



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Etna Corporate Park Joint Economic Development Zone 2  
Licking County  
40 West Main Street  
Newark, Ohio 43055

We have performed the procedures enumerated below on the Etna Corporate Park Joint Economic Development Zone 2's (the JEDZ 2) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2022 and 2021 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the JEDZ 2. The JEDZ 2 is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2022 and 2021 and certain compliance requirements related to these transactions and balances included in the information provided to us by the JEDZ 2.

The Board of Trustees and the management of the JEDZ 2 have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the JEDZ 2's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2022 and 2021, and certain compliance requirements related to these transactions and balances. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the 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.

For the purposes of performing these procedures, this report only describes exceptions exceeding \$10.

The procedures and the associated findings are as follows:

### Cash and Investments

1. The City of Newark is custodian for the JEDZ 2's deposits, and therefore the City's deposit and investment pool holds the JEDZ 2 assets. Furthermore, the JEDZ 2 began maintaining a separate fund balance outside of the amounts held by the City of Newark in 2021. We compared the JEDZ 2's combined fund balances reported on its December 31, 2022 annual financial report to the balances reported in City of Newark's accounting records and the excel workbook maintained directly by the JEDZ 2. The amounts agreed.

2. For the amounts held by the City of Newark, we agreed the January 1, 2021 beginning fund balances for recorded in the Statement of Cash Position and Transaction Register to the December 31, 2020 balances in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2022 beginning fund balances recorded in the Cash Summary Fund Report and Transaction Register to the December 31, 2021 balances in the Statement of Cash Position and Transaction Register. We found no exceptions.

For the amounts held directly by the JEDZ 2, we agreed the January 1, 2022 beginning fund balance recorded in the 2022 Cash Summary excel ledger to the December 31, 2021 balance in the 2021 Cash Summary excel ledger. We found no exceptions.

3. For the amounts held directly by the JEDZ 2, we recalculated the December 31, 2022 and December 31, 2021 bank reconciliations. We found no exceptions.
4. For the amounts held directly by the JEDZ 2, we confirmed the December 31, 2022 bank account balance with the Ohio Pooled Collateral System. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2022 bank reconciliation without exception.
5. For the amounts held directly by the JEDZ 2, we selected all reconciling debits (such as outstanding checks) from the December 31, 2022 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
  - b. We traced the amounts and dates to the check register, and determined the debits were dated prior to December 31. We found no exceptions.

**Income Taxes**

1. We confirmed the income tax amounts paid from the City of Newark to the JEDZ 2 during 2022 and 2021, with the City. We found no exceptions.
  - a. We inspected the Financial Distribution Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
  - b. We inspected the Receipts by Payment Code Report to determine the receipts were recorded in the proper year. We found no exceptions.
2. As required by Section 4.1 of the Contract, we inspected the Receipts by Payment Code Report for 2022 and 2021 to determine whether each year included all four quarterly receipts from the City of Newark. We found no exceptions.

**Debt**

1. From the prior financial statements agreed-upon procedures documentation, we observed the following bond was outstanding as of December 31, 2020.

Issue	Principal Outstanding as of December 31, 2020:
State Infrastructure Bond	\$1,725,000

2. We inquired of management and inspected the GL Distribution Report and Bank for evidence of debt issued during 2022 or 2021 or debt payment activity during 2022 or 2021. All debt agreed to the summary we used in procedure 3.

3. We obtained a summary of bonds activity for 2022 and 2021 and agreed principal and interest payments from the related debt amortization schedule to payments reported in the Accounts Payable by Disbursement Report. We also compared the date the eight debt payments were due to the date the JEDZ 2 made the payments. We noted one payment for the 4th quarter 2021 was due on November 1, 2021 but was not paid until November 12, 2021.

### **Non-Payroll Cash Disbursements**

1. We selected 10 disbursements from the Financial Distribution and Check Register Reports for the year ended December 31, 2022 and 10 from the year ended 2021 and determined whether:
  - a. The disbursements were for a proper public purpose. We found no exceptions.
  - b. The check number, date, payee name and amount recorded on the canceled check agreed to the check number, date, payee name and amount recorded in the Financial Distribution and Check Register Reports and to the names and amounts on the supporting invoices. 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 the JEDZ 2 income taxes collected were disbursed 37.5% to Etna Township, 35% to Southwest Licking Schools, 10.625% to City of Newark, 5% to Licking County and West Licking Joint Fire Department, 5.625% to City of Newark Income Tax Department and 1.25% to C-TEC as required by section E of the Development and Compensation Agreement. We found no exceptions.

### **Sunshine Law Compliance**

1. We obtained and inspected the JEDZ 2's Public Records Policy to determine the policy was in accordance with Ohio Rev. Code §§ 149.43(E)(2) and 149.43(B)(7)(c) and did not limit the number of responses that may be made to a particular person, limit the number of responses during a specified period of time, or establish a fixed period of time before it will respond unless that period is less than eight hours. We found no exceptions.
2. We selected all public records requests from the engagement period and inspected each request to determine the following:
  - a. The JEDZ 2 was compliant and responded to the request in accordance with their adopted policy as required by Ohio Rev. Code § 149.43(B)(1). We found no exceptions.
  - b. The JEDZ 2 did not have any denied public records requests during the engagement period.
  - c. The JEDZ 2 did not have any public records requests with redactions during the engagement period.
3. We inquired whether the JEDZ 2 had a records retention schedule and observed that it was readily available to the public as required by Ohio Rev. Code § 149.43(B)(2). We found no exceptions.
4. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
5. We inquired with JEDZ 2 management and determined that the JEDZ 2 did not have a policy manual during the engagement period therefore the public records policy could not be included as required by Ohio Rev. Code § 149.43(E)(2).

6. We inquired with JEDZ 2 management and determined that the JEDZ 2 did not conspicuously display a poster describing their Public Records Policy in all branches of the JEDZ 2 as required by Ohio Rev. Code § 149.43(E)(2).
7. We inquired with JEDZ 2 management and determined that the JEDZ 2 did not have any applications for record disposal submitted to the Records Commission during the engagement period.
8. We inquired with JEDZ 2 management and determined that the JEDZ 2 did not have any elected officials subject to the Public Records Training requirements during the engagement period as required by Ohio Rev. Code §§ 149.43(E)(1) and 109.43(B).
9. We inspected the public notices for the public meetings held during the engagement period and determined the JEDZ 2 notified the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.
10. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) and determined whether they were:
  - a. Prepared – a file is created following the date of the meeting
  - b. Filed – placed with similar documents in an organized manner
  - c. Maintained - retained, at a minimum, for the engagement period
  - d. Open to public inspection – available for public viewing or request.We found no exceptions.
11. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) and determined formal governing board actions were adopted in open meetings. We found no exceptions.

### **Other Compliance**

Ohio Rev. Code § 117.38 requires entities 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, regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the JEDZ 2 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, 2022 and 2021 in the Hinkle system. We found no exceptions.

We were engaged by the JEDZ 2 to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the JEDZ 2'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.

We are required to be independent of the JEDZ 2 and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States' *Government Auditing Standards* related to our agreed upon procedures engagement.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State  
Columbus, Ohio

October 23, 2023

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# OHIO AUDITOR OF STATE KEITH FABER



**ETNA CORPORATE PARK JOINT ECONOMIC DEVELOPMENT ZONE 2**

**LICKING COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 11/14/2023**

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