INN-OHIO OF ATHENS, INC
ATHENS COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

OHIO AUDITOR OF STATE
KEITH FABER

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Board of Trustees
Inn-Ohio of Athens, Inc.
West Union Street Office Center 1 Ohio University
Athens, Ohio 45701

We have reviewed the *Independent Auditor's Report* of the Inn-Ohio of Athens, Inc., Athens County, prepared by Crowe LLP, 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 Inn-Ohio of Athens, Inc. is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

November 15, 2021

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Inn-Ohio of Athens, Inc.

(a wholly owned subsidiary of The Ohio University Foundation)

Annual Financial Report

June 30, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Inn-Ohio of Athens, Inc.
Athens, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of Inn-Ohio of Athens, Inc., a wholly-owned subsidiary of The Ohio University Foundation, which comprise the balance sheets as of June 30, 2021 and 2020, and the related statements of operations and comprehensive income, stockholders' equity, 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 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 opinions.

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Inn-Ohio of Athens, Inc. as of June 30, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with 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 14, 2021 on our consideration of The Inn-Ohio of Athens, Inc.'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 Inn-Ohio of Athens, Inc.'s internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Columbus, Ohio
October 14, 2021

Balance Sheets

June 30, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash	$ 1,301,795	$ 658,466
Investments	1,090,950	1,734,606
Accounts receivable - net	67,333	222,122
Inventories	63,535	47,858
Prepaid expenses and other assets	49,664	51,286
Total current assets	2,573,277	2,714,338
Property and Equipment - net	4,215,520	4,298,013
Total assets	$ 6,788,797	$ 7,012,351
Liabilities and Stockholder's Equity		
Current Liabilities		
Accounts payable	$ 127,841	$ 67,546
Refundable advance	718,098	512,900
Current portion of long-term debt	-	394,003
Accrued and other current liabilities:		
Taxes payable	275,913	49,816
Accrued compensation	164,495	113,291
Other accrued liabilities	168,549	128,659
Total current liabilities	1,454,896	1,266,215
Deferred Income Tax Liability	100,145	190,900
Total liabilities	1,555,041	1,457,115
Stockholder's Equity		
Common stock	3,429,192	3,429,192
Contributed capital	4,266,632	4,266,632
Accumulated deficit	(2,462,068)	(2,140,588)
Total stockholder's equity	5,233,756	5,555,236
Total liabilities and stockholder's equity	$ 6,788,797	$ 7,012,351

See notes to financial statements.

Statements of Operations & Comprehensive Income (Loss)

Years Ended June 30, 2021 and 2020

	2021	2020
Revenue		
Rooms	$ 2,222,683	$ 2,835,622
Food and beverage	1,031,290	1,593,047
Other	54,892	21,279
Total revenue	3,308,865	4,449,948
Operating Expenses		
Rooms	633,010	754,942
Food and beverage	975,167	1,296,308
Other	1,461	-
Total operating expenses	1,609,638	2,051,250
Income before General and Unapportioned Expenses	1,699,227	2,398,698
General and Unapportioned Expenses		
Administrative and general	572,093	581,040
Information and telecommunications systems	158,816	114,369
Repairs and maintenance	405,079	406,418
Taxes, insurance and other	233,493	267,256
Marketing	230,114	239,933
Management fees	100,000	124,075
Utilities	174,743	157,270
Total general and unapportioned expenses	1,874,338	1,890,361
Other Income		
Contribution revenue	512,900	-
Interest and dividends on investments	30,441	41,349
Realized gains on investments	51,715	7,752
Unrealized gains (losses) on investments	(59,589)	80,441
Total other income	535,467	129,542
Capital Expenses		
Interest expense	12,895	16,703
Depreciation	735,524	788,072
Total capital expenses	748,419	804,775
Income (Loss) before Provision for Income Taxes	(388,063)	(166,896)
Income Tax Expense (Recovery)	(66,583)	(46,462)
Net Income (Loss)	$ (321,480)	$ (120,434)

See notes to financial statements.

Statements of Stockholder's Equity

Years Ended June 30, 2021 and 2020

	Common Stock	Contributed Capital	Accumulated Deficit	Accumulated Comprehensive Loss	Total Stockholder's Equity
Balance - July 1, 2019	$ 3,429,192	$ 4,266,632	$ (2,020,154)	$ -	$ 5,675,670
Net loss	-	-	(120,434)	-	(120,434)
Balance - June 30, 2020	3,429,192	4,266,632	(2,140,588)	-	5,555,236
Net loss	-	-	(321,480)	-	(321,480)
Balance - June 30, 2021	$ 3,429,192	$ 4,266,632	$ (2,462,068)	$ -	$ 5,233,756

See notes to financial statements.

Statements of Cash Flows

Years Ended June 30, 2021 and 2021

	2021	2020
Cash Flows from Operating Activities		
Net income (loss)	$ (321,480)	$ (120,434)
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	735,524	788,072
Deferred income tax recovery	(90,755)	(39,100)
Realized gains on sale of investments	(51,715)	(7,752)
Unrealized (gains) losses on investments	59,589	(80,441)
Changes in operating assets and liabilities:		
Decrease in accounts receivable	154,789	222
(Increase) decrease in inventories	(15,677)	8,949
(Increase) decrease in prepaid expenses and other assets	1,622	(5,764)
Increase (decrease) in accounts payable	60,295	(2,239)
Increase in refundable advance	205,198	512,900
Increase (decrease) in accrued and other liabilities	317,191	(347,793)
Net cash provided by operating activities	1,054,581	706,620
Cash Flows from Investing Activities		
Acquisition of property and equipment	(653,031)	(587,062)
Purchases of investments	(30,441)	(43,298)
Proceeds from sale of investments	666,223	-
Net cash used in investing activities	(17,249)	(630,360)
Cash Flows from Financing Activities		
Payments on long-term debt	(394,003)	(370,902)
Net cash used in financing activities	(394,003)	(370,902)
Net Increase (Decrease) in Cash	643,329	(294,642)
Cash - Beginning of year	658,466	953,108
Cash - End of year	$ 1,301,795	$ 658,466
Supplemental Disclosure of Cash Flow Information		
Interest paid	$ 6,682	$ 15,019
Income taxes paid	(64,084)	124,347

See notes to financial statements.

Note 1 – Organization

Inn-Ohio of Athens, Inc. (the "Company") was incorporated in Ohio on September 10, 1986 to acquire and operate an 87-room hotel and restaurant facility in Athens, Ohio known as The Ohio University Inn (the "Inn"). An additional wing with 61 rooms was added to the hotel and placed in service in October 1989. The Inn currently has 139 rooms in service. The Company is a wholly owned subsidiary of The Ohio University Foundation (the "Stockholder").

Note 2 – Significant Accounting Policies

Method of Accounting

The Company maintains its books and records in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no effect on previously reported net income or total stockholder’s equity.

Cash

At times, cash may exceed federally insured amounts. As of June 30, 2021 and 2020, the company held $812,827 and $405,540, respectively, in cash that was uninsured by the FDIC.

Advertising Expense

Advertising costs are included in marketing expenses on the statement of operations and comprehensive income and expensed as incurred. Advertising expense for the years ended June 30, 2021 and 2020 was approximately $13,000 and $69,000, respectively.

Note 2 – Significant Accounting Policies (Continued)

Investments

Investments consist of a fixed-income mutual fund valued at market value. Realized gains of $51,715 and $7,752 are reported in net income for the years ended June 30, 2021 and 2020, respectively. Unrealized holding losses of $59,589 and unrealized holding gains of $80,441 are reported in net income for the years ended June 30, 2021 and 2020, respectively.

Trade Accounts Receivable

Accounts receivable consist of balances due from customers or businesses that have incurred charges at the facility. These customers' accounts have been preapproved for a direct billing from the facility based on a complete credit application. Collection of the accounts receivable balances is performed at the facility, and all amounts are deposited daily. In the normal course of business, the Company rents facilities to Ohio University, a related party, and its affiliates.

Accounts receivable include amounts due from Ohio University and its related programs, departments, and affiliates of approximately $21,000 and $203,000 as of June 30, 2021 and 2020, respectively. As Ohio University is the sole beneficiary of The Ohio University Foundation and The Ohio University Foundation has sole ownership rights in the Inn, Ohio University is considered a related party. Accounts receivable are stated at invoice amounts.

An allowance for doubtful accounts is recognized based on a specific assessment of all invoices that remain unpaid. The allowance is determined based on management's estimate of the amounts recoverable from each customer. The allowance for doubtful accounts on accounts receivable balances was $10,000 and $6,000 as of June 30, 2021 and 2020.

Inventories

Inventories consist of food and beverage products and gift shop items, which are valued at the lower of cost or net realizable value (NRV), with cost determined on the first-in, first-out (FIFO) method.

Note 2 – Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Cost of normal repairs and maintenance and minor renewals are charged to expense. Major expenditures, with a minimum value of $2,000 and which extend the useful lives of assets, are capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the property and equipment.

As of June 30, 2021 and 2020, the Company is of the opinion that there is no impairment of property and equipment

Loan Issuance Costs

Loan issuance costs are amortized using the straight-line method (which approximates the effective interest method) over the life of the related debt. Amortization expense was approximately $2,800 and $2,100 for the years ended June 30, 2021 and 2020, respectively.

Revenue and Cost Recognition

Revenue is recognized from room, restaurant, beverage, and telephone facilities and services as earned on the close of business each day. The majority of the Company's business is derived from Ohio University and its related programs, departments, and affiliates.

During the fiscal years ended June 30, 2021 and 2020, the Company applied for and received Paycheck Protection Program (PPP) loans from the U.S. Small Business Administration (SBA) in the amount of $718,098 and $512,900, respectively. The loans are designed to provide a direct incentive for small businesses affected by COVID-19 to keep their workers on the payroll. SBA will forgive the loan if all employee retention criteria are met and the funds are used for eligible expenses, including payroll costs, interest on mortgages, rent and utilities. During the fiscal year ended June 30, 2021, the SBA forgave the loan that was issued during the fiscal year ended June 30, 2020, and the forgiven amount was recorded as contribution revenue on the accompanying Statement of Operations & Comprehensive Income (Loss). For the loan issued during the fiscal year ended June 30, 2021, the Company anticipates that it will meet the all program requirements, and the PPP loan will be forgiven, during the fiscal year that will end on June 30, 2022. As such, the entire PPP loan balance

Note 2 – Significant Accounting Policies (Continued)

issued during the fiscal year ended June 30, 2021 is recorded as a refundable advance on the accompanying Balance Sheet.

Income Taxes

A current tax liability or asset is recognized for the estimated taxes payable or refundable on tax returns for the year. Deferred tax liabilities or assets are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting.

Other Comprehensive Income (Loss)

Accounting principles generally require that recognized revenue, expenses, gains, and losses be included in net income. The Company has no other comprehensive income (loss) as of June 30, 2021 and 2020.

Recently Adopted Accounting Guidance

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which superseded the current revenue recognition requirements in Topic 605, *Revenue Recognition*. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The new guidance was effective for the Company's year ending June 30, 2021. The ASU permits application of the new revenue recognition guidance using one of two retrospective application methods. There was no material impact to the financial statements as a result of adoption. The ASU has been applied retrospectively to all periods presented, with no effect on stockholder’s equity or previously issued financial statements.

Note 2 – Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncements

The FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which will supersede the current lease requirements in ASC 840. This guidance is intended to improve financial reporting of leasing transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases that extend more than twelve months. Key provisions in this guidance include additional disclosures surrounding the amount, timing and uncertainty of cash flows arising from leases. Application of the new lease standard is not expected to have a significant effect on the Company's financial statements. The new lease guidance will be effective for the Company's year ending June 30, 2023 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including October 14, 2021, which is the date the financial statements were available to be issued.

The Company anticipates a continued economic impact resulting from the effects of the COVID-19 outbreak on the national, state, and local economies. The Company has currently not determined what material impact this outbreak could continue to potentially have on revenues such as room revenues and food and beverage revenues related to economic conditions.

Note 3 – Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Company has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets

Note 3 – Fair Value Measurements (Continued)

and other inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Company's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The Company's investment in fixed-income mutual funds totaling $1,090,950 and $1,734,606 as of June 30, 2021 and 2020, respectively, is valued using Level 1 inputs.

Note 4 – Property and Equipment

Property and equipment are summarized as follows:

	2021	2020	Depreciable Life - Years
Land	$ 323,978	$ 323,978	
Land improvements	978,480	967,476	5-15
Buildings	7,897,029	7,865,444	30-40
Furniture and fixtures	6,031,266	5,956,132	3-10
Construction in progress	551,906	16,599	
Total cost	15,782,659	15,129,629	
Accumulated depreciation	11,567,139	10,831,616	
Net property and equipment	$ 4,215,520	$ 4,298,013	

Depreciation expense for the years ended June 30, 2021 and 2020 totaled $735,524 and $788,072, respectively.

Note 5 – Long-Term Debt

As of June 30, 2021 and 2020, debt obligations consisted of the following:

	2021	2020
Term Loan	$ -	$ 396,800
Less current portion of long-term debt	-	(394,003)
Less unamortized loan costs	-	(2,797)
Total long-term portion	$ -	$ -

In June 2006, the Company obtained a secured $4,000,000 term loan (the "Term Loan"), the proceeds of which were used to pay a dividend of $3,000,000 in June 2006 and $1,000,000 of which was placed in the bond fund to retire the 1996 Serial and Term Project Bonds in November 2006. The Term Loan was guaranteed by the Stockholder.

Substantially all of the property and equipment were pledged as collateral for the Term Loan. Principal payments on the Term Loan ranging from $32,100 to $34,100 were due in monthly installments through June 2021. The interest rate on the Term Loan was fixed at 6.20 percent through June 2011 and was adjusted to 3.31 percent as of July 1, 2011. The interest rate was adjusted to the index rate, as defined in the agreement, plus 1.40 percent in June 2016, effectively 2.50 percent. The Term Loan was paid in full during the fiscal year ended June 30, 2021.

Note 6 – Working Capital Loans Payable to Stockholder

The Stockholder made available to the Company working capital loans, with interest at the prime rate, of up to $450,000 at June 30, 2021 and 2020. There were no outstanding borrowings on these working capital loans at June 30, 2021 and 2020. The interest rate, which is stated at the prime rate, was 3.25 percent as of June 30, 2021 and 2020.

Note 7 – Stockholder’s Equity

As of June 30, 2021 and 2020, the authorized capital stock of the Company was 750 shares of common stock with no par value, and 250 shares of redeemable preferred stock with a stated value of $10,000 to be cumulative for payment of dividends with an interest rate of the United States Federal Discount Rate.

As of June 30, 2021 and 2020, there were 342.9192 shares of voting common stock, and no shares of preferred stock, issued and outstanding.

Note 8 – Management Fees

The property manager's compensation is based on a base fee plus a percentage of the Inn's net available operating profit, as defined in the management agreement. Management fees earned by the manager were $100,000 and $124,075 for the fiscal years ended June 30, 2021 and 2020, respectively.

Note 9 – Income Taxes

The provision for income taxes for the years ended June 30, 2021 and 2020 consists of the following:

	2021	2020
Current income tax expense	$ 24,172	$ (7,362)
Deferred income tax recovery	(90,755)	(39,100)
Total income tax expense (recovery)	$ (66,583)	$ (46,462)

The components of the deferred income tax asset and liability as of June 30, 2021 and 2020 are as follows:

	2021	2020
Deferred tax assets	$ 89,986	$ 53,200
Deferred tax liabilities	(190,131)	(244,100)
Total	$ (100,145)	$ (190,900)

For 2021 and 2020, the difference between the federal statutory tax rate and the Company's provision for income taxes relates primarily to state income taxes.

Crowe LLP
Independent Member Crowe Global

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
Inn-Ohio of Athens, Inc.
Athens, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Inn-Ohio of Athens, Inc., a wholly-owned subsidiary of The Ohio University Foundation, which comprise the balance sheet as of June 30, 2021, and the related statements of operations and comprehensive income, stockholder's equity, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 14, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Inn-Ohio of Athens, Inc.'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 Inn-Ohio of Athens, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Inn-Ohio of Athens, Inc.'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.

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Inn-Ohio of Athens, Inc. 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.

Crowe LLP

Crowe LLP

Columbus, Ohio
October 14, 2021

Schedule of Findings and Responses

Year ended June 30, 2021

There were no current year findings.

Schedule of Prior Year Findings

Year ended June 30, 2021

FINDING 2020-001 – INTERNAL CONTROLS OVER FINANCIAL REPORTING

Criteria:	The Inn's property management should have internal controls over the financial reporting process, inclusive of all journal entries posted, designed to ensure that the financial statements are presented in accordance with accounting principles generally accepted in the United States of America. In addition, the Inn should maintain support and records of all manually posted journal entries recorded in the year.
Condition:	The Inn's property management was unable to provide supporting documentation for a sample of manual journal entries posted during the year.
Context:	From 32 selected journal entries, 12 entries were found to have insufficient or no documentation maintained.
Effect:	The condition noted above has the potential to lead to incorrect journal entries and misstated financial statement information.
Cause:	The Inn's property management did not maintain journal entry documentation for all manual entries posted during the year.
Repeat Finding:	No
Recommendation:	We recommend that documentation is maintained by Inn property management for all manual journal entries posted throughout the year.
Response:	During the fiscal year ended June 30, 2020, the Inn's accounting services were provided by Atrium Accounting, a third-party entity. This entity ceased providing services to Pyramid Hotel Group, the Inn's property manager, on July 31, 2020. As of September 30, Atrium Accounting is no longer operating, and their offices have closed. Pyramid Hotel Group was unsuccessful in sourcing the backup for journal entries from Atrium Accounting contacts. Going forward, the Inn's property manager will maintain all manual journal postings and will maintain all substantiation for those entries throughout the fiscal year.
Status:	Corrected.

OHIO AUDITOR OF STATE
KEITH FABER

INN-OHIO OF ATHENS, INC.

ATHENS 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 11/30/2021

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