

# **TERRA COLLEGE FOUNDATION**

## **SANDUSKY COUNTY**



**TERRA  
STATE**  
COMMUNITY  
COLLEGE

**REGULAR AUDIT**

**FOR YEARS ENDED  
JUNE 30, 2021 AND 2020**

**PLATTENBURG**  
Certified Public Accountants



OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPARreport@ohioauditor.gov  
(800) 282-0370

Board of Trustees  
Terra College Foundation  
2830 Napoleon Road  
Fremont, Ohio 43420

We have reviewed the *Independent Auditor's Report* of the Terra College Foundation, Sandusky County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2020 through June 30, 2021. 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 Terra College Foundation is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

October 27, 2021

**This page intentionally left blank.**

**TERRA COLLEGE FOUNDATION  
SANDUSKY COUNTY  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor’s Report.....	1
<b>Financial Statements:</b>	
Statement of Financial Position .....	3
Statement of Activities .....	4
Statement of Cash Flows .....	6
Notes to the Basic Financial Statements .....	7
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	13

**This page intentionally left blank.**

## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Terra College Foundation

### Report on the Financial Statements

We have audited the accompanying financial statements of Terra College Foundation (the Foundation), (a nonprofit organization), a component unit of Terra State Community College, which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility 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; this includes 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2021, 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 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 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.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.

Cincinnati, Ohio

October 15, 2021



**Terra College Foundation**  
**Statements of Financial Position**  
**June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash & cash equivalents	\$ 608,531	\$ 84,378
Contributions Receivable	860	860
Other receivables	74,455	96,131
Investments	<u>6,188,785</u>	<u>5,309,073</u>
Total assets	6,872,631	5,490,442
<b>Liabilities</b>		
Accounts payable	<u>40,784</u>	<u>76,974</u>
Total liabilities	<u>40,784</u>	<u>76,974</u>
<b>Net assets</b>		
Without Donor Restrictions	363,509	214,931
With Donor Restrictions	<u>6,468,338</u>	<u>5,198,537</u>
Total net assets	<u><u>\$ 6,831,847</u></u>	<u><u>\$ 5,413,468</u></u>

See accompanying notes to the financial statements.

**Terra College Foundation**  
**Statement of Activities**  
**For the Year Ended June 30, 2021**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
<b>Revenues, gains and other support</b>			
Contributions	\$ 67,808	\$ 245,679	\$ 313,487
Grants	-	-	-
Contributed services and supplies	211,112	-	211,112
Investment return	225,807	1,145,312	1,371,119
Net assets released from restrictions	<u>121,190</u>	<u>(121,190)</u>	<u>-</u>
Total revenues, gains and other support	625,917	1,269,801	1,895,718
<b>Expenses</b>			
Program services			
Scholarships and loans	34,617	-	34,617
Instructional equipment	11,588	-	11,588
Other	34,182	-	34,182
Supporting Services			
Management and general	260,631	-	260,631
Fund raising	<u>136,321</u>	<u>-</u>	<u>136,321</u>
Total expenses	<u>477,339</u>	<u>-</u>	<u>477,339</u>
Change in net assets	148,578	1,269,801	1,418,379
<b>Net assets</b>			
Net assets- beginning of year	<u>214,931</u>	<u>5,198,537</u>	<u>5,413,468</u>
Net assets- end of year	<u>\$ 363,509</u>	<u>\$ 6,468,338</u>	<u>\$ 6,831,847</u>

See accompanying notes to the financial statements.

**Terra College Foundation**  
**Statement of Activities**  
**For the Year Ended June 30, 2020**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
<b>Revenues, gains and other support</b>			
Contributions	\$ 127,742	\$ 179,370	\$ 307,112
Grants	-	-	-
Contributed services and supplies	197,196	-	197,196
Investment return	(9,085)	(92,591)	(101,676)
Net assets released from restrictions	<u>292,471</u>	<u>(292,471)</u>	<u>-</u>
Total revenues, gains and other support	608,324	(205,692)	402,632
<b>Expenses</b>			
Program services			
Scholarships and loans	92,168	-	92,168
Instructional equipment	143,038	-	143,038
Other	49,807	-	49,807
Supporting Services			
Management and general	272,711	-	272,711
Fund raising	<u>101,798</u>	<u>-</u>	<u>101,798</u>
Total expenses	<u>659,522</u>	<u>-</u>	<u>659,522</u>
Change in net assets	(51,198)	(205,692)	(256,890)
<b>Net assets</b>			
Net assets- beginning of year, restated	<u>266,129</u>	<u>5,404,229</u>	<u>5,670,358</u>
Net assets- end of year	<u>\$ 214,931</u>	<u>\$ 5,198,537</u>	<u>\$ 5,413,468</u>

See accompanying notes to the financial statements.

**Terra College Foundation**  
**Statements of Cash Flows**  
**For The Years Ended June 30, 2021 and 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 1,418,379	\$ (256,890)
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Unrealized (gain)/loss on investments	(1,371,119)	101,086
Contributions restricted for long-term purposes	(40,165)	(40,209)
(Increase)/Decrease in accounts receivable	21,674	(26,695)
(Increase)/Decrease in contributions receivable	0	0
(Increase)/Decrease in other assets	0	0
Increase/(Decrease) in Accounts payable	(36,188)	(477,788)
Net Cash Provided (Used) by Operating Activities	(7,419)	(700,496)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of long-term investments	1,850,688	2,337,249
Purchase of long-term investments	(1,365,662)	(1,717,114)
Interest received	6,381	0
Net Cash Provided (Used) by Investing Activities	491,407	620,135
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from contributions restricted for long-term purposes	40,165	40,209
Net Cash Provided (Used) by Financing Activities	40,165	40,209
Net Increase (Decrease) in Cash and Cash Equivalents	524,153	(40,152)
Cash and Cash Equivalents, Beginning of the Year	84,378	124,530
Cash and Cash Equivalents, End of Year	\$ 608,531	\$ 84,378

See the accompanying notes to the financial statements.

## TERRA COLLEGE FOUNDATION

Notes to the Financial Statements

June 30, 2021 and 2020

### NOTE 1 - SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Organization: Terra College Foundation (the Foundation) is an Ohio not-for-profit corporation and is a component unit of Terra Community College. The Foundation operates exclusively for the benefit of Terra Community College.

Financial Statement Presentation: The Foundation has adopted the provisions of FASB Accounting Standards Codification (ASC) No. 958 *Not-for-Profit Entities*. Under ASC No. 958 the Foundation is required to report information regarding its financial position and activities according to two classes of net assets as follows:

#### **Without Donor Restrictions**

Net assets that are not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

#### **With Donor Restrictions**

Net assets that are subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

When a donor restriction expires, that is, when a stipulated time restriction expires or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Contributions and promises to give: Gifts received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue and net assets without donor restriction. Conditional promises are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.

Donated Services and Facilities: The Foundation has no employees. Substantially all clerical, management and fund-raising duties are presently performed by employees of Terra Community College, utilizing equipment and facilities of Terra Community College. The value of services provided, in the amount of \$211,112 and \$197,196 for the years ended June 30, 2021 and 2020 has been recognized in the statement of activities.

Investments: Investments are valued at fair value, which is generally determined by use of published market quotations. Realized gains or losses from sale or redemption of investments are based on the cost of the specific investment sold or redeemed. Purchases and sales of investments are reflected on a trade-date basis.

Income Tax Status: The Foundation is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code.

Use of Estimates: The preparation of financial statements in conformity with accounting principles

**TERRA COLLEGE FOUNDATION**

Notes to the Financial Statements

June 30, 2021 and 2020

**NOTE 1 - SIGNIFICANT ACCOUNTING AND REPORTING POLICIES (Continued)**

generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Concentration of Credit Risk: The Federal Deposit Insurance Corporation insures financial institution depositors up to \$250,000. At times, the Foundation maintains deposits exceeding \$250,000 in a financial institution.

Reclassifications: Certain prior year amounts have been reclassified to conform to the current year presentation.

**NOTE 2 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following purposes or periods:

	2021	2020
Time/Purpose Restricted - Terra Community College Support	\$ 3,922,373	\$ 2,329,231
Donor Restricted Endowment	2,909,472	2,869,306
<b>Total</b>	<u>\$ 6,831,845</u>	<u>\$ 5,198,537</u>

Donor-Restricted Endowment Fund

The Foundation's endowment fund was established to support Terra Community College. The contributions to the endowment fund contain donor restrictions that stipulate the original principal is to be held and invested by the Foundation indefinitely, and income from the fund is to be expended for support. As required by generally accepted accounting principles, net assets associated with the endowment fund are classified and reported based on the existence of donor-imposed restrictions.

Interpretation of UPMIFA: The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Foundation classifies as perpetual in nature (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as perpetual in nature is classified as purpose or time restricted until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

- a. The duration and preservation of the fund
- b. The purposes of the organization and the donor-restricted endowment fund
- c. General economic conditions
- d. The possible effect of inflation and deflation
- e. The expected total return from income and the appreciation of investments
- f. Other resources of the organization
- g. The investment policies of the organization

**TERRA COLLEGE FOUNDATION**

Notes to the Financial Statements

June 30, 2021 and 2020

**NOTE 2 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. The Foundation had no such deficiencies as of June 30, 2021 and June 30, 2020.

The changes in endowment net assets for the years ending June 30, 2021 and 2020 are as follows:

	2021	2020
Endowment net assets, Beginning of Year	\$ 2,869,306	\$ 2,829,097
Contributions	40,166	40,209
Investment return net	1,145,312	92,591
Amounts appropriated for expenditure	(1,145,312)	(92,591)
Endowment net assets, End of Year	<u>\$ 2,909,472</u>	<u>\$ 2,869,306</u>

**NOTE 3 - INVESTMENTS**

The Foundation determines the fair market values of its financial instruments based on the fair value hierarchy established in FASB Accounting Standards Codification (ASC) No. 820 Fair Value Measurement, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the Foundation's own assumptions based on market data and on assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The Standard describes three levels within its hierarchy that may be used to measure fair value:

Level 1 Inputs: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 Inputs: Significant other observable inputs other than Level 1 quoted prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 Inputs: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

**TERRA COLLEGE FOUNDATION**

Notes to the Financial Statements

June 30, 2021 and 2020

**NOTE 3 – INVESTMENTS (Continued)**

The fair value of investments held by the Foundation at June 30, 2021 are summarized as follows:

	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observ- able Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 244,636	\$-0-	\$-0-
Debt Securities	1,371,780	-0-	-0-
Equity Securities	<u>4,572,369</u>	<u>-0-</u>	<u>-0-</u>
Total	<u>\$ 6,188,785</u>	<u>\$-0-</u>	<u>\$-0-</u>

The fair value of investments held by the Foundation at June 30, 2020 are summarized as follows:

	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observ- able Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 203,814	\$-0-	\$-0-
Debt Securities	1,526,693	-0-	-0-
Equity Securities	<u>3,578,566</u>	<u>-0-</u>	<u>-0-</u>
Total	<u>\$ 5,309,073</u>	<u>\$-0-</u>	<u>\$-0-</u>

**NOTE 4 - CONTRIBUTIONS RECEIVABLE**

Contributions receivable at June 30, 2021 and 2020 are promises to give from various donors that are unconditional and are summarized as follows:

	2021	2020
Unconditional promises expected to be collected in:		
Less than one year	\$860	\$860
One year to five years	0	0
Over five years	0	0
	<u>860</u>	<u>860</u>
Less:		
Unamortized discount and allowance for doubtful pledges	0	0
	<u>\$860</u>	<u>\$860</u>



**TERRA COLLEGE FOUNDATION**  
Notes to the Financial Statements  
June 30, 2021 and 2020

**NOTE 5 - SUPPORT TO TERRA COMMUNITY COLLEGE**

During the years ended June 30, 2021 and 2020, the Foundation made contributions of approximately \$45,516 and \$285,014 to or on behalf of the College for both restricted and unrestricted purposes.

**NOTE 6 – EXPENSE DISCLOSURES**

	2021			2021			Total Expenses	
	Program Activities			Supporting Activities				
	Scholarships and Loans	Instructional Equipment	Other	Program Total	Management and General	Fund-Raising	Supporting Total	
Terra Community College Support	\$ 34,617	\$ 253	\$ -	\$ 34,870	\$ -	\$ -	\$ -	\$ 34,870
Wages and Benefits	-	-	-	-	111,363	95,536	206,900	206,900
Services and Professional Fees	-	-	34,182	34,182	96,213	15,272	111,485	145,667
Advertising Fees	-	-	-	-	-	-	-	-
Supplies, Printing, and Postage	-	11,335	-	11,335	21,926	24,119	46,045	57,380
Staff Development	-	-	-	-	2,989	1,393	4,382	4,382
Insurance	-	-	-	-	-	-	-	-
Software Licenses and Support	-	-	-	-	20,524	-	20,524	20,524
Depreciation	-	-	-	-	-	-	-	-
Misc Expense	-	-	-	-	7,616	-	7,616	7,616
Total Expenses	<u>\$ 34,617</u>	<u>\$ 11,588</u>	<u>\$ 34,182</u>	<u>\$ 80,387</u>	<u>\$ 260,631</u>	<u>\$ 136,321</u>	<u>\$ 396,952</u>	<u>\$ 477,339</u>

	2020			2020			Total Expenses	
	Program Activities			Supporting Activities				
	Scholarships and Loans	Instructional Equipment	Other	Program Total	Management and General	Fund-Raising	Supporting Total	
Terra Community College Support	\$92,168	\$143,038	\$-	\$235,206	\$-	\$-	\$ -	\$ 235,206
Wages and Benefits	-	-	-	\$0	103,950	88,987	\$ 192,937	\$ 192,937
Services and Professional Fees	-	-	4,570	\$4,570	93,937	15,808	\$ 109,745	\$ 114,315
Advertising Fees	-	-	19,682	\$19,682	3,075	-	\$ 3,075	\$ 22,757
Supplies, Printing, and Postage	-	-	24,555	\$24,555	10,871	(6,463)	\$ 4,408	\$ 28,963
Staff Development	-	-	1,000	\$1,000	13,700	3,466	\$ 17,166	\$ 18,166
Insurance	-	-	-	\$0	28,425	-	\$ 28,425	\$ 28,425
Software Licenses and Support	-	-	-	\$0	5,534	-	\$ 5,534	\$ 5,534
Depreciation	-	-	-	\$0	-	-	\$ -	\$ -
Misc Expense	-	-	-	\$0	13,219	-	\$ 13,219	\$ 13,219
Total Expenses	<u>\$ 92,168</u>	<u>\$ 143,038</u>	<u>\$ 49,807</u>	<u>\$ 285,013</u>	<u>\$ 272,711</u>	<u>\$ 101,798</u>	<u>\$ 374,509</u>	<u>\$ 659,522</u>

Some categories of expense are attributable to more than one activity and require allocation, applied on a consistent basis.

Wages and benefits are allocated on the basis of employee duties.

Other expenses are assigned directly to specific activities as expenditures are made.

## TERRA COLLEGE FOUNDATION

### Notes to the Financial Statements

June 30, 2021 and 2020

#### NOTE 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflect the Foundation's financial assets as of the date of the Statement of Financial Position, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the financial statement date.

	2021	2020
Cash and Cash Equivalents	\$ 608,531	\$ 84,378
Investments	6,188,785	5,309,073
Receivables	75,315	96,991
	<u>6,872,631</u>	<u>5,490,442</u>
Less amounts unavailable for general expenditures within one year, due to:		
Donor-restricted purpose or time	3,922,373	2,329,231
Donor-restricted to maintain as an endowment	<u>2,909,472</u>	<u>2,869,306</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 40,786</u>	<u>\$ 291,905</u>

As part of the Foundation's liquidity management, the Foundation invests cash in excess of requirements in various types of investments.

#### NOTE 8 - SUBSEQUENT EVENTS

The Foundation has evaluated events occurring between the end of its most recent fiscal year and October 15, 2021, the date the financial statements were issued. No material subsequent events were identified for recognition or disclosure.

#### NOTE 9 – NEW ACCOUNTING PRINCIPLE

The Foundation has adopted new accounting guidance, FASB ASU Topic 606, **Revenue from Contracts with Customers**. This guidance is pertaining to revenue from contracts with customers. The Foundation's financial statements were not impacted by the adoption of Topic 606.

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

Board of Trustees  
Terra College Foundation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Terra College Foundation (the Foundation), (a nonprofit organization), a component unit of Terra State Community College, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 15, 2021.

**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 may exist that have not been identified.

**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 the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## 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.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.

Cincinnati, Ohio

October 15, 2021

# OHIO AUDITOR OF STATE KEITH FABER



**TERRA COMMUNITY COLLEGE FOUNDATION**

**SANDUSKY 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 11/9/2021**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)