



**TOMORROW CENTER COMMUNITY SCHOOL
MORROW COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED JUNE 30, 2019

**TOMORROW CENTER COMMUNITY SCHOOL
MORROW COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Tomorrow Center Community School
Morrow County
3700 County Road 168
Cardington, Ohio 43315

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the Tomorrow Center Community School, Morrow County, Ohio, (the School) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the School's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the School's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Tomorrow Center Community School, Morrow County, Ohio, as of June 30, 2019, and the changes in its financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2020, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



Keith Faber
Auditor of State

Columbus, Ohio

March 23, 2020

**Tomorrow Center Community School
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019**

The management's discussion and analysis of the Tomorrow Center Community School's (the "Center") financial performance provides an overall review of the Center's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the Center's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Center's financial performance.

Financial Highlights

Key financial highlights for 2019 are as follows:

- In total, net position was \$421,007 at June 30, 2019, an increase of \$105,191 from 2018.
- The Center had operating revenues of \$1,186,353 and operating expenses of \$1,275,808 for fiscal year 2019. The Center's operating loss for the fiscal year was \$89,455.

Using these Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Center's financial activities. The *statement of net position* and *statement of revenues, expenses and change in net position* provide information about the activities of the Center, including all short-term and long-term financial resources and obligations.

Reporting the Center Financial Activities

Statement of Net Position, Statement of Revenues, Expenses, and Change in Net Position and the Statement of Cash Flows

These documents look at all financial transactions and ask the question, "How did we do financially during 2019?" The statement of net position and the statement of revenues, expenses and change in net position answer this question. These statements include *all assets and deferred outflows of resources*, and *liabilities and deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Center's *net position* and changes in that position. This change in net position is important because it tells the reader that, for the Center as a whole, the *financial position* of the Center has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

The Statement of Cash Flows reflects how the center finances and meets cash flow needs.

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**Tomorrow Center Community School
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019**

The table below provides a summary of the Center's net position for 2019 and 2018.

	<u>2019</u>	<u>2018</u>
Assets:		
Current and Other Assets	\$365,117	\$252,698
Capital Assets	<u>58,295</u>	<u>72,628</u>
Total Assets	<u>423,412</u>	<u>325,326</u>
Liabilities:		
Current Liabilities	<u>2,405</u>	<u>9,510</u>
Total Liabilities	<u>2,405</u>	<u>9,510</u>
Net Position:		
Investment in Capital Assets	58,295	72,628
Restricted	6,137	6,137
Unrestricted	<u>356,575</u>	<u>237,051</u>
Total Net Position	<u><u>\$421,007</u></u>	<u><u>\$315,816</u></u>

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2019, the Center's net position totaled \$421,007, a 33% increase from fiscal year 2018.

Total assets increased primarily due to an increase in pooled cash and cash equivalents. Total liabilities decreased due to a decrease in payables.

At year end, capital assets represented 14% of total assets. Capital assets consisted of furniture and equipment. There is no debt related to these capital assets. Capital assets are used to provide services to the students and are not available for future spending.

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**Tomorrow Center Community School
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019**

The table below shows the changes in net position for fiscal year 2019 and 2018.

	Change in Net Position	
	2019	2018
Operating Revenues:		
State Foundation	\$1,134,969	\$1,116,275
Other Revenues	51,384	49,425
Total Operating Revenues	<u>1,186,353</u>	<u>1,165,700</u>
Operating Expenses:		
Contract Services	1,143,393	1,453,934
Materials and Supplies	69,247	91,029
Depreciation	14,333	15,575
Other Expenses	48,835	65,361
Total Operating Expenses	<u>1,275,808</u>	<u>1,625,899</u>
Operating Income (Loss)	<u>(89,455)</u>	<u>(460,199)</u>
Non-Operating Revenues:		
Investment Earnings	143	144
State and Federal Grants	194,503	274,796
Total Non-Operating Revenues	<u>194,646</u>	<u>274,940</u>
Change in Net Position	105,191	(185,259)
Net Position - Beginning of Year	<u>315,816</u>	<u>501,075</u>
Net Position - End of Year	<u><u>\$421,007</u></u>	<u><u>\$315,816</u></u>

Total operating revenues increased due to an increase in State Foundation revenues. Total operating expenses decreased primarily due to a decrease in contract services expenses.

Capital Assets

At June 30, 2019, the Center had \$58,295 invested in furniture and equipment net of accumulated depreciation. The net decrease in capital assets was due to current year depreciation expense exceeded current year additions. See Note 5 to the basic financial statements for more detail on capital assets.

Current Financial Related Activities

The Center is a conversion community school sponsored by the Mid-Ohio ESC. The Center entered into a new agreement with Mid-Ohio ESC during 2018.

**Tomorrow Center Community School
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019**

Like most traditional schools, the Center is a labor-intensive endeavor. Unlike traditional schools however, a community school cannot levy any taxes and must survive on State and Federal revenues and donations. At this time, the Center relies solely on the resources provided through State and Federal funding.

The Center is committed to operating within its financial means, and to working with the local community and agencies it serves to provide the required educational programs for these students.

Contacting the Center's Financial Management

This financial report is designed to provide citizens, taxpayers, investors and creditors with a general overview of the Center's finances and to show the Center's accountability for the resources it receives. If you have any questions, or concerns, about this report or need additional financial information, contact the Treasurer at 3700 County Road 168, Cardington, Ohio 43315.

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Tomorrow Center Community School
Statement of Net Position
June 30, 2019

	<u>Tomorrow Center</u>
Assets:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$360,353
Receivables:	
Intergovernmental	4,764
Total Current Assets	<u>365,117</u>
Noncurrent Assets:	
Depreciable Capital Assets, Net	<u>58,295</u>
Total Noncurrent Assets	<u>58,295</u>
Total Assets	<u>423,412</u>
Liabilities:	
Current Liabilities:	
Accounts Payable	1,997
Intergovernmental Payable	<u>408</u>
Total Liabilities	<u>2,405</u>
Net Position:	
Investment in Capital Assets	58,295
Restricted:	
Federally Funded Programs	6,137
Unrestricted	<u>356,575</u>
Total Net Position	<u><u>\$421,007</u></u>

See accompanying notes to the basic financial statements.

Tomorrow Center Community School
Statement of Revenues, Expenses and Change in Net Position
For the Fiscal Year Ended June 30, 2019

	<u>Tomorrow Center</u>
Operating Revenues:	
State Foundation	\$1,134,969
Other Revenues	<u>51,384</u>
Total Operating Revenues	<u>1,186,353</u>
Operating Expenses:	
Contract Services	1,143,393
Materials and Supplies	69,247
Depreciation	14,333
Other Expenses	<u>48,835</u>
Total Operating Expenses	<u>1,275,808</u>
Operating Income (Loss)	<u>(89,455)</u>
Non-Operating Revenues:	
Investment Earnings	143
State and Federal Grants	<u>194,503</u>
Total Non-Operating Revenues	<u>194,646</u>
Change in Net Position	105,191
Net Position - Beginning of Year	<u>315,816</u>
Net Position - End of Year	<u><u>\$421,007</u></u>

See accompanying notes to the basic financial statements.

Tomorrow Center Community School
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2019

	<u>Tomorrow Center</u>
Cash Flows from Operating Activities:	
Cash Received from State Foundation	\$1,186,353
Cash Payments from Contractual Services	(1,150,498)
Cash Payments for Materials and Supplies	(69,247)
Cash Payments for Other Expenses	(48,835)
	<u>(82,227)</u>
Net Cash Provided (Used) by Operating Activities	
Cash Flows from Noncapital Financing Activities:	
Cash Received from State and Federal Grants	226,047
	<u>226,047</u>
Net Cash Provided (Used) by Noncapital Financing Activities	
Cash Flows from Investing Activities:	
Earnings on Investments	143
	<u>143</u>
Net Cash Provided (Used) by Cash Flows from Investing Activities	
Net Increase (Decrease) in Cash and Cash Equivalents	143,963
Cash and Cash Equivalents - Beginning of Year	216,390
	<u>\$360,353</u>
Cash and Cash Equivalents - End of Year	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(\$89,455)
Adjustments:	
Depreciation	14,333
Changes in Assets & Liabilities:	
Increase (Decrease) in Accounts Payable	1,997
Increase (Decrease) in Intergovernmental Payable	(9,102)
	<u>(\$82,227)</u>
Net Cash Provided (Used) by Operating Activities	

See accompanying notes to the basic financial statements.

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**Tomorrow Center Community School
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

Note 1 - Description of the Center

Tomorrow Center Community School (the "Center") is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The Center is an approved tax-exempt organization under Section 501 (c) (3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect their tax exempt status. The Center's objective is to deliver a comprehensive educational program of high quality, tied to State and national standards, that includes therapeutic opportunities which can be delivered to students in the grades 3 through 12. The Center is a public school that provides an alternative to the traditional educational setting. The Center serves a student population who are identified as at risk due to drug and/or alcohol involvement, severe emotional disturbance, multiple disabilities, partial hospitalization, or as an alternative to suspension/expulsion. The Center, which is part of the State's education program, is nonsectarian in its programs, admissions policies, employment practices, and all other operations. The Center may acquire facilities as needed and contract for any services necessary for the operation of the school.

The Center was certified by the State of Ohio Secretary of State as a non-profit organization on April 23, 2002. The Center entered into a sponsorship contract with Mid-Ohio Educational Service Center for a two-year period effective July 1, 2018. The Sponsor is responsible for evaluating the performance of the Center and has the authority to deny renewal of the contract at its expiration.

The Center operates under the direction of a five-member Board of Directors. The Center's Board of Directors is appointed by the following agencies on a pro-rated basis. Cardington-Lincoln Local Schools Board of Education (2) representatives, Morrow County Job and Family Services (1) representative, Central Ohio Mental Health Center (1) representative, and Recovery Prevention Resources (1) representative. Directors each serve a two year term. A resignation or vacancy on the Board of Directors will be appointed for the remaining term by the agency that has representation. The Board of Directors is responsible for carrying out the provisions of the contract which include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers. The Center has developed a cooperative arrangement with the Sponsor.

Note 2 - Summary of Significant Accounting Policies

The basic financial statements of the Center have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Center's significant accounting policies are described below.

Basis of Presentation

Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises and focuses on the determination of operating income, changes in net position, financial position, and cash flows. Enterprise accounting may be used to account for any activity for which a fee is charged to external users for goods or services.

**Tomorrow Center Community School
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

Measurement Focus and Basis of Accounting

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows, all liabilities and deferred inflows are included on the statement of net position. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The accrual basis of accounting is utilized for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Budgetary Process

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided in the Center's contract with its Sponsor. The contract between the Center and its Sponsor requires a detailed school budget for each year of the contract; however, the budget does not have to follow the provisions of Ohio Revised Code Chapter 5705.

Cash and Cash Equivalents

All monies received by the Center are deposited in a demand deposit account.

Capital Assets and Depreciation

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The Center maintains a capitalization threshold of \$500. The Center does not have any infrastructure. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method. Furniture and equipment is depreciated over five to fifteen years.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the Center. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Center. All revenues and expenses not meeting this definition are reported as non-operating.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Investment in capital assets, consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**Tomorrow Center Community School
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

The Center applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Intergovernmental Revenue

The Center currently participates in the State Foundation Program. Revenues received from this program are recognized as operating revenues in the accounting period in which all eligibility requirements are met.

Federal and State grants are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Center must provide local resources to be used for a specified purpose, and expense requirements, in which the resources are provided to the Center on a reimbursement basis.

The Center participates in various programs through the Ohio Department of Education. These include the Title I, Title II-A, and IDEA grants.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Income Taxes

The Center is exempt from Federal income tax as an exempted affiliate of a governmental unit. Accordingly, no income tax expense is recorded in the accompanying financial statements.

Generally accepted accounting principles require the Center to evaluate the level of uncertainty related to whether tax positions taken will be sustained upon examination. Any positions taken that do not meet the more-likely-than-not threshold must be quantified and recorded as a liability for unrecognized tax benefits in the accompanying financial statement of net position along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Interest and penalties associated with unrecognized tax benefits are classified as additional income taxes in the statement of revenues, expenses and changes in net position. The Center believes that none of the tax positions taken would materially impact the financial statements and no such liabilities have been recorded.

Note 3 – Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Center will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2019, \$135,015 of the Center's bank balance of \$385,015 was exposed to custodial credit risk because it was uninsured and collateralized.

The Center has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

**Tomorrow Center Community School
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

Eligible securities pledged to the Center and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

Note 4 – Receivables

Receivables at June 30, 2019, consisted of intergovernmental receivables arising from grants and entitlements. All receivables are considered collectable in full.

Note 5 – Capital Assets

A summary of capital assets at June 30, 2019 follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, being depreciated:				
Equipment	\$476,815	\$0	\$0	\$476,815
Totals at Historical Costs	<u>476,815</u>	<u>0</u>	<u>0</u>	<u>476,815</u>
Less Accumulated Depreciation:				
Equipment	404,187	14,333	0	418,520
Total Accumulated Depreciation	<u>404,187</u>	<u>14,333</u>	<u>0</u>	<u>418,520</u>
Capital Assets, Net	<u>\$72,628</u>	<u>(\$14,333)</u>	<u>\$0</u>	<u>\$58,295</u>

Note 6 – Related Party Transactions

For fiscal year ended June 30, 2019, contract services expenses through Mid-Ohio Educational Service Center were as follows:

Sponsorship Fee	\$36,141
Psychological Services	1,075
Professional Development	550
	<u>\$37,766</u>

The above transactions are related party transactions since these services are purchased through the Sponsor, Mid-Ohio Educational Service Center.

Note 7 – Risk Management

The Center is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Center is covered under the liability and property polices of the Mid-Ohio Educational Service Center.

**Tomorrow Center Community School
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

Total Policy coverage - includes the following:

Blanket Building and Personal Property limit (\$1,000 deductible)	\$150,000
Equipment Breakdown (\$1,000 deductible)	\$150,000
Auto Liability & Uninsured/underinsured motorist	\$15,000,000
Medical payments per person/each accident	\$10,000/\$25,000
Educator's Legal Liability (\$5,000 deductible)	\$15,000,000
General Annual Aggregate Liability	\$17,000,000

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There has been no significant reduction in amounts of insurance coverage from fiscal year 2018.

Note 8 - Contingencies

Litigation

The Center is not involved in any other litigation that, in the opinion of management, would have a material effect on the financial statements.

Foundation Funding

Center foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, ODE has finalized the impact of enrollment adjustments to the June 30, 2019 Foundation funding and the Center owed ODE \$408. This amount has been reported as a payable in the financial statements.

Grants

The Center received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Center at June 30, 2019.

**Tomorrow Center Community School
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

Note 9 – Employment Services Agreement with GOAL Digital Academy

The Center entered into an employment services agreement with GOAL Digital Academy (GDA) starting in fiscal year 2019. Under the agreement, GDA provides employees to fill available positions at the Center. GDA is considered the employer of these employees and will pay all expenses in connection with these employees including retirement, healthcare, workers compensation and unemployment compensation. The Center agrees to pay GDA in advance the estimated costs of the employees. During the month of June each year, the Center shall pay GDA any additional amount owed for the school year in excess of the amount paid or GDA will refund to the Center any excess payments. During fiscal year 2019, the Center paid GDA \$862,731 for employment services.

Note 10 – Operating Lease

On July 3, 2015 the Center moved into a building located at 3700 County Road 168 Cardington, Ohio 43315, which is leased by Cardington-Lincoln Local School District for a five year period. During fiscal year 2019, the Center made rental payments of \$120,000 per an informally agreed upon amount between the Center and Cardington-Lincoln Local School District.

OHIO AUDITOR OF STATE KEITH FABER



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CentralRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Tomorrow Center Community School
Morrow County
3700 County Road 168
Cardington, Ohio 43315

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Tomorrow Center Community School, Morrow County, Ohio, (the School) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated March 23, 2020.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the School's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the School's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the School's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

March 23, 2020

OHIO AUDITOR OF STATE KEITH FABER



TOMORROW CENTER COMMUNITY SCHOOL

MORROW COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 16, 2020**