



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, 2020 and 2019 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, 2020 and 2019 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, 2020 and 2019, 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 a portion of the JEDZ 2's deposits, and therefore the City's deposit holds a portion of the JEDZ 2s assets. We compared the JEDZ 2's fund balances reported on its December 31, 2020 Summary Fund Report to the balances reported in the City's accounting records. The amounts agreed. The JEDZ 2 is custodian for the remaining portion of the JEDZ 2's deposits, and therefore the JEDZ 2 holds a portion of its assets. We confirmed the JEDZ 2's fund balance reported on the December 31, 2020 Transaction Register Report to the Ohio Pooled Collateral System. The amounts agreed.

2. We agreed the January 1, 2019 beginning fund balances for recorded in the Statement of Cash Position and Transaction Register to the December 31, 2018 balances in the Statement of Cash Position and Checkbook Register. We found no exceptions. We also agreed the January 1, 2020 beginning fund balances recorded in the Cash Summary Fund Report and Transaction Register to the December 31, 2019 balances in the Statement of Cash Position and Transaction Register. We found no exceptions.

Income Taxes

1. We confirmed the income tax amounts paid from the City of Newark to the JEDZ 2 during 2020 and 2019, with the City noting not all amounts were posted accurately to the JEDZ 2 ledgers.
 - a. We inspected the City Financial Distribution Report and Detail General Ledger Report to determine the receipts were recorded in the proper year. We noted that in 2019, income tax receipts were under-posted \$77,622 and in 2020, income tax receipts were over-posted \$2,278. 2020 amounts were corrected in a subsequent period, however, \$6,421 in 2019 revenues continues to be researched by the City of Newark.
2. As required by Section 4.1 of the Contract, we inspected the Receipts by Payment Code Report for 2020 and 2019 to determine whether each year included all four quarterly receipts from the City of Newark. Receipts were provided by the City more than four times each year.

Debt

1. From the statements provided by the JEDZ 2, we observed the following bond was outstanding as of December 31, 2018. These amounts agreed to the JEDZ 2's January 1, 2019 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2018:
State Infrastructure Bond	2,025,000

2. We inquired of management, and inspected the General Ledger and Transaction Register for evidence of debt issued during 2020 or 2019 or debt payment activity during 2020 or 2019. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of bond debt activity for 2020 and 2019 and agreed principal and interest payments from the related debt amortization schedule to payments reported in the Accounts Payable by General Ledger Distribution Report. We also compared the date the eight debt service payments were due to the date the JEDZ 2 made the payments. We noted one payment for the 2nd quarter 2020 was due on Friday, May 1, 2020 but was not paid until Monday, May 4, 2020.

Non-Payroll Cash Disbursements

1. From the Transaction Register, we re-footed the total balance for 2019 and 2020. We found no exceptions.

2. We selected 10 disbursements from the Transaction Register and the Accumulated Transaction Listing for the year ended December 31, 2020 and 10 from the year ended 2019 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 returned, canceled check agreed to the check number, date, payee name and amount recorded in the Transaction Register and Accumulated Transaction Listing and to the names and amounts on the supporting invoices. We noted one cancelled check dated 12/31/2018 with a check date in the Transaction Register of 1/3/2019. We found no other 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 20% to the JEDZ 2 Improvement Account, 30% to Etna Township, 28% to Southwest Licking Schools, 9% to City of Newark, 4% to Licking County and West Licking Joint Fire Department, 5% to City of Newark Income Tax Department and 1% to C-TEC as required by the Development and Compensation Agreement. We found no exceptions.

Sunshine Law Compliance

1. We inquired with JEDZ 2 management and determined that the JEDZ 2 did not have a public records policy during the engagement period as required by Ohio Rev. Code § 149.43(E)(2).
2. We inquired with JEDZ 2 management and determined that the JEDZ 2 did not have any completed public records requests during the engagement period.
 - 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 with JEDZ 2 management and determined that the JEDZ 2 did not have a records retention schedule during the engagement period and therefore could not make it readily available to the public as required by Ohio Rev. Code § 149.43(B)(2).
4. We inquired with JEDZ 2 management and determined that the JEDZ 2 did not have a public records policy during the engagement period therefore could not provide it to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2).
5. We inquired with JEDZ 2 management and determined that the JEDZ 2 did not have a public records policy during the engagement period therefore it could not be included in a policy manual 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 have a public records policy during the engagement period therefore it could not be displayed in all the 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 news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F). Although JEDZ 2 did notify the news media when such meetings were held, JEDZ 2 did not make sure that the notification was consistent and actually reached the public. It was also discovered that JEDZ 2 did not have a rule, via its bylaws, that established a reasonable method for notifying the public in advance of its meetings to assure compliance with Ohio Rev. Code § 121.22(F).
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

1. Ohio Rev. Code § 117.38 requires districts to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, 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, 2020 and 2019 in the Hinkle system. For 2019, financial information was filed on July 8, 2020 which was not within the allotted timeframe.

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.

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Keith Faber
Auditor of State
Columbus, Ohio

February 24, 2022

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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 3/10/2022

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This report is a matter of public record and is available online at
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