

Eastern Gateway Community College
Foundation
(A Component Unit of Eastern Gateway Community
College)
Jefferson County, Ohio

Audited Financial Statements

For the Fiscal Year Ended
June 30, 2018

OHIO AUDITOR OF STATE KEITH FABER



Board of Trustees
Eastern Gateway Community College Foundation
110 John Scott Highway
Steubenville, Ohio 43952

We have reviewed the *Independent Auditor's Report* of the Eastern Gateway Community College Foundation, Jefferson County, prepared by Rea & Associates, Inc., for the audit period July 1, 2017 through June 30, 2018. 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 Eastern Gateway Community 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

March 12, 2019

This page intentionally left blank.

**EASTERN GATEWAY COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF EASTERN GATEWAY COMMUNITY COLLEGE)**

**JEFFERSON COUNTY, OHIO
JUNE 30, 2018**

TABLE OF CONTENTS

<i>TITLE</i>	<i>PAGE</i>
Independent Auditor's Report	1-2
Basic Financial Statements:	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Cash Flows	5
Notes to the Financial Statements	6-10
Supplementary Information:	
Schedule of Donations, Scholarships and Other Income Received	11
Schedule of Scholarships, Donations and Other Disbursements	12
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.....	13-14

This page intentionally left blank.

March 7, 2019

Board of Directors
Eastern Gateway Community College Foundation
110 John Scott Highway
Steubenville, Ohio 43952

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of Eastern Gateway Community College Foundation (the Foundation), a component unit of Eastern Gateway Community College, which comprise the statement of financial position as of June 30, 2018 and the related statements of activities and changes in net assets and cash flows for the year then ended, and 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Eastern Gateway Community College Foundation, as of June 30, 2018, and the changes in net assets and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in Note 2 to the basic financial statements, the 2017 financial statements have been restated to correct a prior year accrual. Our opinion is not modified with respect to this matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of donations, scholarships and other income received and schedule of scholarships, donations and other disbursements for the fiscal year ended June 30, 2018 is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and directly relates to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2019 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 the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Rea & Associates, Inc.

New Philadelphia, Ohio

Eastern Gateway Community College Foundation
Statement of Financial Position
As of June 30, 2018

Assets	
Cash and cash equivalents	\$ 265,109
Investments	564,125
Total Assets	<u>\$ 829,234</u>
Net Assets	
Unrestricted	\$ 144,039
Temporarily Restricted	372,380
Permanently Restricted	312,815
Total Net Assets	<u>\$ 829,234</u>

The accompanying notes are an integral part of these financial statements

Eastern Gateway Community College Foundation
Statement of Activities and Changes in Net Assets
For the Fiscal Year Ended June 30, 2018

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Revenue, Gains and Other Support				
Donations	\$ 16,498	\$ 71,077	\$ -	\$ 87,575
Scholarships	-	453,657	-	453,657
Net Unrealized Gains (Losses)	-	-	74,330	74,330
Dividends, Interest and Realized Gains	-	80	14,955	15,035
Net Assets Released from Restriction	<u>472,261</u>	<u>(472,261)</u>	<u>-</u>	<u>-</u>
Total Revenues, Gains and Support	488,759	52,553	89,285	630,597
Expenses				
Scholarships	397,117	-	-	397,117
Donations & Grants	43,198	-	-	43,198
Management and General	<u>31,946</u>	<u>-</u>	<u>-</u>	<u>31,946</u>
Total Expenses	<u>472,261</u>	<u>-</u>	<u>-</u>	<u>472,261</u>
Change in Net Assets	16,498	52,553	89,285	158,336
Net Assets - July 1, 2017 (Restated)	<u>127,541</u>	<u>319,827</u>	<u>223,530</u>	<u>670,898</u>
Net Assets - June 30, 2018	<u>\$ 144,039</u>	<u>\$ 372,380</u>	<u>\$ 312,815</u>	<u>\$ 829,234</u>

The accompanying notes are an integral part of these financial statements

EASTERN GATEWAY COMMUNITY COLLEGE
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018

Cash flow from operating activities	
Change in Net Assets	158,336
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Net Unrealized Gain on Investments	<u>(74,530)</u>
Net Cash provided by operating activities	<u>83,806</u>
Net increase in cash	83,806
Cash and cash equivalents, beginning of year	<u>181,303</u>
Cash and cash equivalents, end of year	<u><u>265,109</u></u>

The accompanying notes are an integral part of these financial statements

EASTERN GATEWAY COMMUNITY COLLEGE FOUNDATION

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

NOTE 1 - DESCRIPTION OF ORGANIZATION

Eastern Gateway Community College Foundation, Inc. (the “Foundation”) is a legally separate, tax-exempt organization supporting Eastern Gateway Community College. The Foundation is exempt from income taxes under Section 501(c)(3) as a non-governmental, not-for-profit entity of the Internal Revenue Code. The Foundation was established to foster excellence in teaching and learning by encouraging philanthropic support for students, faculty, programs, and facilities for the College. Because the majority of the distribution of the resources held by the Foundation is received by the College, the Foundation is considered a component unit of the College and is discretely presented in the College’s financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Financial Statement Presentation

The financial statements of the Foundation have been prepared utilizing the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Furthermore, the accounting policies adhered to by the Foundation are generally consistent with the *Audit and Accounting Guide for Not-For-Profit Organizations* issued by the American Institute of Certified Public Accountants.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards ASC 958-205, *Financial Statements of Not-For-Profit Organizations*. Under those standards, the Foundation is required to report information regarding its financial position and activities according to three classes of net position:

Unrestricted – Net position is not subject to donor-imposed stipulations. This category includes net position designated by the Board.

Temporarily restricted – Net position is subject to donor imposed stipulations that may, or will be met by actions of the Board/College and/or the passage of time.

Permanently restricted – Net position is subject to donor-imposed stipulations that they be maintained permanently by the College.

With the exceptions of the necessary presentation adjustments to conform to the College’s GASB reporting format, no modifications have been made to the Foundation’s financial information in the College’s report.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash in checking accounts and short-term investments with an original maturity of three months or less. Substantially all of the Foundation’s cash and cash equivalents are composed of investments in money market funds. At times, cash on hand may exceed federally insured limits.

EASTERN GATEWAY COMMUNITY COLLEGE FOUNDATION

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments of the unrestricted, temporarily restricted, and permanently restricted funds are pooled for making investment transactions and are carried at fair value with any realized or unrealized gains and losses reported in the statement of revenues, expenses and changes in net position.

Donations

Donations are recorded as revenue when received or by pledge when an unconditional pledge is made. All donations are considered to be available for unrestricted use unless specifically restricted by the donor. Noncash donations, if any, would be recorded at the fair value of the asset at the date of donations.

Income Taxes

The Foundation is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. Therefore, the Foundation has no liability for federal income taxes on exempt activities. However, the Foundation may be subjected to tax on unrelated business income. For the year ended June 30, 2018, the Foundation earned no unrelated business income.

Generally accepted accounting principles required the Foundation 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 statements of financial position along with interest and penalties that would be payable to the taxing authorities upon examination. Management believes that none of the tax positions taken would materially impact the financial statements, and no such liabilities have been recorded.

Recently Issued But Not Yet Effective Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09 entitled “Revenue from Contracts with Customers (Topic 606),” which will change the Foundation’s method of revenue recognition. This new standard is effective for the Foundation’s annual reporting periods beginning after December 15, 2018. Early implementation is permitted. The provisions of this standard will be applied retrospectively. Management has not yet determined whether this new standard will have a material effect on its financial statements.

Restatement of Net Assets

Management identified a misstatement in the prior year financial statements in regards to the collectability of pledges receivable. Receivable balances were deemed to be over-stated by \$59,311. The restatement resulted in a decrease of \$59,311 in net assets.

Subsequent Events

The Foundation has evaluated subsequent events through March 7, 2019 which is the date the financial statements were available to be issued and has determined that no reporting is necessary.

EASTERN GATEWAY COMMUNITY COLLEGE FOUNDATION

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 3 - INVESTMENTS

Investments consisted of the following at June 30, 2018:

Equity mutual fund	\$	380,688
Fixed income		163,346
Real estate investment trust		1,611
Other		<u>18,480</u>
	\$	<u>564,125</u>

NOTE 4 - FAIR VALUE MEASUREMENTS

Fair Value of Financial Instruments – The Foundation adopted applicable sections of the Financial Accounting Standards Board Accounting Standards Codification (ASC) 820: Fair Value Measurements and Disclosures for financial assets and financial liabilities. In accordance with ASC 820, fair value is defined as the price the Foundation would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the investment or liability. ASC 820 establishes a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes. Various inputs may be used in determining the value of the Foundation’s investments. The inputs are summarized in the three broad levels below:

Level 1 – quoted prices in active markets for identical investments

Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.)

Level 3 – significant unobservable inputs (including the Foundation’s own assumptions in determining the fair value of the investments)

The input or methodology used for valuing securities is not necessarily an indication of the risk associated with maintaining those investments.

The following is a summary of the inputs used as of June 30, 2018, in valuing the Foundation’s investments carried at fair value:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity mutual funds	\$ 380,688	\$ -	\$ -	\$ 380,688
Fixed income	-	163,346	-	163,346
Real Estate Investment Trust	1,611	-	-	1,611
Other	<u>18,480</u>	<u>-</u>	<u>-</u>	<u>18,480</u>
	<u>\$ 400,779</u>	<u>\$ 163,346</u>	<u>\$ -</u>	<u>\$ 564,125</u>

EASTERN GATEWAY COMMUNITY COLLEGE FOUNDATION

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 4 - FAIR VALUE MEASUREMENTS (continued)

The foundation's fixed income bonds are valued based on bid-side quotations from dealers, or if a bond has not traded recently, it is valued using a "matrix-based" pricing model. The pricing model analyzes bonds with similar attributes from the same issuer or other issuers.

NOTE 5 - ENDOWMENT FUND

Net Position Classification of Endowment Funds

As required by accounting principles generally accepted in the United States of America, net position associated with endowment funds, including board-designated funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

Distributions from the endowment funds are spent in compliance with the donor's restrictions applicable to the funds being distributed. The Foundation classifies as permanently restricted net position (a) the original value of the 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 in permanently restricted net position is classified as temporarily restricted net position until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standards of prudence by the Uniform Prudent Management of Institutional Funds Act (UPMIFA). In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund;
- (2) The purpose of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The expected total return from income and the appreciation of investments
- (5) The investment policies of the Foundation

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 Organization to retain as a fund of perpetual duration. When donor endowment deficits exist, they are classified as a reduction of unrestricted net position. There were no deficits of this nature during fiscal year 2018 and 2017.

EASTERN GATEWAY COMMUNITY COLLEGE FOUNDATION
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 5 - ENDOWMENT FUND (continued)

The Foundation's endowment fund activity was as follows for the year ended June 30, 2018:

	Permanently Restricted
Endowment net position, end of 2017	\$ 223,530
Investment return:	
Interest and dividends	14,955
Net realized and unrealized gain	74,330
Total investment returns	89,285
Endowment net position, end of 2018	\$ <u>312,815</u>

Return Objectives and Risk Parameters

The Foundation has adopted investment policies for the Endowment Fund with the understanding that those assets will be prudently invested to provide a continuing source of funding for the College and its programs. Assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Trustees, the Investment Committee of the Board should direct the Fund's investment managers to achieve the maximum possible long-term total return on the Endowment Fund while maintaining prudent investment management principles and the basic tenants of preservation of capital. The Foundation conducts a quarterly monitoring of the portfolio.

Investment performance is measured against a custom benchmark consisting of the current inflation rate plus 3%.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current

Spending Policy

Currently, the Board of Trustees of the Foundation is in the process of adopting a spending policy for endowment funds.

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are those whose use by the Foundation has been limited by the donors to a specific time period or purpose. Temporarily restricted net assets are available for providing scholarships to the College's students, capital assets, and educational and general purposes. Temporarily restricted net assets available for scholarships, capital, educational and general purposes and athletics totaled \$372,380 at June 30, 2018.

Supplementary Information

This page intentionally left blank.

Eastern Gateway Community College Foundation
Schedule of Donations, Scholarships and Other Income Received
For the Fiscal Year Ended June 30, 2018

Donations - Unrestricted	\$ 16,498
Donations - Temporarily Restricted:	
Athletics	19,576
Building Fund	30,000
Book Fund	16,501
Youngstown Financial Literacy - PNC Bank	<u>5,000</u>
Total Donations - Temporarily Restricted	71,077
Scholarships - Temporarily Restricted:	
Ohio Union	373,982
Gene Haas	15,000
Nina Gentile	12,000
Upper Ohio Valley Bldg. & Construction Trades Council	5,000
Steubenville Electrical LMCC, Inc.	5,000
EGCC Dental Clinic	5,000
Huntington Bank - MLK Scholarship	5,000
Joann Cunningham	5,000
William and Beverly Black	5,000
Steubenville Electrical LMCC	5,000
Steven E. Strupe Memorial	4,500
Bergholz Community Foundation	3,000
Dr. Patricia and Lawrence Fletcher	2,000
Project Best, Inc.	2,000
Valley Converting Co., Inc.	1,100
Barbara A. Florak	1,000
Robert & Antionette D'Anniballe	1,000
Criss Family	1,000
Gregory and Martha Gett	1,000
Joseph and Linda Yanok	500
Other	<u>575</u>
Total Scholarships - Temporarily Restricted	453,737
Investment Income - Temporarily Restricted	80
Net Unrealized Gains (Losses) - Permanently Restricted	74,330
Dividends Interest and Realized Gains - Permanently Restricted	<u>14,955</u>
Total Income	<u>\$ 630,597</u>

The accompanying notes are an integral part of these financial statements

Eastern Gateway Community College Foundation
Schedule of Scholarships, Donations and Other Disbursements
For the Fiscal Year Ended June 30, 2018

Scholarships:

EGCC - Union Collaboration Scholarships	\$ 376,875
EGCC - Student Scholarships *	5,850
Martin Luther King Foundation	5,000
EGCC - Haas CNC Machining Scholarships	3,553
EGCC - College Credit Plus Scholarships	2,158
EGCC - Other Student Scholarships	<u>3,681</u>
Total Scholarships	397,117

Donations:

EGCC - Athletics	35,555
EGCC - Dental Equipment - ARC Grant	5,000
EGCC - Other	<u>2,643</u>
Total Donations	43,198

Management and General:

American Express Card Convenience Fee	13,073
Barnes & Noble - Book Fund Payments	5,044
EGCC - Landscaping - Main Campus	4,860
Investment Expenses -Douglas Lane & Associates	4,406
Giftworks Processing Fees	1,379
Other	<u>3,184</u>
Total Management and General:	<u>31,946</u>

Total Scholarships, Donations and Other Disbursements **\$ 472,261**

*** Student Scholarships - Fall 2017**

Hess Scholarships (3)	\$ 1,500
Nina Gentile Scholarship	250
Ella Paulman Lighthouse Scholarship	200
Tri-State Financial Services Scholarship	250
W.H. Vaughan Scholarship	150
Glaub Family Scholarship	250
Knox Family Scholarship	250
Jasmine Baber Scholarship	125
H.L. and J.F. Murray Scholarship	250
Yanok Family Scholarship	125
M&M Hardware Scholarship	250
Kim Patterson Scholarship	125
Gregory and Martha Gett Scholarship	500
Home Savings Scholarship	750
Linda Slowikowski Scholarship	250
Displaced Workers Scholarship	<u>625</u>
	\$ 5,850

The accompanying notes are an integral part of these financial statements

March 7, 2019

Board of Directors
Eastern Gateway Community College Foundation
110 John Scott Highway
Steubenville, OH 43952

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*

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 Eastern Gateway Community College Foundation, Jefferson County, Ohio (the "Foundation"), a component unit of the Eastern Gateway Community College, which collectively comprise the statement of financial position as of June 30, 2018, and the related statement of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated March 7, 2019, in which we noted the Foundation restated net asset balances to correct a prior year accrual.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 determination of financial statement amounts. 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.

Hea & Associates, Inc.

New Philadelphia, Ohio

OHIO AUDITOR OF STATE KEITH FABER



EASTERN GATEWAY COMMUNITY COLLEGE FOUNDATION, INC

JEFFERSON 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
MARCH 26, 2019**