities and Changes in Net Assets

Year Ended June 30, 2025

Operating revenues:	
In-kind support from Bowling Green State University	\$ 6,812
Total operating revenues	<u>6,812</u>
Operating expenses:	
Administrative	38,480
Depreciation	<u>683,188</u>
Total operating expenses	<u>721,668</u>
Operating loss	(714,856)
Nonoperating revenue:	
Investment income, net	5,530
Contribution from Bowling Green State University	1,000,000
In-kind support from Bowling Green State University	<u>596,800</u>
Net nonoperating revenue	<u>1,602,330</u>
Change in net assets	887,474
Net assets:	
Net assets at the beginning of year - without donor restriction	<u>4,429,348</u>
Net assets at the end of year - without donor restriction	<u>\$ 5,316,822</u>

See accompanying notes.

Centennial Falcon Properties, Inc. and Subsidiaries

Consolidated Statement of Cash Flows

Year Ended June 30, 2025

Cash flows from operating activities:	
Change in net assets	\$ 887,474
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Contribution received from Bowling Green State University	(1,000,000)
In-kind contribution	(596,800)
Depreciation	683,188
Net cash used in operating activities	<u>(26,138)</u>
Cash flows from investing activities:	
Purchases of capital assets	(885,136)
Net cash used in investing activities	<u>(885,136)</u>
Cash flows from financing activities:	
Contribution received from Bowling Green State University	1,000,000
Net cash provided by financing activities	<u>1,000,000</u>
Net increase in cash and cash equivalents	88,726
Cash and cash equivalents at beginning of year	555,171
Cash and cash equivalents at end of year	<u>\$ 643,897</u>
Classification of cash and cash equivalents:	
Cash and cash equivalents	\$ 622,340
Funds held by Bowling Green State University	21,557
Total cash and cash equivalents	<u>\$ 643,897</u>
Supplemental disclosures of noncash information:	
In-kind support from Bowling Green State University:	
Operating support	\$ 6,812
Reduction in construction funding payable	596,800
Total in-kind support from Bowling Green State University	<u>\$ 603,612</u>
Noncash transfer from deposits to capital assets	<u>\$ 15,000</u>

See accompanying notes.

Centennial Falcon Properties, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies

Nature of Operations

Centennial Falcon Properties, Inc. (the “Corporation”) and Subsidiaries were organized for the benefit of Bowling Green State University (the “University”) for various purposes, which include acquiring, developing, and maintaining property to be used for charitable, scientific, and educational purposes.

Reporting Entity

The Corporation is a legally separate entity, that is a blended component unit of the University, formed in 2010 as a nonprofit corporation under the laws of the State of Ohio and determined by the Internal Revenue Service to be exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Corporation is further classified as a Type 2 supporting organization under Section 509(a)(3). To ensure the Corporation works in harmony with the University’s priorities, the board of directors of the Corporation is composed of four members of the University’s cabinet and a member from Bowling Green State University’s Foundation board.

The Corporation is the sole member of CFP I LLC (CFP I). CFP I is a nonprofit single-member limited liability company formed in 2010 under the laws of the State of Ohio. On June 9, 2010, the City of Bowling Green, Ohio issued \$81,610,000 Student Housing Revenue Bonds (Series 2010 Bonds) and loaned the proceeds of the Series 2010 Bonds to CFP I for the purpose of providing funds to finance the cost of acquiring, constructing, furnishing, and equipping an approximately 1,318-bed, two-building student housing facility (the Series 2010 Project). CFP I has had no assets other than the Series 2010 Project. Interest rates ranged from 3.0 percent to 6.0 percent over the scheduled redemption period of December 1, 2011 to June 1, 2045.

On May 3, 2010, CFP I entered into a Development Agreement with Capstone Development Corporation (the “Developer”) for the design, construction, and equipping of the Series 2010 Project to serve as residential housing for students at the University. The Developer completed the Series 2010 Project for occupancy in August 2011. In addition, CFP I and the University entered into a Management Agreement with Capstone On-Campus Management, LLC to manage, operate, and maintain the Series 2010 Project. This Management Agreement was effective July 1, 2011. The Series 2010 Project was completed, and a permanent occupancy permit was granted on August 1, 2011. The two-building housing facilities, Falcon Heights and Centennial Hall, were opened on August 19, 2011.

On August 10, 2017, Bowling Green State University issued \$73,560,000 of General Receipts Bonds, Series 2017B (the “Bonds”). Proceeds from the Bonds, together with certain debt service reserve funds, were used to acquire United States Treasury Obligations to establish a cash deposit to provide funds to advance refund serial bonds held by CFP I, LLC maturing on June 1, 2020 and term bonds due on June 1, 2019, June 1, 2031, and June 1, 2045 of the City of Bowling Green,

Centennial Falcon Properties, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies (continued)

Ohio's Student Housing Revenue Bonds, (CFP I LLC - Bowling Green State University Project), Series 2010 dated June 16, 2010. As a result of the transaction, the University acquired the student housing facilities and their contents known as Falcon Heights and Centennial Hall as well as any remaining assets such as excess cash or investments that arose as a result of operations or as a result of University capital at the inception of the project from CFP I, LLC. The University recorded the net book value of the student housing facilities of approximately \$55 million and also approximately \$13 million of remaining assets. As a result of the advance refunding of the Series 2010 bonds, CFP I recorded a loss on extinguishment of debt of approximately \$12 million on August 10, 2017. CFP I has not been liquidated as of June 30, 2025.

The Corporation is also the sole member of CFP II LLC (CFP II). CFP II is a nonprofit single-member limited liability company formed in 2010 under the laws of the State of Ohio. On January 31, 2011, CFP II entered into a Project Agreement with Compass Group USA Inc., Chartwells Division (Chartwells). Chartwells was engaged to design, finance, construct, and equip a full-service dining facility on the main campus of the University, known as The Oaks dining facility (The Oaks). The Oaks replaced the existing McDonald Hall dining facility.

Pursuant to an Amended and Restated Food Service Agreement dated June 25, 2010 (the "Management Agreement") by and between Chartwells and the University, Chartwells has provided funds for The Oaks in the amount of \$10,350,000. The Corporation has provided funds of approximately \$23,000 and CFP II has provided funds of approximately \$1,125,000.

The Corporation is also the sole member of CFP III LLC (CFP III). CFP III is a nonprofit single-member limited liability company formed in 2010 under the laws of the State of Ohio. On May 12, 2011, CFP III entered into a Development Agreement with Capstone Development for the design, construction, and equipping of a full-service dining facility on the main campus of the University, known as Carillon Place dining facility (Carillon). Carillon replaced the existing Commons Dining facility.

On March 31, 2011, CFP III entered into a funding agreement with the manager of The Oaks and Chartwells. Pursuant to an Amended and Restated Food Service Agreement dated June 25, 2010 (the "Management Agreement") by and between Chartwells and the University, Chartwells has provided funds for the project in the amount of \$6,062,000. The Corporation provided funds of approximately \$707,000, and CFP III provided funds of approximately \$1,973,000.

Chartwells funded a total of \$1,588,000 of minor construction upgrades and modernization of food service venues intended to be actively managed by Chartwells under contract and located in the University's student union, Kreischer, Founders, and McDonald, on behalf of the Corporation. The necessary funding associated with these upgrades and associated debt repayment is contained in the Amended Food Service Management Agreement by and between Chartwells and the University.

Centennial Falcon Properties, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies (continued)

The Corporation recorded \$1,588,000 as capital assets and construction funding payable. The loan did not have an interest component and matured on June 30, 2015.

Because the proceeds of the Series 2010 Bonds could be used only for the Series 2010 Project, the Chartwells funding for The Oaks and Carillon and minor construction upgrades could be used only for those specific projects.

The Corporation is also the sole member of CFP IV LLC (CFP IV). CFP IV is a nonprofit single-member limited liability company formed in June 2020 under the laws of the State of Ohio. Effective June 15, 2020, CFP IV was transferred ownership of five real estate parcels previously owned by the Corporation.

The Corporation is also the sole member of CFP V LLC (CFP V). CFP V is a nonprofit single-member limited liability company formed in June 2020 under the laws of the State of Ohio. Effective June 15, 2020, CFP V was granted 5,691 shares of stock in Satelytics, Inc. and recorded at a de minimis value.

Financial Statement Presentation

The Corporation is a private nonprofit organization that reports under Financial Accounting Standards Board (FASB) standards that have been codified in Accounting Standards Codification (ASC) Topic No. 958, *Not-for-Profit Entities*.

Basis of Accounting

The consolidated financial statements of the Corporation have been prepared on the accrual basis of accounting.

Principles of Consolidation

The consolidated financial statements of the Corporation include Centennial Falcon Properties, Inc. (the “Corporation”) and its five nonprofit single-member limited liability subsidiaries, CFP I, CFP II, CFP III, CFP IV and CFP V. All significant intercompany transactions are eliminated.

Centennial Falcon Properties, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Income Tax

The Corporation has been granted tax-exempt status under Section 501(a)(3) of the Internal Revenue Code (the “Code”) as an organization described in Section 509(a)(c) whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to federal income tax. The Corporation had no significant unrelated business taxable income during fiscal year 2025; accordingly, no provision or benefit for income taxes has been included in the accompanying consolidated financial statements.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Corporation and recognize a tax liability if the Corporation has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken by the Corporation and has concluded that as of June 30, 2025 there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the consolidated financial statements. The Corporation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Cash and Cash Equivalents

The Corporation considers all highly liquid investments with an original maturity of three months or less, including the funds held by Bowling Green State University to be cash and cash equivalents. At June 30, 2025, cash and cash equivalents and funds held by Bowling Green State University totaled \$643,897.

Centennial Falcon Properties, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets are recorded at cost at the date of acquisition or fair value at the date of gift for any donated assets. The capitalization policy for the Corporation includes all items with a cost of \$5,000 or more and an estimated useful life of greater than one year. Infrastructure and improvements other than to buildings are capitalized if the cost exceeds \$100,000. Land is capitalized but not depreciated. Routine repairs and maintenance are charged to operating expense in the year the expense is incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 25 to 35 years for buildings and improvements, 15 to 20 years for other improvements, 7 to 10 years for equipment, and 5 to 7 years for furniture.

The Corporation evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the year ended June 30, 2025.

Net Asset Classifications

Resources of the Corporation are maintained and classified into net asset categories based on the limitations and restrictions placed on the funds received. The net assets of the Corporation are classified into the following types for financial reporting purposes:

- Net assets with donor restrictions represent funds received from a donor that have a purpose restriction or a time restriction. No donor restrictions were present as of June 30, 2025.
- Net assets without donor restrictions represent funds received without any purpose or time restrictions. The governing board has the right to approve the use of these funds. All net assets are without donor restriction as of June 30, 2025.

Centennial Falcon Properties, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies (continued)

Revenue

The Corporation has classified its revenues as either operating or nonoperating according to the following criteria:

Operating Revenues: Operating revenues included activities that have characteristics of exchange transactions, such as in-kind support from the University for certain salaries and fringe benefits of University personnel to support the operations of the Corporation.

Nonoperating Revenues: Nonoperating activities include activities that have characteristics of nonexchange transactions, such as investment income and contributions and in-kind support from the University related to the construction funding payable.

Business and Concentrations of Credit Risk

The Corporation's financial instruments that are exposed to concentrations of credit risk consist primarily of cash. The Corporation places its cash in federally insured banks. Cash is generally in excess of the Federal Deposit Insurance Corporation's insurance limit. At June 30, 2025, cash balances held at financial institutions were in excess of Federal Deposit Insurance Corporation insurance limits by approximately \$372,000.

Functional Expenses

The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, telecommunications, and office expenses, which are allocated by building, as well as in-kind support from the University for salaries and benefits, which are allocated on the basis of estimates of time and effort. Refer to Note 6 for additional detail on the Corporation's functional expenses.

Subsequent Events

The Corporation evaluated the effect of subsequent events through September 11, 2025, representing the date that the consolidated financial statements were available to be issued.

Centennial Falcon Properties, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Available Resources and Liquidity

The Corporation regularly monitors liquidity in order to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Corporation's primary source of liquidity is cash and cash equivalents and funds held by Bowling Green State University.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Corporation considers all expenditures related to its ongoing activities for the benefit of Bowling Green State University, which include acquiring, developing and maintaining property to be used for charitable, scientific and educational purposes.

As of June 30, 2025, the following financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

Cash and cash equivalents	\$ 622,340
Funds held by Bowling Green State University	21,557
Total	\$ 643,897

None of these assets are subject to donor or other contractual restrictions that makes them unavailable for general expenditure within one year of the statement of financial position date.

3. Capital Assets

Capital assets and accumulated depreciation as of June 30, 2025 are summarized as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Land	\$ 2,646,364	\$ 900,136	\$ —	\$ 3,546,500
Land improvements	428,712	—	—	428,712
Building	18,337,964	—	—	18,337,964
Furniture	686,862	—	—	686,862
Chartwells renovation	1,588,000	—	—	1,588,000
Total capital assets	23,687,902	900,136	—	24,588,038
Less accumulated depreciation	(11,064,907)	(683,188)	—	(11,748,095)
Net capital assets	\$ 12,622,995	\$ 216,948	\$ —	\$ 12,839,943

Depreciation expense was \$683,188 during fiscal year 2025.

Centennial Falcon Properties, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

3. Capital Assets (continued)

In July 2023, CFP IV entered into agreements to purchase three properties for approximately \$900,000. CFP IV paid deposits of \$15,000 toward these purchases. On July 11, 2024, these purchases were completed.

4. Long-term Liabilities

Long-term liabilities of the Corporation at June 30, 2025 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Construction funding payable	\$ 8,763,818	\$ -	\$ (596,800)	\$ 8,167,018	\$ 596,800
Total long-term liabilities	<u>\$ 8,763,818</u>	<u>\$ -</u>	<u>\$ (596,800)</u>	<u>\$ 8,167,018</u>	<u>\$ 596,800</u>

The construction funding payable amounts for the five fiscal years subsequent to June 30, 2025 and subsequent periods thereafter are as follows:

Year	The Oaks (CFP II)	Carillon (CFP III)	Total Due
2026	\$ 376,364	\$ 220,436	\$ 596,800
2027	376,364	220,436	596,800
2028	376,364	220,436	596,800
2029	376,364	220,436	596,800
2030	376,364	220,436	596,800
2031-2035	1,881,818	1,102,182	2,984,000
2036-2039	1,317,272	881,746	2,199,018
Total construction funding payable	<u>\$ 5,080,910</u>	<u>\$ 3,086,108</u>	<u>\$ 8,167,018</u>

See Note 5 for related party disclosures regarding The Oaks and Carillon.

Centennial Falcon Properties, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

5. Related Party Transactions

The University leased land comprising the site on which The Oaks is constructed to the Corporation under a Ground Lease between the State of Ohio, acting by, through, and for the University, as lessor, and the Corporation, as lessee. The Corporation paid a one-time nominal lump-sum rent at the commencement of the lease. The Corporation subleased this site to CFP II in consideration of the agreement of CFP II to develop The Oaks on that land and the payment of nominal lump-sum rent. The lease commenced on June 30, 2010 and will expire on June 30, 2045.

The University leased land comprising the site on which Carillon is constructed to the Corporation under a Ground Lease between the State of Ohio, acting by, through, and for the University, as lessor, and the Corporation, as lessee. The Corporation paid a one-time nominal lump-sum rent at the commencement of the lease. The Corporation subleased this site to CFP III in consideration of the agreement of CFP III to develop Carillon on that land and the payment of nominal lump-sum rent. The lease commenced on November 1, 2010 and will expire on June 30, 2045.

The University incurred costs of certain salaries and fringe benefits for financial, accounting, development, and information technology personnel related to the Corporation. These expenses are paid by the University on behalf of the Corporation and are shown in the accompanying consolidated financial statements as in-kind support and administrative expense of \$6,812 for the fiscal year ended 2025.

Chartwells provided approximately \$18,000,000 of funding for the Oaks and Carillon projects in the year ended June 30, 2012. The Chartwells construction funding payable will be paid in annual installments, ranging from \$409,000 to \$857,000 over 27.5 years, through June 30, 2039. Due to the University's Management Agreement with Chartwells for the dining program and in exchange for the use of the University's dining facilities, the construction funding payable is considered repaid on behalf of the Corporation, as these are of approximately equal value. As such, the Corporation recognizes this noncash transaction as a reduction to the construction funding payable and as in-kind support non-operating revenue. For the year ended June 30, 2025, the reduction and in-kind support non-operating revenue totaled \$596,800.

The University can pay off Chartwells' construction funding payable early without penalty. The University also has a Food Services Agreement with Chartwells in which the University pays a management fee to Chartwells to manage the dining halls through fiscal year 2035. The Food Services Agreement can be renewed for three additional successive five-year periods. If the Food Services Agreement with Chartwells is terminated or not renewed, the University would be required to pay Chartwells interest on the construction funding payable until full payoff at a rate equal to the 12-month U.S. Treasury rate. Payment in full of the construction funding payable would be required in one year from termination of agreement or within 30 days after the University hires another third party to run its dining services.

The University contributed an additional \$1,000,000 in July 2024 to be used by the Corporation.

Centennial Falcon Properties, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Expenses by Both Nature and Function

Expenses are presented below by functional classification in accordance with the overall service mission of the Corporation. Each functional classification displays all expenses related to the underlying operations by natural classification.

	2025		
	Management &		
	Program Services	General	Total Expense
Administrative	\$ 11,557	\$ 26,923	\$ 38,480
Depreciation	683,188	—	683,188
Total operating expenses	<u>\$ 694,745</u>	<u>\$ 26,923</u>	<u>\$ 721,668</u>

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*

Independent Auditor's Report

Board of Directors
Centennial Falcon Properties, Inc. and Subsidiaries
Bowling Green, Ohio

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 (*Government Auditing Standards*), the consolidated financial statements of Centennial Falcon Properties, Inc. and Subsidiaries, a component unit of Bowling Green State University, which comprise Centennial Falcon Properties, Inc. and Subsidiaries' consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 11, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Centennial Falcon Properties, Inc. 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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Centennial Falcon Properties, Inc. and Subsidiaries' internal control. Accordingly, we do not express an opinion on the effectiveness of Centennial Falcon Properties, Inc. 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 consolidated 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 Centennial Falcon Properties, Inc. and Subsidiaries' consolidated 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 consolidated 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 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.

Forvis Mazars, LLP

Cincinnati, Ohio
September 11, 2025

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OHIO AUDITOR OF STATE KEITH FABER



BOWLING GREEN STATE UNIVERSITY - CENTENNIAL FALCON PROPERTIES

WOOD COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 2/10/2026

65 East State 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