



OHIO AUDITOR OF STATE
KEITH FABER



**ADAMS COUNTY COMMUNITY IMPROVEMENT CORPORATION
ADAMS COUNTY
DECEMBER 31, 2021 AND 2020**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Basic Financial Statements:	
Statement of Financial Position for Year Ended December 31, 2021	5
Statement of Activities and Changes in Net Assets for Year Ended December 31, 2021.....	6
Statement of Functional Expenses for Year Ended December 31, 2021	7
Statement of Cash Flows for Year Ended December 31, 2021	8
Notes to the Financial Statements for Year Ended December 31, 2021	9
Statement of Financial Position for Year Ended December 31, 2020	13
Statement of Activities and Changes in Net Assets for Year Ended December 31, 2020.....	14
Statement of Functional Expenses for Year Ended December 31, 2020	15
Statement of Cash Flows for Year Ended December 31, 2020.....	16
Notes to the Financial Statements for Year Ended December 31, 2020	17
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	21
Schedule of Findings.....	23

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Adams County Community Improvement Corporation
Adams County
215 North Cross Street Suite 101
West Union, Ohio 45693

To the Board of Trustees:

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the financial statements of the Adams County Community Improvement Corporation, Adams County, Ohio (the Corporation), (a not-for-profit corporation), which comprise the statement of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation, as of December 31, 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.

Basis for Qualified and Unmodified Opinions

The Corporation's disclosures on net assets in the notes to the December 31, 2021 and 2020 financial statements were not reported in conformity with accounting principles generally accepted in the United States of America. Additionally, the Corporation omitted disclosures required by accounting principles generally accepted in the United States on liquidity and the functional expense allocations from the notes to the December 31, 2021 and 2020 financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified and Unmodified audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2023, on our consideration of the Corporation'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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation'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 Corporation's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive style with a large, prominent "K" and "F".

Keith Faber
Auditor of State
Columbus, Ohio
October 31, 2023

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Adams County Community Improvement Corporation
Statement of Financial Position
As of December 31, 2021

2021

Assets

Current Assets:

Cash and Cash Equivalents	\$ 179,595
Total Current Assets	<u>179,595</u>

Noncurrent Assets:

Property Held for Sale or Development	<u>277,447</u>
Total Noncurrent Assets	<u>277,447</u>

Total Assets	<u>\$ 457,042</u>
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Net Assets

Net Assets without donor restrictions	<u>\$ 457,042</u>
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Total Net Assets	<u>\$ 457,042</u>
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See the accompanying notes to the basic financial statements

Adams County Community Improvement Corporation
Statement of Activities
For the Year Ended December 31, 2021

2021

Net Assets without donor restrictions:

Public Support and Revenues:

Interest Income	\$ 125
Land Rent Income	7,150
Total Public Support and Revenues	<u>7,275</u>

Expenses:

Program Services	
Economic Development	\$ 110,527
Net Loss on Sales of Land Held for Resale	623,662
Support Services	
Administrative and General Operating Expense	<u>2,000</u>
Total Expenses	<u>736,189</u>

Change in Net Assets without donor restrictions	<u>(728,914)</u>
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Net Assets without donor restrictions, Beginning of the Year	<u>1,185,956</u>
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Net Assets without donor restrictions, End of the Year	<u><u>\$ 457,042</u></u>
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See the accompanying notes to the basic financial statements.

Adams County Community Improvement Corporation
Statement of Functional Expenses
For the Year Ended December 31, 2021

	Supporting Services		
	Program Services	Management and General	Total
Advertising	\$ 6,074	\$ -	\$ 6,074
Recording Fees	150	-	150
Real Estate Taxes	4,687	-	4,687
Insurance	302	-	302
Memberships	-	1,000	1,000
Repairs	6,534	-	6,534
Consulting Fees	77,905	-	77,905
Survey Fees	4,400	-	4,400
Legal Fees	10,475	-	10,475
Accounting Fees	-	1,000	1,000
Net Loss on Sales of Land Held for Resale	623,662	-	623,662
 Total Expenses	 \$ 734,189	 \$ 2,000	 \$ 736,189

See the accompanying notes to the basic financial statements.

Adams County Community Improvement Corporation
Statement of Cash Flows
For the Year Ended December 31, 2021

2021

Cash Flows from Operating Activities

Change in Net Assets	\$ (728,914)
Decrease in Land Inventory	<u>765,453</u>

Net Cash Used by Operating Activities	<u>36,539</u>
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Net Decrease in Cash and Cash Equivalents	36,539
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Cash and Cash Equivalents at Beginning of Year	<u>143,056</u>
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Cash and Cash Equivalents at End of Year	<u>\$ 179,595</u>
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See the accompanying notes to the basic financial statements.

Adams County Community Improvement Corporation
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization

The Adams County Community Improvement Corporation (the Corporation) was organized under Chapter 1724 of the Ohio Revised Code. The Corporation is a not-for-profit corporation that exists to advance, encourage, and promote industrial, economic, commercial, and civic development of Adams County, Ohio and is served by a 9-member board of trustees composed of County officials and community representatives.

Per Ohio Revised Code, Section 1724.10, Adams County has designated the CIC as the agent of Adams County for the “industrial, commercial, distribution and research development in such political subdivision.”

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

The Corporation follows the recommendation of the Financial Accounting Standards Board ASC 958, *Financial Statements of Not-For-Profit Organizations*. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets – Net Assets that are not subject to donor or grantor-imposed restrictions are reported as unrestricted net assets.

Temporarily restricted net assets – Net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Corporation and/or passage of time are reported as temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets resulting from contributions and other inflows of assets whose use by the Corporation is limited by donor-imposed restrictions that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Corporation are reported as permanently restricted net assets.

Adams County Community Improvement Corporation
Notes to the Financial Statements
For the Year Ended December 31, 2021

**Note 1 – Nature of Organization and Summary of Significant Accounting Policies
(Continued)**

Financial Statement Presentation (Continued)

The Corporation's activities are reported as unrestricted for the year ended December 31, 2021.

Cash and Cash Equivalents

The Corporation considers all short-term investments with an original maturity of three months or less when acquired to be cash equivalents for the cash flow statement. The Corporation had no cash equivalents at December 31, 2021.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted, depending on the existence and/or nature of any donor-imposed restrictions. All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Income Taxes

The Corporation is a not-for-profit organization exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code. Accordingly, no provision for federal income tax is required.

Concentration of Credit Risk

Due to the nature of the Corporation's activities, cash balances in a financial institution may exceed federally insured limits during limited time periods. The Corporation considers its bank to have a high enough stability that any cash in excess of the limit is at minimal risk. No losses in such accounts have been experienced.

Adams County Community Improvement Corporation
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Nature of Organization and Summary of Significant Accounting Policies (continued)

Estimates

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

Donated Services

Office space and utilities are provided by Adams County to the Corporation at no charge.

Note 2 - Cash

At December 31, 2021, the Corporation maintains an interest-bearing checking account with a recorded value of \$179,595.

Note 3 – Land Inventory

Land Inventory represents properties contributed by Adams County or acquired by the Corporation using cash contributions from Adams County. These properties are being held for resale to promote future development within Adams County.

<u>Property</u>	<u>Cost</u>
Dorsey Road, Winchester	\$ <u>277,447</u>
Total	\$ <u>277,447</u>

Adams County Community Improvement Corporation
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 4 – Risk Management

The Corporation 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 Corporation has obtained commercial insurance from private carriers for the following risks:

- Commercial General Liability
- Directors/Officers Liability

Note 5 – Subsequent Events

The Corporation has evaluated subsequent events and found that no events have occurred that would require adjustment or disclosure in the financial statements.

Note 6 – Compliance

The Corporation did not file its annual financial report within 120 days of fiscal year end as required by the Ohio Revised Code.

Adams County Community Improvement Corporation
Statement of Financial Position
As of December 31, 2020

2020

Assets

Current Assets:

Cash and Cash Equivalents	\$ 143,056
Total Current Assets	<u>143,056</u>

Noncurrent Assets:

Land Inventory	<u>1,042,900</u>
Total Noncurrent Assets	<u>1,042,900</u>

Total Assets	<u><u>\$ 1,185,956</u></u>
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Net Assets

Unrestricted Net Assets	<u>\$ 1,185,956</u>
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Total Net Assets	<u><u>\$ 1,185,956</u></u>
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See the accompanying notes to the basic financial statements

Adams County Community Improvement Corporation
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2020

2020

Net Assets without donor restrictions:

Public Support and Revenues:

Interest Income	\$ 107
Land Rent Income	3,575
Total Public Support and Revenues	<u>3,682</u>

Expenses:

Program Services	\$ 13,698
Management and General	1,000
Total Expenses	<u>14,698</u>

Change in Net Assets without donor restrictions	<u>(11,016)</u>
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Net Assets without donor restrictions, Beginning of the Year	<u>1,196,972</u>
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Net Assets without donor restrictions, End of the Year	<u><u>\$ 1,185,956</u></u>
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See the accompanying notes to the basic financial statements.

Adams County Community Improvement Corporation
Statement of Functional Expenses
For the Year Ended December 31, 2020

	Supporting Services		
	Program Services	Management and General	Total
Advertising	\$ 850	\$ -	\$ 850
Recording Fees	642	-	642
Real Estate Taxes	4,788	-	4,788
Insurance	302	-	302
Consulting Fees	7,116	-	7,116
Accounting Fees	-	1,000	1,000
Total Expenses	\$ 13,698	\$ 1,000	\$ 14,698

See the accompanying notes to the basic financial statements.

Adams County Community Improvement Corporation
Statement of Cash Flows
For the Year Ended December 31, 2020

2020

Cash Flows from Operating Activities

Change in Net Assets without donor restrictions \$ (11,016)

Net Cash Used by Operating Activities (11,016)

Net Decrease in Cash and Cash Equivalents (11,016)

Cash and Cash Equivalents at Beginning of Year 154,072

Cash and Cash Equivalents at End of Year \$ 143,056

See the accompanying notes to the basic financial statements.

Adams County Community Improvement Corporation
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 – Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization

The Adams County Community Improvement Corporation (the Corporation) was organized under Chapter 1724 of the Ohio Revised Code. The Corporation is a not-for-profit corporation that exists to advance, encourage, and promote industrial, economic, commercial, and civic development of Adams County, Ohio and is served by a 9-member board of trustees composed of County officials and community representatives.

Per Ohio Revised Code, Section 1724.10, Adams County has designated the CIC as the agent of Adams County for the “industrial, commercial, distribution and research development in such political subdivision.”

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

The Corporation follows the recommendation of the Financial Accounting Standards Board ASC 958, *Financial Statements of Not-For-Profit Organizations*. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets – Net Assets that are not subject to donor or grantor-imposed restrictions are reported as unrestricted net assets.

Temporarily restricted net assets – Net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Corporation and/or passage of time are reported as temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets resulting from contributions and other inflows of assets whose use by the Corporation is limited by donor-imposed restrictions that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Corporation are reported as permanently restricted net assets.

Adams County Community Improvement Corporation
Notes to the Financial Statements
For the Year Ended December 31, 2020

**Note 1 – Nature of Organization and Summary of Significant Accounting Policies
(Continued)**

Financial Statement Presentation (Continued)

The Corporation's activities are reported as unrestricted for the year ended December 31, 2020.

Cash and Cash Equivalents

The Corporation considers all short-term investments with an original maturity of three months or less when acquired to be cash equivalents for the cash flow statement. The Corporation had no cash equivalents at December 31, 2020.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted, depending on the existence and/or nature of any donor-imposed restrictions. All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Income Taxes

The Corporation is a not-for-profit organization exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code. Accordingly, no provision for federal income tax is required.

Concentration of Credit Risk

Due to the nature of the Corporation's activities, cash balances in a financial institution may exceed federally insured limits during limited time periods. The Corporation considers its bank to have a high enough stability that any cash in excess of the limit is at minimal risk. No losses in such accounts have been experienced.

Adams County Community Improvement Corporation
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 – Nature of Organization and Summary of Significant Accounting Policies (continued)

Estimates

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

Donated Services

Office space and utilities are provided by Adams County to the Corporation at no charge.

Note 2 - Cash

At December 31, 2020, the Corporation maintains an interest-bearing checking account with a recorded value of \$143,056.

Note 3 – Land Inventory

Land Inventory represents properties contributed by Adams County or acquired by the Corporation using cash contributions from Adams County. These properties are being held for resale to promote future development within Adams County.

<u>Property</u>	<u>Cost</u>
Dorsey Road, Winchester	\$ 217,518
St. Rt. 41, West Union	\$ 825,382
Total	<u>\$1,042,900</u>

Adams County Community Improvement Corporation
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 4 – Risk Management

The Corporation 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 Corporation has obtained commercial insurance from private carriers for the following risks:

- Commercial General Liability
- Directors/Officers Liability

Note 5 – Subsequent Events

The Corporation has evaluated subsequent events and found that no events have occurred that would require adjustment or disclosure in the financial statements.



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

Adams County Community Improvement Corporation
Adams County
215 North Cross Street Suite 101
West Union, Ohio 45693

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Adams County Community Improvement Corporation, Adams County, (the Corporation) (a not-for-profit corporation) as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements and have issued our report thereon dated October 31, 2023. We qualified our opinion on the notes to the December 31, 2021 and 2020 financial statements. The disclosures on net assets in the notes to the December 31, 2021 and 2020 financial statements were not reported in conformity with accounting principles generally accepted in the United States of America. Additionally, the Corporation omitted required disclosures on liquidity and the functional expense allocations.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation'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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 Corporation'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2021-001 and 2021-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation'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 Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio
October 31, 2023

**ADAMS COUNTY COMMUNITY IMPROVEMENT CORPORATION
ADAMS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2021-001

Material Weakness

Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-For-Profit Entities* simplified and improved how not-for-profit entities classify net assets as well as the information presented in financial statements and notes about liquidity, financial performance, and cash flows.

The guidance in ASU 2016-14 (Topic 958):

- Revises the net asset classification scheme to two classes (net assets with donor restrictions and net assets without donor restrictions) instead of the previous three.
- Enhances disclosures for self-imposed limits on the use of resources without donor-imposed restrictions and the composition of net assets with donor restrictions.
- Requires net presentation of investment expenses against investment return on the statement of activities and eliminates the requirement to disclose investment expenses that have been netted.
- Requires the presentation of expenses by nature as well as function, including an analysis of expenses showing the relationship between functional and natural classification for all expenses.
- Requires qualitative disclosures on how a not-for-profit manages its available liquid resources.
- Requires quantitative disclosures that communicate the availability of financial assets to meet cash needs for general expenditures within one year of the balance sheet date.
- Allows for a choice between the direct and indirect method of reporting operating cash flows; presentation of the indirect reconciliation is no longer required if using the direct method.

ASU 2016-14 (Topic 958) was effective for reporting periods beginning after December 15, 2017. The Corporation failed to file the 2020 and 2021 financial statements and notes in accordance with ASU 2016-14 (Topic 958).

The financial statements and notes have been partially revised to meet the requirements of ASU 2016-14. However, the footnotes on net assets are not reported in conformity with these requirements. The Corporation also omitted required disclosures on liquidity and functional expense allocations. The Corporation should review ASU 2016-14 and present financial statements and notes using the new guidelines. Failure to do so can cause inappropriate presentation for the users of the report.

Officials' Response:

We did not receive a response from Officials to this finding.

FINDING NUMBER 2021-002

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Due to deficiencies in the Corporation's financial statement monitoring and review process, the Corporation made the following errors in 2021:

- Sale of Land Held for Development was overstated by \$201,720.
- Cost of Land held for Development expense was overstated by \$825,382.
- Net Loss on Sale of Land held for Development was understated by \$623,662.

The Corporation corrected the accompanying financial statements and accounting records, where appropriate.

Failure to accurately post and report transactions could result in material errors in the Corporation's financial statements, which reduces the Corporation's ability to monitor financial activity and to make sound decisions that effect the overall available cash positions of the Corporation.

The Corporation should review and implement internal controls to ensure financial transactions are accurately recorded and reported.

Officials' Response:

We did not receive a response from Officials to this finding.

OHIO AUDITOR OF STATE KEITH FABER



ADAMS COUNTY COMMUNITY IMPROVEMENT CORPORATION

ADAMS 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 11/14/2023

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