



OHIO AUDITOR OF STATE  
**KEITH FABER**





**ZANESVILLE COMMUNITY IMPROVEMENT CORPORATION  
MUSKINGUM COUNTY  
DECEMBER 31, 2023 and 2022**

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# OHIO AUDITOR OF STATE KEITH FABER



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Columbus, Ohio 43215  
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## INDEPENDENT AUDITOR'S REPORT

Zanesville Community Improvement Corporation  
Muskingum County  
401 Market Street  
Zanesville, Ohio 43701

To the Board of Directors:

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the financial statements of the Zanesville Community Improvement Corporation, Muskingum County, Ohio (the Corporation), a component unit of the City of Zanesville, Muskingum County, Ohio, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Zanesville Community Improvement Corporation, Muskingum County, Ohio as of December 31, 2023 and 2022, and the changes in financial position 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 Opinion***

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 audit opinion.

#### ***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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***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.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2025, 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, reading "Keith Faber". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Keith Faber  
Auditor of State  
Columbus, Ohio

May 15, 2025

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## **ZANESVILLE COMMUNITY IMPROVEMENT CORPORATION**

Zanesville, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2023

This discussion and analysis of the Zanesville Community Improvement Corporation's (the Corporation) financial performance provides an overall review of the Corporation's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the Corporation's financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the Corporation's financial performance.

### **Financial Highlights**

Key highlights for 2023:

- The Corporation acquired 41 properties via donation with an appraised value of \$708,200 during 2023. The Corporation sold 8 properties for proceeds of \$36,174 during 2023.
- The Corporation received a \$300,000 grant from the City of Zanesville during 2023.
- The Corporation earned \$9,578 of rental income during 2023.
- Beginning with net position balance of \$197,063, the Corporation ended the year with an unrestricted net position balance of \$906,702.

### **Overview of the Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Corporation's financial activities and financial position. The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position provide information about the activities of the Corporation, including all short-term and long-term financial resources and obligations.

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included in the Statement of Net Position. The Statement of Net Position represents the financial position of the Corporation. The Statement of Revenues, Expenses and Changes in Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in net position. The Statement of Cash Flows reflects how the Corporation finances and meets its cash flow needs. Finally, the notes to the basic financial statements provide additional information that is essential to a full understanding of the information provided on the basic financial statements.

These financial statements look at all financial transactions and ask the question, "How did we do financially?" These statements provide answers to that question. The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position include all assets, liabilities, revenues and expenses of the Corporation using the accrual basis of accounting similar to the accounting used by private sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the Corporation's net position and the changes in net position. The change in net position is important because it tells the reader whether the financial position of the Corporation has improved or diminished. However, in evaluating this position, non-financial information such as occupancy will also need to be evaluated. The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided.

### **Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of financial position. In the case of the Corporation, assets and net position were \$906,702 as of December 31, 2023.

**ZANESVILLE COMMUNITY IMPROVEMENT CORPORATION**

Zanesville, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2023

**Financial Analysis (Continued)**

The following table provides a summary of the Corporation's net position for the years ended December 31, 2023 and 2022:

**Table 1**  
Net Position

	<u>2023</u>	<u>2022</u>
<b>Assets</b>	\$ 923,978	\$ 197,063
<b>Liabilities</b>	(4,962)	-
<b>Deferred Inflows of Resources</b>	<u>(12,314)</u>	<u>-</u>
<b>Net position</b>		
Unrestricted	<u>\$ 906,702</u>	<u>\$ 197,063</u>

At the end of the year, the Corporation had an ending net position balance of \$906,702, which is unrestricted and may be used to meet ongoing obligations and invest in community and economic development activities.

The following table provides a summary of the changes in the Corporation's net position for the years ended December 31, 2023 and 2022:

**Table 2**  
Changes in Net  
Position

	<u>2023</u>	<u>2022</u>
<b>Operating revenue:</b>		
Grant income	\$ 300,000	\$ -
Rental income	9,578	-
Miscellaneous sales	<u>50</u>	<u>45,676</u>
<b>Total operating revenue</b>	<b>309,628</b>	<b>45,676</b>
<b>Operating expenses:</b>		
Cost of property sale	1,303	
Supplies	245	
Advertising	123	
Contract services	190,775	-
Insurance	1,839	1,741
Professional fees	2,820	3,218
Taxes	<u>1,016</u>	<u>1,328</u>
<b>Total operating expenses</b>	<b><u>198,121</u></b>	<b><u>6,287</u></b>
<b>Operating income</b>	<b>111,507</b>	<b>39,389</b>
<b>Non-operating revenue:</b>		
Interest earnings	1,694	99
Property donation	708,200	8,000
Loss on disposal of property	(106,800)	(6,500)
Disbursements to City of Zanesville	<u>(4,962)</u>	<u>(1,500)</u>
<b>Total operating expenses</b>	<b><u>598,132</u></b>	<b><u>99</u></b>
<b>Change in net position</b>	<b>709,639</b>	<b>39,488</b>
<b>Net position - beginning of year</b>	<b><u>197,063</u></b>	<b><u>157,575</u></b>
<b>Net position - end of year</b>	<b><u>\$ 906,702</u></b>	<b><u>\$ 197,063</u></b>

## **ZANESVILLE COMMUNITY IMPROVEMENT CORPORATION**

Zanesville, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2023

During 2023, the Corporation's net position increased by \$709,639. The majority of the expenses relate to renovations and repairs and maintenance on properties and general administrative matters.

As discussed in Note 5, the Corporation coordinated with the City of Zanesville the sale of a Central Avenue property in 2023 which was initially recorded as property donation from the City of Zanesville in non-operating revenue. The net proceeds of the sale were paid back to the City of Zanesville in accordance with ORC 1724.10(3) during 2024. This activity was recorded as non-operating revenue and expenses.

### **Capital Assets and Debt Administration**

As of December 31, 2023, the Corporation owns no capital assets and had no outstanding debt issued in its name.

### **Economic Factors and Future Trends**

The Corporation will continue to look for community and economic development opportunities through the use of low-cost loans and other tools at its disposal.

### **Requests for Information**

This financial report is designed to provide our citizens, customers, taxpayers, creditors, investors and elected officials with an overview of the Corporation's finances and to show accountability for the money it receives. If you have any questions about this report or need additional information, contact the Corporation at 401 Market Street, Zanesville, Ohio 43701.

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Zanesville Community Improvement Corporation  
Zanesville, Ohio  
Statement of Net Position  
As of December 31, 2023

**Assets**

Cash and cash equivalents	\$ 219,486
Property held for resale	692,700
Lease receivable	11,792
Total assets	<u>923,978</u>

**Liabilities**

Accounts payable	<u>4,962</u>
Total liabilities	<u>4,962</u>

**Deferred Inflows of Resources**

Deferred lease revenue	<u>12,314</u>
Total deferred inflows of resources	<u>12,314</u>

**Net position**

Unrestricted	<u>\$ 906,702</u>
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See accompanying notes to the financial statements

Zanesville Community Improvement Corporation  
Zanesville, Ohio  
Statement of Revenue Expenses and Change in Net Position  
For the year ended December 31, 2023

**Operating Revenue:**

Grant income	\$ 300,000
Rent income	9,578
Miscellaneous Sales	50
Total operating revenue	<u>309,628</u>

**Operating Expenses:**

Cost of property sale	1,303
Supplies	245
Advertising	123
Contract services	190,775
Insurance	1,839
Professional fees	2,820
Taxes	1,016
Total operating expenses	<u>198,121</u>

Operating income	111,507
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**Non-operating revenue (expense):**

Interest income	1,694
Property donation	708,200
Loss on disposal	(106,800)
Disbursement to City of Zanesville	(4,962)
Total non-operating revenue	<u>598,132</u>

Change in net position	709,639
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Net position - beginning of year	<u>197,063</u>
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Net position - end of year	<u><u>\$ 906,702</u></u>
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See accompanying notes to the financial statements

Zanesville Community Improvement Corporation  
Zanesville, Ohio  
Statement of Cash Flows  
For the year ended December 31, 2023

***Cash flows from operating activities***

Cash receipts from operations	\$ 310,150
Cash payment for operating expenses	(197,795)
Net cash flows from operating activities	<u>112,355</u>

***Cash flows from operating activities***

Interest earnings	1,694
Cash receipt from sale of land	36,174
Net cash flows from operating activities	<u>37,868</u>

Net increase in cash and cash equivalents	150,223
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Cash and cash equivalents-beginning of year	<u>69,263</u>
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Cash and cash equivalents-end of year	<u><u>\$ 219,486</u></u>
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***Reconciliation of operating income to net cash from operating activities:***

Operating income	\$ 111,507
Adjustments to reconcile operating income to net cash from operating activities:	
Straight-line rental income	(522)
Cost of property sale	326
Net cash flows from operating activities	<u><u>\$ 112,355</u></u>

See accompanying notes to the financial statements

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# **ZANESVILLE COMMUNITY IMPROVEMENT CORPORATION**

Zanesville, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

## **NOTE 1—DESCRIPTION OF THE ENTITY**

The Zanesville Community Improvement Corporation is a not-for-profit organization which derives the major source of its revenue from grants from the City of Zanesville and property sales. The Corporation was formed to cultivate and promote economic development in the City of Zanesville.

The Corporation is governed by a Board of Trustees composed of: four members consisting of elected or appointed officials; five members appointed jointly by the Mayor and majority vote of Zanesville City Council who shall be referred to as “Directors at-large”. The Zanesville Community Improvement Corporation acts as an agent for the City, is fiscally dependent and is considered a component unit of the City. With the Governmental Accounting Standard Board (GASB) Statement No. 61, “The Financial Reporting Entity: Omnibus”, the City determined it is not misleading to exclude the component unit as they do not have a measurable influence on the City’s financial statements for the year.

The Corporation’s management believes these financial statements present all activities for which the Corporation is financially accountable.

## **NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Corporation have been prepared in conformity with generally accepted accounting principles in the United States of America (US GAAP), as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most significant of the Corporation’s accounting policies are described below.

### Basis of Accounting

The basic financial statements of the Corporation are prepared using the accrual basis of accounting in conformity with US GAAP. Revenues are recognized when earned and expenses are recognized when incurred.

### Basis of Presentation

The Corporation’s basic financial statements consist of a statement of net position, a statement of revenue, expenses and changes in net position, and a statement of cash flows.

### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Corporation’s deposit accounts and certificates of deposit are considered cash equivalents.

### Net Position

Net position represents the difference between assets and liabilities. The Corporation does not report restricted net position.

### Operating Revenue and Expenses

Operating revenue during 2023 consists primarily of grant proceeds and rental income from 3 leased properties. Operating expenses include the cost of cultivating and promoting economic development, including administrative expenses and renovations and repairs and maintenance on properties. The Corporation contracts with SEO CPA Group, LTD for administrative services. Non-operating revenue and expenses are all revenue and expenses not meeting the definition of operating revenue and expenses.

### Federal Income Tax

The Corporation was approved for tax exemption from federal income tax under Section 501(c)(6) of the Internal Revenue Code effective July 26, 2019.

## **ZANESVILLE COMMUNITY IMPROVEMENT CORPORATION**

Zanesville, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

### **NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### Estimates

The preparation of the basic financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts report in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

#### Property Held for Sale

Property held for sale represents properties held by the Corporation that the Corporation intends to sell to a third party. These assets are valued at cost, or in the case of donated or forfeited properties, the Muskingum County Auditor's appraised value, which approximates fair market value of the property.

#### Property Leased

Property leased represents properties held by the Corporation that the Corporation leases to a third party. These assets are valued at cost, or in the case of donated or forfeited properties, the Muskingum County Auditor's appraised value, which approximates fair market value of the property.

#### Lease Receivable and Deferred Lease Revenue

In accordance with GASB Statement No. 87, the Corporation recognizes lease receivables measured at the present value of lease payments expected to be received during the lease term and a corresponding deferred inflow of resources measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. In the absence of a stated interest rate, the Corporation measures present value of future lease payments using the interest rate implied in the lease, when determinable, or the prime rate at the time of lease commencement, as an approximation of the Corporation's borrowing rate. Subsequently, the Corporation recognizes interest revenue and a reduction of lease receivables as payments are received. The Corporation recognizes rental income and a reduction of deferred lease revenue on a straight-line basis over the term of the lease.

### **NOTE 3—CASH AND CASH EQUIVALENTS**

For the purposes of the statement of cash flows, all cash in the Corporation's checking account is considered to be cash and cash equivalents. At December 31, 2023, the carrying amount and bank balance of the Corporation's deposits was \$219,486 and the entire bank balance was covered by the Federal Deposit Insurance Corporation.

### **NOTE 4—RISK MANAGEMENT**

The Corporation has obtained commercial insurance for risks related to employee dishonesty. There have been no claims filed.

### **NOTE 5—PROPERTY CONTRIBUTION**

During 2023, the Corporation received contributions of 38 properties valued at \$494,400 from the Muskingum County Land Reutilization Corporation.

During 2023, the Corporation received contributions of 2 properties valued at \$35,300 from individuals.

During 2023, the Corporation received contribution of a property valued at \$178,500 from the City of Zanesville (the City). Also during 2023, the Corporation sold the property at 1142 Central Avenue, which was previously donated by the City. This 1142 Central Avenue property was sold for \$5,000 and the amount was remitted during 2024 to the City in accordance with Ohio Revised Code (ORC) 1724.10(3), consisting of the sale price plus additional fees received.

# ZANESVILLE COMMUNITY IMPROVEMENT CORPORATION

Zanesville, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

## NOTE 6—PROPERTY HELD FOR SALE

The following is a schedule of activity related to property held for sale:

	Balance 12/31/2022	Additions	Disposals	Balance 12/31/2023
<b>Donated Property</b>				
Old River Road 1 (Donated)	\$7,700	\$ -	\$ -	\$7,700
Old River Road 2 (Donated)	35,400	-	-	35,400
Neil Avenue 1 (Donated)	17,900	-	-	17,900
Neil Avenue 2 (Donated)	21,800	-	-	21,800
Wayne Avenue	12,100	-	-	12,100
Hedgewood Avenue	3,600	-	-	3,600
Amazon Hill Lane	15,000	-	-	15,000
1729 Penn Street	5,900	-	-	5,900
Penn Street	400	-	-	400
Jackson Street	2,500	-	-	2,500
1142 Central Avenue	2,700	-	2,700	-
513 Schaum Avenue	2,800	-	-	2,800
130 S. 8th Street	-	7,100	-	7,100
128 S. 8th Street	-	7,000	-	7,000
1256 Wheeling Avenue	-	41,800	-	41,800
1125 Moxahala Avenue	-	21,100	-	21,100
1230 Woodlawn Avenue	-	17,600	-	17,600
46 Green Street	-	24,100	-	24,100
423 Dryden Road	-	17,600	-	17,600
1142 Putnam Avenue	-	18,500	-	18,500
140 Fox Avenue	-	14,900	-	14,900
1228 Putnam Avenue	-	18,600	-	18,600
47 Glessner Avenue	-	11,000	-	11,000
422 Abington Avenue	-	18,500	-	18,500
404 Abington Avenue	-	19,000	-	19,000
1231 Ridge Avenue	-	14,000	-	14,000
1114 Eastman Street	-	1,600	-	1,600
1109 West Main Street	-	1,800	-	1,800
430 Pine Street	-	9,000	-	9,000
113 Pierce Street	-	1,800	-	1,800
1117 W Main Street	-	2,300	-	2,300
Green Street - Vacant Lot	-	1,000	1,000	-
1044 Moxahala Avenue	-	2,200	-	2,200
Vacant Lots on Corner of Green/Swingle	-	3,700	-	3,700
458 Moxahala	-	8,400	-	8,400
116 Van Buren Ave	-	16,000	-	16,000
1141 Henry St	-	7,000	-	7,000
1059 Mound St	-	1,400	-	1,400
1213 Ridge Ave	-	11,200	-	11,200
140 Green St	-	26,400	26,400	-
150 Green Street	-	36,200	36,200	-
447 Adair Avenue	-	46,500	46,500	-
234 Luck Avenue	-	1,800	1,800	-
230 Luck Avenue	-	1,800	1,800	-

**ZANESVILLE COMMUNITY IMPROVEMENT CORPORATION**

Zanesville, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

**NOTE 6—PROPERTY HELD FOR SALE (Continued)**

<b>Donated Property</b>	Balance 12/31/2022	Additions	Disposals	Balance 12/31/2023
1145 Putnam Ave	-	26,900	26,900	-
Henry St	-	500	-	500
1234 Swingle St	-	10,300	-	10,300
135 Luck Ave	-	3,500	-	3,500
Luck Ave	-	3,000	-	3,000
127 Luck Ave	-	5,200	-	5,200
468 Spangler Drive	-	28,900	-	28,900
1048 Moxahala Avenue	-	20,500	-	20,500
Greif Rd	-	178,500	-	178,500
	<u>127,800</u>	<u>708,200</u>	<u>143,300</u>	<u>692,700</u>

**NOTE 7— RELATED PARTY TRANSACTIONS WITH THE CITY OF ZANESVILLE**

During 2023, the Corporation received a \$300,000 grant from the City of Zanesville. The Corporation received a donation of a property and paid the City its share of a sold property as mentioned above in Note 5. The City provides CIC with office space and various office services without charge. The value of the donated facilities is not recognized in the accompanying financial statements because no objective basis is available to measure the value of the donated facilities. No in-kind wages were received from the City in 2023. Financial information can be obtained from the City of Zanesville, 401 Market Street, Zanesville, Ohio 43701.

## **ZANESVILLE COMMUNITY IMPROVEMENT CORPORATION**

Zanesville, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2022

This discussion and analysis of the Zanesville Community Improvement Corporation's (the Corporation) financial performance provides an overall review of the Corporation's financial activities for the year ended December 31, 2022. The intent of this discussion and analysis is to look at the Corporation's financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the Corporation's financial performance.

### **Financial Highlights**

Key highlights for 2022:

- The Corporation acquired 1 property with an appraised value of \$8,000 from the City of Zanesville during 2022. They then sold that Property for \$1,500 during 2022.
- The Corporation sold trees cut down from property held for sale for \$45,643 during 2022.
- Beginning with net position balance of \$157,575, the Corporation ended the year with an unrestricted net position balance of \$197,063.

### **Overview of the Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Corporation's financial activities and financial position. The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position provide information about the activities of the Corporation, including all short-term and long-term financial resources and obligations.

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included in the Statement of Net Position. The Statement of Net Position represents the financial position of the Corporation. The Statement of Revenues, Expenses and Changes in Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in net position. The Statement of Cash Flows reflects how the Corporation finances and meets its cash flow needs. Finally, the notes to the basic financial statements provide additional information that is essential to a full understanding of the information provided on the basic financial statements.

These financial statements look at all financial transactions and ask the question, "How did we do financially?" These statements provide answers to that question. The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position include all assets, liabilities, revenues and expenses of the Corporation using the accrual basis of accounting similar to the accounting used by private sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the Corporation's net position and the changes in net position. The change in net position is important because it tells the reader whether the financial position of the Corporation has improved or diminished. However, in evaluating this position, non-financial information such as occupancy will also need to be evaluated. The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided.

### **Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of financial position. In the case of the Corporation, assets and net position were \$197,063 as of December 31, 2022.

**ZANESVILLE COMMUNITY IMPROVEMENT CORPORATION**

Zanesville, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2022

**Financial Analysis (Continued)**

The following table provides a summary of the Corporation's net position for the year ended December 31, 2022 and 2021:

**Table 1**  
Net Position

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Current assets	\$ 197,063	\$ 157,575
Long-term assets	-	-
<i>Total assets</i>	<u>197,063</u>	<u>157,575</u>
<b>Net position</b>		
Unrestricted	<u>\$ 197,063</u>	<u>\$ 157,575</u>

At the end of the year, the Corporation has an ending net position balance of \$197,063, which is unrestricted and may be used to meet ongoing obligations and invest in community and economic development activities.

The following table provides a summary of the changes in the Corporation's net position for the year ended December 31, 2022 and 2021:

**Table 2**  
Changes in Net Position

	<u>2022</u>	<u>2021</u>
<b>Operating revenue:</b>		
Grant income	\$ -	\$ 20,000
Miscellaneous sales	45,676	18,619
<i>Total operating revenue</i>	<u>45,676</u>	<u>38,619</u>
<b>Operating expenses:</b>		
Contract services	-	6,206
Insurance	1,741	1,685
Professional fees	3,218	2,450
Taxes	1,328	553
<i>Total operating expenses</i>	<u>6,287</u>	<u>10,894</u>
<i>Operating income</i>	<u>39,389</u>	<u>27,725</u>
<b>Non-operating revenue:</b>		
Interest earnings	99	1
Contribution from City of Zanesville	8,000	45,000
Loss on disposal of property	(6,500)	-
Distributions to City of Zanesville	(1,500)	(5,602)
<i>Total operating expenses</i>	<u>99</u>	<u>39,399</u>
<i>Change in net position</i>	<u>39,488</u>	<u>67,124</u>
<i>Net position - beginning of year</i>	<u>157,575</u>	<u>90,451</u>
<i>Net position - end of year</i>	<u>\$ 197,063</u>	<u>\$ 157,575</u>

During 2022, the Corporation's net position increased by \$39,488. The majority of the expenses relate to general administrative matters.

## **ZANESVILLE COMMUNITY IMPROVEMENT CORPORATION**

Zanesville, Ohio

### **Management's Discussion and Analysis**

#### **Financial Analysis (Continued)**

As discussed in Note 5, the Corporation coordinated with the City of Zanesville the sale of a Muskingum Avenue property in 2022 which was initially recorded as property donation from the City of Zanesville in non-operating revenue. The net proceeds of the sale were paid back to the City of Zanesville in accordance with ORC 1724.10(3) during 2022. This activity was recorded as non-operating revenue and expenses.

#### **Capital Assets and Debt Administration**

As of December 31, 2022, the Corporation owns no capital assets and had no outstanding debt issued in its name.

#### **Economic Factors and Future Trends**

The Corporation will continue to look for community and economic development opportunities through the use of low-cost loans and other tools at its disposal.

#### **Requests for Information**

This financial report is designed to provide our citizens, customers, taxpayers, creditors, investors and elected officials with an overview of the Corporation's finances and to show accountability for the money it receives. If you have any questions about this report or need additional information, contact the Corporation at 401 Market Street, Zanesville, Ohio 43701.

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Zanesville Community Improvement Corporation  
Zanesville, Ohio  
Statement of Net Position  
As of December 31, 2022

**Assets**

Current Assets:

Cash and cash equivalents	\$	69,263
Land held for resale		<u>127,800</u>
Total current assets		<u><u>197,063</u></u>

**Net position**

Unrestricted	\$	<u><u>197,063</u></u>
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See accompanying notes to the financial statements

Zanesville Community Improvement Corporation  
Zanesville, Ohio  
Statement of Revenue Expenses and Change in Net Position  
For the year ended December 31, 2022

**Operating Revenue:**

Miscellaneous Sales	\$ 45,676
Total operating revenue	<u>45,676</u>

**Operating Expenses:**

Insurance	1,741
Professional fees	3,218
Taxes	1,328
Total operating expenses	<u>6,287</u>

Operating income	39,389
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**Non-operating revenue (expense):**

Interest income	99
Contribution from City of Zanesville	8,000
Loss on disposal	(6,500)
Disbursement to City of Zanesville	(1,500)
Total non-operating revenue	<u>99</u>

Change in net position	39,488
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Net position - beginning of year	<u>157,575</u>
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Net position - end of year	<u><u>\$ 197,063</u></u>
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Zanesville Community Improvement Corporation  
Zanesville, Ohio  
Statement of Cash Flows  
For the year ended December 31, 2022

***Cash flows from operating activities***

Cash receipts from operations	\$ 45,676
Cash payment for operating expenses	<u>(6,287)</u>
Net cash flows from operating activities	39,389

***Cash flows from operating activities***

Distribution to City of Zanesville	(1,500)
Interest earnings	99
Cash receipt from sale of land	<u>1,500</u>
Net cash flows from operating activities	<u>99</u>

Net increase in cash and cash equivalents	39,488
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Cash and cash equivalents-beginning of year	<u>29,775</u>
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Cash and cash equivalents-end of year	<u><u>\$ 69,263</u></u>
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# **ZANESVILLE COMMUNITY IMPROVEMENT CORPORATION**

Zanesville, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

## **NOTE 1—DESCRIPTION OF THE ENTITY**

The Zanesville Community Improvement Corporation is a not-for-profit organization which derives the major source of its revenue from grants from the City of Zanesville and property sales. The Corporation was formed to cultivate and promote economic development in the City of Zanesville.

The Corporation is governed by a Board of Trustees composed of: four members consisting of elected or appointed officials; five members appointed jointly by the Mayor and majority vote of Zanesville City Council who shall be referred to as “Directors at-large”. The Zanesville Community Improvement Corporation acts as an agent for the City, is fiscally dependent and is considered a component unit of the City. With the Governmental Accounting Standard Board (GASB) Statement No. 61, “The Financial Reporting Entity: Omnibus”, the City determined it is not misleading to exclude the component unit as they do not have a measurable influence on the City’s financial statements for the year.

The Corporation’s management believes these financial statements present all activities for which the Corporation is financially accountable.

## **NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Corporation have been prepared in conformity with generally accepted accounting principles in the United States of America (US GAAP), as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most significant of the Corporation’s accounting policies are described below.

### Basis of Accounting

The basic financial statements of the Corporation are prepared using the accrual basis of accounting in conformity with US GAAP. Revenues are recognized when earned and expenses are recognized when incurred.

### Basis of Presentation

The Corporation’s basic financial statements consist of a statement of net position, a statement of revenue, expenses and changes in net position, and a statement of cash flows.

### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Corporation’s deposit accounts and certificates of deposit are considered cash equivalents.

### Net Position

Net position represents the difference between assets and liabilities. The Corporation does not report restricted net position.

### Operating Revenue and Expenses

Operating revenue during 2022 consists primarily of proceeds from the sale of lumber cut down from property held for sale. Operating expenses include the cost of cultivating and promoting economic development, including administrative expenses. The Corporation contracts with SEO CPA Group, LTD for administrative services. Non-operating revenue and expenses are all revenue and expenses not meeting the definition of operating revenue and expenses.

### Federal Income Tax

The Corporation was approved for tax exemption from federal income tax under Section 501(c)(6) of the Internal Revenue Code effective July 26, 2019.

# ZANESVILLE COMMUNITY IMPROVEMENT CORPORATION

Zanesville, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

## NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Estimates

The preparation of the basic financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts report in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

## NOTE 3—CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, all cash in the Corporation's checking account is considered to be cash and cash equivalents. At December 31, 2022, the carrying amount and bank balance of the Corporation's deposits was \$69,263 and the entire bank balance was covered by the Federal Deposit Insurance Corporation.

## NOTE 4—RISK MANAGEMENT

The Corporation has obtained commercial insurance for risks related to employee dishonesty. There have been no claims filed.

## NOTE 5—PROPERTY CONTRIBUTION

On February 14, 2022, the Corporation received contribution of land valued at \$8,000 located on Muskingum Avenue from the City of Zanesville (the City) to be held for sale. This Muskingum Avenue land was sold for \$1,500 and the amount was remitted during 2022 to the City in accordance with Ohio Revised Code (ORC) 1724.10(3), consisting of the sale price plus additional fees received.

## NOTE 6—INVENTORY HELD FOR SALE

The inventory held for sale is reported as a current asset as the Corporation intends to sell the property. The following is a schedule of activity related to land held for sale:

	Balance 12/31/2021	Additions	Disposals	Balance 12/31/2022
<b>Donated Property:</b>				
Old River Road 1	\$ 7,700	\$ -	\$ -	\$ 7,700
Old River Road 2	35,400	-	-	35,400
Neil Avenue 1	17,900	-	-	17,900
Neil Avenue 2	21,800	-	-	21,800
Wayne Avenue	12,100	-	-	12,100
Hedgewood Avenue	3,600	-	-	3,600
Amazon Hill Lane	15,000	-	-	15,000
1729 Penn Street	5,900	-	-	5,900
Penn Street	400	-	-	400
Jackson Street	2,500	-	-	2,500
1142 Central Avenue	2,700	-	-	2,700
513 Schaum Avenue	2,800	-	-	2,800
Muskingum Avenue	-	8,000	8,000	-
<i>Total inventory held for sale</i>	<u>\$ 127,800</u>	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ 127,800</u>

## NOTE 7— RELATED PARTY TRANSACTIONS WITH THE CITY OF ZANESVILLE

During 2022, the Corporation received a donation of a property and paid the City its share of a sold property as mentioned above in Note 5. The City provides CIC with office space and various office services without charge. The value of the donated facilities is not recognized in the accompanying financial statements because no objective basis is available to measure the value of the donated facilities. No in-kind wages were received from the City in 2023. Financial information can be obtained from the City of Zanesville, 401 Market Street, Zanesville, Ohio 43701.

# OHIO AUDITOR OF STATE KEITH FABER

65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

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

Zanesville Community Improvement Corporation  
Muskingum County  
401 Market Street  
Zanesville, Ohio 43701

To the Board of Directors:

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 Zanesville Community Improvement Corporation, Muskingum County, Ohio (the Corporation), a component unit of the City of Zanesville, Muskingum County, Ohio, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated May 15, 2025.

### ***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 a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2023-001 that we consider to be a material weakness.

***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

May 15, 2025



**ZANESVILLE COMMUNITY IMPROVEMENT CORPORATION  
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2023 AND 2022**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2023-001**

**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. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

Auditor of State Bulletin 2015-007, states the notes to the financial statements, and all other components, are required to be included in the financial statements filed with the Auditor of State via the Hinkle System. The notes to the financial statements should include all pertinent information relating to the audit and be in a format that contains accurate and current information.

We noted the following misstatements:

- For the fiscal year ending December 31, 2023, the lease receivable and deferred lease revenue was calculated incorrectly, leading to a misstatement. The misstatement resulted in Lease receivable being overstated by \$12,595, the related deferred lease revenue being overstated by \$10,076 and Unrestricted Net Position being overstated by \$2,519. The misstatement also caused an overstatement of \$2,519 for straight-line income on the Statement of Cash Flows.
- For the fiscal year ending December 31, 2023, property leased was overstated and property held for resale was understated in the amount of \$227,900 based on the Corporation's intentions for use of the related parcels.

Additionally, the Corporation's footnote disclosures included a material error and various wording and formatting errors. Most significantly, the footnote disclosures did not include as part of the reporting entity that the Corporation is a component unit of the City of Zanesville and also failed to disclose transactions between the Corporation and City as related party transactions. While property contributed to the Corporation by the City was reported, a \$300,000 receipt to the Corporation from the City in 2023 was not disclosed in addition to non-cash benefits, such as personnel and office space provided by the City.

Audit adjustments, with which management has agreed, are reflected in the accompanying financial statements and notes to the financial statements. In addition to the adjustments listed above, we also identified an immaterial difference of \$2,700 that we have brought to the Corporation's attention.

Incorrect financial statement account classifications and balances could result in inaccurate reporting of the Corporation's financial information.

The Corporation should take the necessary steps to ensure that all revenues, expenditures/ expenses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources and equity of the Corporation are properly presented and disclosed in the Corporation's financial statements. Additionally, the Corporation should include all required and important information within the notes to the financial statements.

**Officials' Response:** We did not receive a response from officials to this finding.

# OHIO AUDITOR OF STATE KEITH FABER



**ZANESVILLE COMMUNITY IMPROVEMENT CORPORATION**

**MUSKINGUM 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 5/29/2025**

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

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