



OHIO AUDITOR OF STATE  
**KEITH FABER**





**ZANESVILLE-WASHINGTON TOWNSHIP JOINT ECONOMIC DEVELOPMENT DISTRICT  
MUSKINGUM COUNTY  
DECEMBER 31, 2022 and 2021**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Directors:

### ***Report on the Audit of the Financial Statements***

#### ***Unmodified and Adverse Opinions***

We have audited the financial statement of the Zanesville-Washington Township Joint Economic Development District, Muskingum County, Ohio (the District), which comprises the cash balances, receipts and disbursements as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statement.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the cash balances, receipts and disbursements as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statement, in accordance with the financial reporting provisions which Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03(C) permit, described in Note 1.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statement does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of December 31, 2022 and 2021, or the changes in financial position thereof for the year then ended.

#### ***Basis for Opinions***

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 District, 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 opinions.

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the financial statements are prepared by the District on the basis of the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03(C) permit. Management is also responsible 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 District'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 opinions. 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 the financial audit standards in the Comptroller General of the United States' *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 District'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 District's ability to continue as a going concern for a reasonable period of time.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2024, on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 19, 2024

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Zanesville-Washington Joint Economic Development District  
Muskingum County, Ohio

Statement of Receipts, Disbursements and Change in  
Fund Balance (Cash Basis) - Governmental Fund Type  
For the Year Ended December 31, 2022

**Cash Receipts**

Income Taxes	2,057,555
Total Cash Receipts	<u>2,057,555</u>

**Cash Disbursements**

City of Zanesville	1,054,734
Muskingum County	619,440
Washington Township	75,226
Refunds	<u>314,275</u>
Total Cash Disbursements	<u>2,063,675</u>

Net Change in Fund Balance (6,120)

Fund Balance, January 1 203,479

Fund Balance, December 31 197,359

The Notes to the Financial Statements are an Integral Part of this Financial Statement

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# Zanesville-Washington Joint Economic Development District

## Notes to the Financial Statement

### For the Year Ended December 31, 2022

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#### **Note 1 – Summary of Significant Accounting Policies**

##### **Description of the Entity**

The Zanesville-Washington Joint Economic Development District, Muskingum County, Ohio (the District) was formed by contract on April 1, 2000, under Sections 715.72 through 715.78 of the Ohio Revised Code. The District is comprised of the City of Zanesville, Muskingum County, and Washington Township. The District operates under an appointed three-member Board of Directors. The purpose of the District is to facilitate economic development, to create or preserve jobs and employment opportunities, and to improve the economic welfare of the people in the State of Ohio, Muskingum County, the City of Zanesville, and Washington Township.

The Township, County, and City provide services to assist the District with planning, marketing, promotion and related activities to facilitate economic development in the District. The Board has approved an income tax rate of 1.9 percent.

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

##### **Basis of Accounting**

The financial statements follow the accounting basis permitted by the financial reporting provisions of Section 117.38 of the Ohio Revised Code and Section 117-203(C) of the Ohio Administrative Code. This basis is similar to the cash receipts and disbursements basis of accounting. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the financial reporting provisions of Section 117.38 of the Ohio Revised Code and Section 117-203(C) of the Ohio Administrative Code. Permit; 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.

##### **Cash and Cash Equivalents**

The District's cash and cash equivalents consists of cash held by the City of Zanesville.

# Zanesville-Washington Joint Economic Development District

## Notes to the Financial Statement

### For the Year Ended December 31, 2022

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#### **Note 1 – Summary of Significant Accounting Policies (Continued)**

##### **Fund Accounting**

The District uses fund accounting to segregate cash that is restricted as to use. The District has the following fund:

General Fund – The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

##### **Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

*Nonspendable* – The District classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

*Restricted* – Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

*Committed* – The Board can commit amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

*Assigned* – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by District Board or a District official delegated that authority by resolution, or by State Statute.

# Zanesville-Washington Joint Economic Development District

## Notes to the Financial Statement

### For the Year Ended December 31, 2022

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#### **Note 1 – Summary of Significant Accounting Policies (Continued)**

##### **Fund Balance (Continued)**

*Unassigned* – Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amount are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

#### **Note 2 – Cash Deposits**

The District utilizes the City of Zanesville to collect and hold cash to be distributed to the City of Zanesville, Muskingum County, and Washington Township. The District's cash balance as of December 31, 2022 is \$197,359.

#### **Note 3 – Income Tax**

The District levies a municipal income tax of 1.9 percent on substantially all earned income arising from employment or business activities within the District. Employers within the District withhold income tax on employee compensation and remit at least monthly and file an annual declaration. The tax rate will change from time to time so that it is equal to the income tax rate being levied by the City of Zanesville.

The Board has entered into an agreement with the City of Zanesville to administer, collect, and enforce the income tax on behalf of the District.

Zanesville-Washington Joint Economic Development District  
Notes to the Financial Statement  
For the Year Ended December 31, 2022

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**Note 3 – Income Tax (Continued)**

Of the amounts collected in 2022, the District distributed 51% to the City of Zanesville to encourage and promote economic development, including, but not limited to, maintaining and improving the infrastructure facilities of the City (including pay debt charges related thereto), providing safety and health services within the City, providing urban development planning, counseling and financing services for the City and for the District, if agreed to by the City, and generally improving the environment for those working and residing in the City or the District, and for any purpose permitted by law. The District distributed 30% to Muskingum County, 4% was distributed to Washington Township and 15% was distributed for income refunds.

**Note 4 – Fund Balances**

Included in fund balance are amounts the Entity cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Total</u>
Nonspendable:		
Unclaimed Monies	\$0	\$0
Corpus	0	0
Outstanding Encumbrances	<u>0</u>	<u>0</u>
Total	<u><u>\$0</u></u>	<u><u>\$0</u></u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Zanesville-Washington Township Joint Economic Development District  
Muskingum County, Ohio

Statement of Receipts, Disbursements and Change in  
Fund Balance (Cash Basis) - Governmental Fund Type  
For the Year Ended December 31, 2021

**Cash Receipts**

Income Taxes	2,077,737
Total Cash Receipts	<u>2,077,737</u>

**Cash Disbursements**

City of Zanesville	1,322,161
Muskingum County	578,627
Washington Township	28,939
Refunds	418,988
Audit Fees	1,169
Total Cash Disbursements	<u>2,349,884</u>

Net Change in Fund Balance (272,147)

Fund Balance, January 1 475,626

Fund Balance, December 31 203,479

The Notes to the Financial Statements are an Integral Part of this Financial Statement

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# Zanesville-Washington Joint Economic Development District

## Notes to the Financial Statement

### For the Year Ended December 31, 2021

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#### **Note 1 – Summary of Significant Accounting Policies**

##### **Description of the Entity**

The Zanesville-Washington Joint Economic Development District, Muskingum County, Ohio (the District) was formed by contract on April 1, 2000, under Sections 715.72 through 715.78 of the Ohio Revised Code. The District is comprised of the City of Zanesville, Muskingum County, and Washington Township. The District operates under an appointed three-member Board of Directors. The purpose of the District is to facilitate economic development, to create or preserve jobs and employment opportunities, and to improve the economic welfare of the people in the State of Ohio, Muskingum County, the City of Zanesville, and Washington Township.

The Township, County, and City provide services to assist the District with planning, marketing, promotion and related activities to facilitate economic development in the District. The Board has approved an income tax rate of 1.9 percent.

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

##### **Basis of Accounting**

The financial statements follow the accounting basis permitted by the financial reporting provisions of Section 117.38 of the Ohio Revised Code and Section 117-203(C) of the Ohio Administrative Code. This basis is similar to the cash receipts and disbursements basis of accounting. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the financial reporting provisions of Section 117.38 of the Ohio Revised Code and Section 117-203(C) of the Ohio Administrative Code. Permit; 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.

##### **Cash and Cash Equivalents**

The District's cash and cash equivalents consists of cash held by the City of Zanesville.

# Zanesville-Washington Joint Economic Development District

## Notes to the Financial Statement

### For the Year Ended December 31, 2021

---

#### **Note 1 – Summary of Significant Accounting Policies (Continued)**

##### **Fund Accounting**

The District uses fund accounting to segregate cash that is restricted as to use. The District has the following fund:

General Fund – The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

##### **Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

*Nonspendable* – The District classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

*Restricted* – Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

*Committed* – The Board can commit amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

*Assigned* – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by District Board or a District official delegated that authority by resolution, or by State Statute.

# Zanesville-Washington Joint Economic Development District

## Notes to the Financial Statement

### For the Year Ended December 31, 2021

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#### **Note 1 – Summary of Significant Accounting Policies (Continued)**

##### **Fund Balance (Continued)**

*Unassigned* – Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amount are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

#### **Note 2 – Cash Deposits**

The District utilizes the City of Zanesville to collect and hold cash to be distributed to the City of Zanesville, Muskingum County, and Washington Township. The District's cash balance as of December 31, 2021 is \$203,479.

#### **Note 3 – Income Tax**

The District levies a municipal income tax of 1.9 percent on substantially all earned income arising from employment or business activities within the District. Employers within the District withhold income tax on employee compensation and remit at least monthly and file an annual declaration. The tax rate will change from time to time so that it is equal to the income tax rate being levied by the City of Zanesville.

The Board has entered into an agreement with the City of Zanesville to administer, collect, and enforce the income tax on behalf of the District.

**Zanesville-Washington Joint Economic Development District**  
**Notes to the Financial Statement**  
**For the Year Ended December 31, 2021**

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**Note 3 – Income Tax (Continued)**

Of the amounts collected in 2021, the District distributed 64% to the City of Zanesville to encourage and promote economic development, including, but not limited to, maintaining and improving the infrastructure facilities of the City (including pay debt charges related thereto), providing safety and health services within the City, providing urban development planning, counseling and financing services for the City and for the District, if agreed to by the City, and generally improving the environment for those working and residing in the City or the District, and for any purpose permitted by law. The District distributed 28% to Muskingum County, 1% was distributed to Washington Township and 20% was distributed for income refunds.

**Note 4 – Fund Balances**

Included in fund balance are amounts the Entity cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Total</u>
Nonspendable:		
Unclaimed Monies	\$0	\$0
Corpus	0	0
Outstanding Encumbrances	<u>0</u>	<u>0</u>
Total	<u><u>\$0</u></u>	<u><u>\$0</u></u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.



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

Zanesville-Washington Township Joint Economic Development District  
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 statement of the cash balances, receipts, and disbursements as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statement of the Zanesville-Washington Township Joint Economic Development District, Muskingum County, Ohio (the District), and have issued our report thereon dated December 19, 2024, wherein we noted the District followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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 or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

December 19, 2024

# OHIO AUDITOR OF STATE KEITH FABER



**ZANESVILLE-WASHINGTON TOWNSHIP JOINT ECONOMIC DEVELOPMENT DISTRICT  
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 1/14/2025**

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)