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ZANESVILLE-WASHINGTON TOWNSHIP JOINT ECONOMIC DEVELOPMENT DISTRICT
MUSKINGUM COUNTY

TABLE OF CONTENTS

TITLE _____ **PAGE**

Independent Accountants' Report on Applying Agreed-Upon Procedures..... 1

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Zanesville-Washington Joint Economic Development District
Muskingum County
401 Market Street
Zanesville, Ohio 43701

We have performed the procedures enumerated below, which were agreed to by the Board of Directors and the management of the Zanesville-Washington Township Joint Economic Development District, Muskingum County, Ohio (the District), on the receipts, disbursements and balances recorded in the District's cash basis accounting records for the years ended December 31, 2016 and 2015 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the District. The District is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2016 and 2015 and certain compliance requirements related to these transactions and balances included in the information provided to us by the District. The sufficiency of the procedures is solely the responsibility of the parties specified in this report.

Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

This report only describes exceptions exceeding \$10.

Cash

1. The City of Zanesville is custodian for the District's deposits, and therefore the City's deposit and investment pool holds the District's assets. We compared the District's fund balances reported on its December 31, 2016 Statement of Receipts, Disbursements, and Change in Fund Balance report filed on the HINKLE System to the balances reported in City's accounting records. The amounts agreed.
2. We agreed the January 1, 2015 beginning fund balances recorded in the Statement of Receipts, Disbursements and Change in Fund Balance report filed on the Hinkle System to the December 31, 2014 balances in the City's accounting records. We noted a \$50 variance between the City's records, which indicated the balance should have been \$349,819, while the Statement of Receipts Disbursements and Change in Fund Balance report indicated the balance at January 1, 2015 was \$349,769. We also agreed the January 1, 2016 beginning fund balances recorded in the Statement of Receipts, Disbursements, and Change in Fund Balance report filed on the Hinkle System to the December 31, 2015 balances in the City's accounting records. We found no exceptions.

Income Taxes

1. We confirmed the income tax amounts paid from the City of Zanesville to the District during 2016 and 2015, with the City. We found no exceptions.
 - a. We inspected the Detailed Receipt Transactions Reports to determine whether these receipts were allocated to the proper fund(s). We found no exceptions.

Income Taxes (Continued)

- b. We inspected the Detailed Receipt Transactions Reports to determine the receipts were recorded in the proper year. We found no exceptions.
2. As required by Section 10 of the Amendment of the Zanesville-Washington Township Joint Economic Development District Contract, we inspected the Detailed Receipt Transactions Reports for 2016 and 2015 to determine whether each year included all receipts from the City of Zanesville. There were no exceptions.

Debt

1. This was the initial audit of the District. We inquired of management regarding debt outstanding as of December 31, 2014. Management indicated there was no debt outstanding as of December 31, 2014.
2. We inquired of management, and inspected the Detailed Receipt Transactions Report and Detailed Expense Transactions Report for evidence of debt issued during 2016 or 2015 or debt payment activity during 2016 or 2015. There were no new debt issuances or any debt payment activity during 2016 or 2015.

Non-Payroll Cash Disbursements

1. The only disbursements from the District were to those entities to which portions of the income tax collections were due and refunds issued to individuals or businesses for which income taxes due were overpaid. From the Detailed Receipt Transactions Reports and Detailed Expense Transactions Report, we confirmed that District income taxes collected were disbursed in the proportions as noted in Compliance – Bylaws section below.
2. From the Issued Refunds Report, we re-footed checks recorded as Refund disbursements for 2016 and 2015 and compared them to the Refunds expense reported on the Statement of Receipts, Disbursements and Change in Fund Balance. For 2016, the Issued Refunds Report totaled \$86,676. The Statement of Receipts, Disbursements, and Change in Fund Balance report indicated that total refunds were \$87,712. For 2015, the Issued Refunds Report totaled \$74,582. The Statement of Receipts, Disbursements, and Change in Fund Balance report indicated that total refunds were \$75,067. We inquired of management who investigated the variances and identified differences between the amounts reported to the District and the amounts on the Issued Refunds Report. According to management, the refund expense reported should have totaled \$86,676 and \$74,582 for 2016 and 2015, respectively.
3. We haphazardly selected ten disbursements from the Issued Refunds Report for the year ended December 31, 2016 and ten from the year ended 2015 and determined whether:
 - a. The disbursement was for a proper public purpose. We found no exceptions.
 - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded on the Issued Refunds Report. We found no exceptions.
 - c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.

Compliance – Bylaws

We confirmed District income taxes collected were disbursed in the following manner in accordance with the Amendment of the JEDD Contract:

Compliance – Bylaws (Continued)

- a. Muskingum County received 30% of income tax collections from DGC Properties, Inc., the Bilco Company and the New Bakery Company of Ohio, Inc.
- b. The City of Zanesville received 70% of income tax collections from DGC Properties, Inc., the Bilco Company and the New Bakery Company of Ohio, Inc.
- c. Washington Township received 5% of all remaining income tax revenues not previously mentioned in sections a. and b.
- d. Muskingum County received 47.5% of all remaining income tax revenues not previously mentioned in sections a. and b.
- e. The City of Zanesville received 47.5% of all remaining income tax revenues not previously mentioned in sections a. and b.

We found no exceptions.

Other Compliance

Ohio Rev. Code § 117.38 requires districts to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, in addition to filing extensions granted for extenuating circumstances, allow for refiling complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System for December 31, 2017 and 2016 fiscal year ends included in 2015-2016 or 2016-2017 agreed upon procedure engagements, subsequent to the District's deadline where the initial filing was filed on time but incomplete. We confirmed the District filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended December 31, 2016 and 2015 in the Hinkle system. The financial statements did not include the notes to the financial statements as required.

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is to provide assistance in it's the evaluation of the District's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2016 and 2015, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

October 23, 2017

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**ZANESVILLE – WASHINGTON TOWNSHIP JOINT ECONOMIC DEVELOPMENT DISTRICT
MUSKINGUM 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
NOVEMBER 14, 2017**