



Dave Yost • Auditor of State

MUSKINGUM COUNTY CONVENTION FACILITIES AUTHORITY
MUSKINGUM COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Muskingum County Convention Facilities Authority
Muskingum County
205 North Fifth Street
Zanesville, Ohio 43701

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Muskingum County Convention Facilities Authority, Muskingum County, Ohio (the Authority), as of and for the years ended December 31, 2012 and 2011.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03; 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.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Authority's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

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

As described in Note 1 of the financial statements, the Authority prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy 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.

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* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Authority as of December 31, 2012 and 2011, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the Muskingum County Convention Facilities Authority, Muskingum County, Ohio, as of December 31, 2012 and 2011, and its cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit, described in Note 1.

Emphasis of Matter

As discussed in Note 1 to the financial statements, during 2011 the Authority adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2013, on our consideration of the Authority'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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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 Authority's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

October 11, 2013

**MUSKINGUM COUNTY CONVENTION FACILITIES AUTHORITY
MUSKINGUM COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012	2011
Cash Receipts:		
Local Taxes	\$506,534	\$405,577
Rental Income	32,605	32,492
Expense Recovery	45,921	39,744
Earnings on Investments	2,342	3,765
Contributions and Grants	13,700	
Other Receipts	12,757	28,611
 Total Cash Receipts	 613,859	 510,189
Cash Disbursements:		
Current:		
Professional Services	36,497	52,891
Contractual Services	126,884	122,035
Utilities	37,949	33,247
Wages	141,188	128,804
Miscellaneous	31,277	41,011
Debt Service:		
Interest and Fiscal Charges	10,125	10,322
Capital Outlay	103,192	223,867
 Total Cash Disbursements	 487,112	 612,177
 Total Cash Receipts Over/(Under) Cash Disbursements	 126,747	 (101,988)
 Fund Cash Balance, January 1	 681,869	 783,857
 Fund Cash Balance, December 31		
Unassigned (Deficit)	808,616	681,869
 <i>Fund Cash Balance, December 31</i>	 \$808,616	 \$681,869

The notes to the financial statements are an integral part of this statement.

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**MUSKINGUM COUNTY CONVENTION FACILITIES AUTHORITY
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Muskingum County Convention Facilities Authority, Muskingum County (the Authority), as a body corporate and politic. The Authority is directed by an eleven-member Board of Directors appointed in the manner outlined in Section 351.04, Ohio Revised Code. The Authority collects and administers the County-wide lodging tax.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Authority 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 Auditor of State prescribes or permits.

C. Deposits

Certificates of deposit are valued at cost.

D. Property, Plant, and Equipment

The Authority records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

E. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

F. Fund Balance

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

1. Nonspendable

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

2. 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.

**MUSKINGUM COUNTY CONVENTION FACILITIES AUTHORITY
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

F. Fund Balance (Continued)

3. Committed

The Board can *commit* amounts via formal action (resolution). The Authority 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.

4. 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 the Board or an Authority official delegated that authority by resolution, or by State Statute.

5. 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 Authority applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts 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.

2. Equity in Pooled Deposits

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	2012	2011
Demand deposits	\$210,691	\$86,167
Certificates of deposit	597,925	595,702
Total deposits	\$808,616	\$681,869

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation, or collateralized by securities pledged specifically by the financial institution to the Authority.

3. Social Security

The Authority's employees contribute to Social Security. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants.

**MUSKINGUM COUNTY CONVENTION FACILITIES AUTHORITY
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

3. Social Security (Continued)

For 2012 and 2011, employees contributed 4.2% of their gross salaries. The Authority contributed an amount equal to 6.2% of participant's gross salaries. The Authority has paid all contributions to Social Security required through December 31, 2012.

4. Risk Management

Commercial Insurance

The Authority has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Commercial umbrella.

The Authority also provides health and life insurance to its full-time employees through Muskingum County's self-insurance program, MedBen.

5. Debt

On December 9, 2008, the Muskingum County Convention Facilities Authority issued a revenue bond anticipation note in the amount of \$439,000 for the purpose of acquiring two parcels of real property. This debt has been rolled over each year. On December 5, 2012, the Authority issued a revenue bond anticipation note in the amount of \$450,000 with an interest rate of 1.69%. Interest payments in the amount of \$10,125 and \$10,322 were paid during 2012 and 2011, respectively. The 2012 note was issued for a period of one year and matures on December 4, 2013. These revenue bond anticipation notes are general obligations of the Authority.

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Dave Yost • Auditor of State

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

Muskingum County Convention Facilities Authority
Muskingum County
205 North Fifth Street
Zanesville, Ohio 43701

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Muskingum County Convention Facilities Authority, Muskingum County, Ohio (the Authority), as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, and have issued our report thereon dated October 11, 2013, wherein we noted the Authority followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Authority's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Authority's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2012-001 and 2012-002.

Entity's Response to Findings

The Authority's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the Authority's responses and, accordingly, we express no opinion on them.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

October 11, 2013

**MUSKINGUM COUNTY CONVENTION FACILITIES AUTHORITY
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEARS ENDING DECEMBER 31, 2012 AND 2011**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2012-001

Finding for Recovery

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951) provides, in part, that expenditures made by a governmental unit should serve a proper public purpose. Typically the determination of what constitutes a "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper Public Purpose states that the Auditor of State's Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

Pursuant to Ohio Revised Code Section 2921.41(A), [n]o public official...shall commit any theft offense, as defined in division (K) of section 2913.01 of the Revised Code, when either of the following applies: (1) The offender uses the offender's office in aid of committing the offense or permits or assents to its use in aid of committing the offense; (2) The property or service involved is owned by this state, any other state, the United States, a county, a municipal corporation, a township, or any political subdivision, department, or agency of any of them, is owned by a political party, or is part of a political campaign fund. (B) Whoever violates this section is guilty of theft in office.

In 2012, a purchase was made on the Authority's credit card by Vicki Maple, former Executive Director, at Verizon Wireless totaling \$415 for an iPhone. This purchase did not have detailed supporting documentation. Additionally, Mrs. Maple's employment was terminated effective May 20, 2013, and Mrs. Maple failed to return this cellular phone to the Authority.

In addition, Mrs. Maple added a line to the Authority's cellular service on December 12, 2012 that was not authorized and was not used for the operation of the Authority. Additional disbursements totaling \$253 were made by the Authority during 2013 for this unauthorized line.

The use of public funds to purchase a cellular phone that is not returned after termination and to add an additional line to the phone plan without authorization is considered arbitrary and incorrect.

We also noted the Authority does not have a cellular phone policy.

In accordance with the foregoing facts, and pursuant to Ohio Revised Code Section 117.28, a Finding for Recovery for public property converted or misappropriated is hereby issued against Vicki Maple, former Executive Director, and her bonding company, The Ohio Casualty Insurance Company, in the amount of \$668 in favor of the Authority's General Fund.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is strictly liable for the amount of the expenditure. Seward v. National Surety Corp. (1929), 120 Ohio St. 47; 1980 Op. Att'yGen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex. Rel. Village of Linndalev. Masten(1985), 18 OhioSt.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property, 1980 Op. Att'y Gen. No. 80-074.

**MUSKINGUM COUNTY CONVENTION FACILITIES AUTHORITY
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEARS ENDING DECEMBER 31, 2012 AND 2011
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2012-001 (Continued)

Finding for Recovery (Continued)

Payments in the amount of \$142 were approved by former Board President, Durb Dunzweiler, and payments in the amount of \$668 were approved by Board Vice-President, Scott Kennedy. In addition, former Board Member, Angelo Kallipolitis, approved payments in the amount of \$526. Accordingly, Durb Dunzweiler, Scott Kennedy, and Angelo Kallipolitis will be jointly and severally liable in the total amounts of \$142, \$668, and \$526, respectively, and in favor of the Authority's General Fund.

Officials' Response: The Authority is in the process of making policy changes regarding cell phones. At this time, they no longer intend to provide cell phones or pay for cell phone services of any employee of the Authority.

FINDING NUMBER 2012-002

Finding for Recovery

Ohio Rev. Code 149.351(A) states, in pertinent part, that all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under Sections 149.38 to 149.42 of the Revised Code.

Additionally, *State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951)*, provides that expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper Public Purpose states that the Auditor of State's Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

Management is responsible for designing and implementing internal control policies and procedures to reasonably ensure specific financial objectives will be achieved. A sound internal control structure requires documented procedures to provide management with reasonable assurance that recorded transactions occurred and are not fictitious. This includes maintaining sufficient supporting documentation such as purchase orders, invoices, and vouchers for all non-payroll disbursements.

All disbursement checks are signed by one member of the Board's Executive Staff. Additionally, a *Transaction List By Date* and *Visa Vouchers* printout is signed by the Executive Director and two members of the Board's Executive Staff for all disbursements.

The Board had adopted Resolution 2001-02 authorizing the Executive Director to purchase proper public business lunches and requires the Executive Director to provide specific supporting documentation. Additionally, the Board had adopted Resolution 2003-01 which authorized the Executive Director to make proper public business credit card purchase and to detail each purchase appropriately.

**MUSKINGUM COUNTY CONVENTION FACILITIES AUTHORITY
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEARS ENDING DECEMBER 31, 2012 AND 2011
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2012-002 (Continued)

Finding for Recovery (Continued)

We noted the following instances of purchases made that did not have any support to show the purchases were made for a proper public purpose:

We noted credit card purchases did not always contain any supporting detailed receipts. The following credit card disbursements were noted to lack the appropriate supporting receipts:

- One purchase with Universal Adcom for advertising was made on the Authority's credit card in 2011 (check number 8805) with no supporting receipts totaling \$225;
- One purchase at Outback Steakhouse was made on the Authority's credit card in 2011 (check number 8881) with no supporting receipts totaling \$49;
- One purchase at Dollar Tree was made on the Authority's credit card in 2011 (check number 8959) with no supporting receipts totaling \$11;
- One purchase from Who's Who Directories was made on the Authority's credit card in 2012 (check number 9469) with no supporting receipts totaling \$290; and
- One purchase at Rite Aid was made on the Authority's credit card in 2012 (check number 9913) with no supporting receipts totaling \$18.

We noted credit card purchases did not always contain detailed supporting receipts. The following credit card disbursements were noted to include only a credit card slip and lacked the appropriate detailed supporting receipts:

- Two purchases were made at Bob Evans on the Authority's credit card in 2011 (check numbers 8702 and 8959) totaling \$36 with only a credit card slip as supporting documentation;
- One purchase was made at Claddagh Irish Pub on the Authority's credit card in 2011 (check number 8959) totaling \$59 with only a credit card slip as supporting documentation;
- One purchase was made at Zak's on the Authority's credit card in 2011 (check number 9061) totaling \$159 with only a credit card slip as supporting documentation;
- One purchase was made at Tumbleweed on the Authority's credit card in 2011 (check number 9130) totaling \$146 with only a credit card slip as supporting documentation;
- One purchase was made at Red Lobster on the Authority's credit card in 2011 (check number 9226) totaling \$310 with only a credit card slip as supporting documentation;
- One purchase was made at In Good Taste Bakery on the Authority's credit card in 2011 (check number 9341) totaling \$37 with only a credit card slip as supporting documentation;
- One purchase was made at Olive Garden on the Authority's credit card in 2011 (check number 9341) totaling \$231 with only a credit card slip as supporting documentation;
- One purchase was made at Maria Adornetto's on the Authority's credit card in 2012 (check number 9469) totaling \$38 with only a credit card slip as supporting documentation;
- Eight purchases were made at Creno's Pizza on the Authority's credit card in 2012 (check numbers 9559, 9792, 9971, and 10040) totaling \$406 with only a credit card slip as supporting documentation;
- One purchase was made at Milestone on the Authority's credit card in 2012 (check number 9615) totaling \$31 with only a credit card slip as supporting documentation;

**MUSKINGUM COUNTY CONVENTION FACILITIES AUTHORITY
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEARS ENDING DECEMBER 31, 2012 AND 2011
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2012-002 (Continued)

Finding for Recovery (Continued)

- Five purchases were made at Muddy Misers on the Authority's credit card in 2012 (check numbers 9655, 9656, and 9721) totaling \$149 with only a credit card slip as supporting documentation; and
- One purchase was made at Ditty's Downtown Deli on the Authority's credit card in 2012 (check number 9971) totaling \$53 with only a credit card slip as supporting documentation.

We noted credit card purchases did not always meet the proper public purchase of a convention facilities authority. In addition to the exceptions noted above, the following credit card disbursements were not considered a proper public purpose:

- One purchase was made for four adult tickets to a Columbus Clippers game in 2011 (check number 8959) totaling \$42. Per review of the supporting documentation, the Executive Director included a statement on the order form stating "MCCFA Board, if you and your family would like to attend, please RSVP to our office by May 5 and I will order our tickets together...my treat." This is not considered a proper public purpose; and
- One purchase was made at Creno's Pizza in 2012 (check number 9792) totaling \$176 for catering for special event "Zanesville Has Talent," which is not considered a proper public purpose.

There was not enough documentation to support that the expenditures were for an otherwise proper public purpose. In the absence of supporting documentation, it could not be determined whether any of these transactions were actually made for proper public purposes relating to Authority business. Additionally, two of the expenditures that contained enough evidence to support the disbursement were not for a proper public purpose.

Additionally, we noted \$82 in disbursements to the credit card company for over-limit and late payments due to failure to monitor the credit card limit of \$1,000.

We recommend the Board closely monitor credit card purchases and be aware of the items which they are signing. Additionally, we recommend the Authority follow their resolutions and policies and include specific supporting documentation for both business lunches and credit card purchases.

In accordance with the foregoing facts, and pursuant to Ohio Revised Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Vicki Maple, former Executive Director, and her bonding company, The Ohio Casualty Insurance Company, in the amount of \$2,548 in favor of the Authority's General Fund.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is strictly liable for the amount of the expenditure. *Seward v. National Surety Corp.* (1929), 120 Ohio St. 47; 1980 Op. Att'yGen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex. Rel. Village of Linndalev. Masten(1985), 18 OhioSt.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property, 1980 Op. Att'y Gen. No. 80-074.

MUSKINGUM COUNTY CONVENTION FACILITIES AUTHORITY
MUSKINGUM COUNTY

SCHEDULE OF FINDINGS
FOR THE YEARS ENDING DECEMBER 31, 2012 AND 2011
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2012-002 (Continued)

Finding for Recovery (Continued)

Payments were approved by former Board President Durb Dunzweiler in the amount of \$2,466 and Board Vice-President Scott Kennedy in the amount of \$182. Accordingly, Durb Dunzweiler and Scott Kennedy will be jointly and severally liable in the amounts of \$2,466 and \$182, respectively, and in favor of the Authority's General Fund.

Officials' Response: The Authority is in the process of adopting a policy for receipts of all credit card purchases to be provided with sufficient detail and support to show the purchases were made for a proper public purpose.

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Dave Yost • Auditor of State

MUSKINGUM COUNTY CONVENTION FACILITIES AUTHORITY

MUSKINGUM COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
NOVEMBER 7, 2013