



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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## BASIC AUDIT REPORT

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

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Zanesville-Newton Township Joint Economic Development District, Muskingum County, Ohio (the District), for the years ended December 31, 2022 and 2021.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 117.11(A). Because our procedures were not designed to opine on the District's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the District's financial statements, transactions or balances for the years ended December 31, 2022 and 2021.

The District's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 117.11(A) is to examine, analyze and inspect these records and documents.

Based on the results of our procedures, we found the following significant compliance or accounting issues to report.

### Current Year Observations

1. **Ohio Rev. Code § 117.38** provides that entities filing on a cash-basis must file annual reports with the Auditor of State within 60 days of the fiscal year-end. The Auditor of State may prescribe by rule or guidelines the forms for these reports. However, if the Auditor of State has not prescribed a reporting form, the public office shall submit its report on the form used by the public office.

We noted the annual report for the year ending December 31, 2021 was filed March 30, 2022, which is not within the prescribed time.

2. **Ohio Rev. Code § 149.43(E)(2)** provides that every public office must have a policy in place for responding to public records requests. Generally, a public records policy cannot: (1) limit the number of public records the office will make available to a single person; (2) limit the number of public records the office will make available during a fixed period of time; and (3) establish a fixed period of time before the office will respond to a request for inspection/copying of public records unless that period is less than eight hours. However, pursuant to **Ohio Rev. Code § 149.43(B)(7)(c)**, the policy may limit the number of public records the public office will physically deliver by U.S. Mail or other delivery service to ten per month unless the person certifies to the office in writing that the person does not intend to use or forward the requested records, or the information contained in them, for commercial purposes. "Commercial" is narrowly construed and does not include reporting or gathering news, reporting or gathering information to assist citizen oversight or understanding of the operation or activities of government, or nonprofit educational research.

## Current Year Observations (Continued)

### 2. Ohio Rev. Code § 149.43 (Continued)

**Ohio Rev. Code § 149.43(E)(2)** further requires all public offices take certain actions with regard to their public record policy. Public offices must distribute their Public Records Policy to the employee who is the records custodian/manager or otherwise has custody of the records of that office and have that employee acknowledge receipt of the Public Records Policy; create and display in a conspicuous place in all locations where the public office has branch offices a poster describing the public records policy; and, if the public office has a manual or handbook of its general policies and procedures for all employees, include the public records policy in that manual or handbook.

The District has no formal written policy that would demonstrate compliance with the Ohio Revised Code. This could result in records requests not being fulfilled in accordance with Ohio law. The District also has not established a records retention policy that identifies the provisions for the application or schedule of destruction of public records, including transmission to the Ohio Historical Society and approval by the Auditor of State's Office. As a result, there was an increased risk that records could be destroyed without obtaining the approval of the Ohio Historical Society and Auditor of State of Ohio as required.

The District shall establish a public records policy. The policy shall be distributed to the records custodian/manager and the District should have a written acknowledgement of receipt from the records custodian/manager. In addition, a poster describing the public records policy must be conspicuously displayed in all of the District's branch offices and the public records policy must be included in policy manuals or handbooks if any exist. This was repeated from the prior basic audit.

### 3. Income Tax Distributions

The Zanesville-Newton Joint Economic District Contract Section 10 provides provisions for the collection and remittance of levied income tax to the members of the District.

In accordance with Ohio Rev. Code § 7154.74, the Board shall enter into an agreement with the City to administer, collect and enforce the income tax on behalf of the District ("Tax Agreement"). The Tax Agreement shall provide that the Treasurer of the City shall be the Administrator of the income tax District (the "Administrator"), who shall be responsible for receipt, safekeeping and investment of the income tax revenues collected within the District.

On the first business day of each quarter, the Administrator shall provide the District with an amount sufficient to pay the outstanding or expected expenses of the operation of the District for that quarter (including, but not limited to, the expense of administering the income tax pursuant to the Tax Agreement) in accordance with the budget and the appropriations resolution (as amended from time to time) of the Board, which amount shall not exceed one-quarter of one percent (.25%) of the estimated income tax revenues for that calendar year.

Income tax revenues in excess of those provided to the District shall be paid or credited each quarter by the Administrator without need of further action by the Treasurer of the Board in the following manner: 1/3 to Newton Township and 2/3 to the City of Zanesville.

**Current Year Observations (Continued)**

**3. Income Tax Distributions (Continued)**

For fiscal year 2022, the District's income tax revenues collected and due to the City of Zanesville were not remitted in accordance with the Contract. The District intends to remit the amount due during fiscal year 2023. The total amount collected by the District and due, but not remitted to the City of Zanesville totaled \$193,020 at December 31, 2022.



Keith Faber  
Auditor of State  
Columbus, Ohio

May 31, 2023

# OHIO AUDITOR OF STATE KEITH FABER



**ZANESVILLE-NEWTON 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 6/13/2023**

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