



OHIO AUDITOR OF STATE  
**KEITH FABER**





MAPLE GROVE UNION CEMETERY  
CHAMPAIGN COUNTY

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## INDEPENDENT AUDITOR'S REPORT

Maple Grove Union Cemetery  
Champaign County  
176 South Main Street  
Mechanicsburg, Ohio 43044

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Maple Grove Union Cemetery, Champaign County, Ohio (the Cemetery) as of and for the years ended December 31, 2017 and 2016.

### ***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 Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) 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.

### ***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 Cemetery'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 Cemetery's internal control. Accordingly, we express no such 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 opinions.

One First National Plaza, 130 W. Second St., Suite 2040, Dayton, Ohio 45402  
Phone: 937-285-6677 or 800-443-9274  
[www.ohioauditor.gov](http://www.ohioauditor.gov)

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

As described in Note 2 of the financial statements, the Cemetery 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(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Cemetery does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***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 Cemetery as of December 31, 2017 and 2016, and the respective 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, receipts and disbursements by fund type, and related notes of the Maple Grove Union Cemetery, Champaign County as of December 31, 2017 and 2016, 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(D) permit, described in Note 2.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2019, on our consideration of the Cemetery'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 Cemetery's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

January 23, 2019

**Maple Grove Union Cemetery**  
*Champaign County*  
*Combined Statement of Receipts, Disbursements and*  
*Changes In Fund Balances (Regulatory Cash Basis)*  
*All Governmental and Fiduciary Fund Types*  
*For the Year Ended December 31, 2017*

	All Fund Types			Totals (Memorandum Only)
	General	Permanent	Fiduciary	
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$69,088			\$69,088
Charges for Services	24,823			24,823
Sale of Lots	8,100			8,100
Intergovernmental	5,819			5,819
Earnings on Investments	863	\$28		891
Miscellaneous	1,295			1,295
<b>Total Cash Receipts</b>	<b>109,988</b>	<b>28</b>		<b>110,016</b>
<b>Cash Disbursements</b>				
Current Disbursements:				
Salaries	44,620			44,620
Supplies	22,012			22,012
Equipment	9,961			9,961
Contracts - Repair	25,878			25,878
Contracts - Services	14,416			14,416
Public Employees' Retirement	10,265			10,265
Miscellaneous	604			604
<i>Total Cash Disbursements</i>	<i>127,756</i>			<i>127,756</i>
<i>Excess Receipts Over (Under) Disbursements</i>	<i>(17,768)</i>	<i>28</i>		<i>(17,740)</i>
<i>Fund Cash Balances, January 1</i>	<i>253,254</i>	<i>19,131</i>	<i>\$505</i>	<i>272,890</i>
<b>Fund Cash Balances, December 31</b>				
Nonspendable		19,112		19,112
Restricted		47		47
Assigned	22,490			22,490
Unassigned	212,996			212,996
Fiduciary Fund Cash Balance			505	505
<i>Fund Cash Balances, December 31</i>	<i>\$235,486</i>	<i>\$19,159</i>	<i>\$505</i>	<i>\$255,150</i>

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

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**MAPLE GROVE UNION CEMETERY  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges for the Maple Grove Union Cemetery, Champaign County, (the Cemetery) as a body corporate and politic. The Village of Mechanicsburg and Goshen Township appoint a three-member Board of Trustees to direct cemetery operations. These entities also levy a property tax on behalf of the Cemetery to meet the Cemetery's operating costs. The accompanying financial statement classifies the tax levy as Property and Other Local Taxes. The Cemetery provides grounds maintenance, opening and closing of graves, and the sale of grave lots.

***Public Entity Risk Pool***

The Cemetery participates in a public entity risk pool. Note 6 to the financial statement provides additional information for this entity. The Cemetery's management believes this financial statement presents all activities for which the Cemetery is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Cemetery's financial statement consists of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental and fiduciary fund types which is organized on a fund type basis.

***Fund Accounting***

The Cemetery uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Cemetery are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Cemetery for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Permanent Funds*** These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Cemetery had the following significant permanent fund:

***Dohron Wilson Trust Fund*** This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Cemetery.

***Fiduciary Funds*** Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Cemetery's own programs.

The Cemetery's private purpose trust fund is for the benefit of certain individuals. The Mary McIntire Endowment Fund requires interest earned to be used for the permanent improvement and maintenance of two private grave sites.

MAPLE GROVE UNION CEMETERY  
CHAMPAIGN COUNTY

NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(CONTINUED)

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Basis of Accounting***

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made.

This statement includes adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Budgetary Process***

The Cemetery's Board budgets each fund annually.

***Appropriations*** The Board annually approves appropriation measures at the fund, function, and object level. Appropriations lapse at year end.

***Estimated Resources*** Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

A summary of 2017 budgetary activity appears in Note 3.

***Capital Assets***

The Cemetery records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these items as assets.

***Fund Balance***

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

***Nonspendable*** The Cemetery 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*** Trustees can *commit* amounts via formal action (resolution). The Cemetery must adhere to these commitments unless the Trustees amend 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 Cemetery Trustees or a Cemetery official delegated that authority by resolution, or by State Statute.

**MAPLE GROVE UNION CEMETERY  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(CONTINUED)**

**Note 2 – Summary of Significant Accounting Policies (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 Cemetery 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.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$101,000	\$109,988	\$8,988
Permanent	0	28	28
Fiduciary	0	0	0
Total	\$101,000	\$110,016	\$9,016

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$121,926	\$127,756	(\$5,830)
Permanent	0	0	0
Fiduciary	0	0	0
Total	\$121,926	\$127,756	(\$5,830)

**Note 4 – Deposits**

The Cemetery maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	2017
Demand deposits	\$81,038
Certificates of deposit	174,112
Total deposits	\$255,150

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**MAPLE GROVE UNION CEMETERY  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(CONTINUED)**

**Note 5 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statement includes these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the taxing authority.

**Note 6 – Risk Management**

The Cemetery is exposed to various risks of property and casualty losses, and injuries to employees.

The Cemetery insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Cemetery belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York) functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2017, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2017.

	<u><b>2017</b></u>
Assets	\$44,452,326
Liabilities	(13,004,011)
Net Position	\$31,448,315

**MAPLE GROVE UNION CEMETERY  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(CONTINUED)**

**Note 6 – Risk Management (Continued)**

At December 31, 2017 the liabilities above include approximately \$11.8 million of estimated incurred claims payable. The assets above also include approximately \$11.2 million of unpaid claims to be billed. The Pool's membership increased to 527 members in 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the Cemetery's share of these unpaid claims collectible in future years is approximately \$1,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<b><u>2017 Contributions to PEP</u></b> <b><u>\$1,403</u></b>
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After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

The Cemetery's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Cemetery contributed an amount equaling 14% of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2017.

**Note 8 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017.

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**Maple Grove Union Cemetery**  
*Champaign County*  
*Combined Statement of Receipts, Disbursements and*  
*Changes In Fund Balances (Regulatory Cash Basis)*  
*All Governmental and Fiduciary Fund Types*  
*For the Year Ended December 31, 2016*

	All Fund Types			Totals (Memorandum Only)
	General	Permanent	Fiduciary	
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$67,489			\$67,489
Charges for Services	30,480			30,480
Sale of Lots	5,400			5,400
Intergovernmental	5,682			5,682
Earnings on Investments	869	\$19		888
Miscellaneous	2,619			2,619
<b>Total Cash Receipts</b>	<b>112,539</b>	<b>19</b>		<b>112,558</b>
<b>Cash Disbursements</b>				
Current Disbursements:				
Salaries	42,417			42,417
Supplies	22,108			22,108
Equipment	4,225			4,225
Contracts - Repair	6,801			6,801
Contracts - Services	17,567			17,567
Public Employees' Retirement	10,163			10,163
Miscellaneous	2,090			2,090
<i>Total Cash Disbursements</i>	<i>105,371</i>			<i>105,371</i>
<i>Excess Receipts Over Disbursements</i>	<i>7,168</i>	<i>19</i>		<i>7,187</i>
<i>Fund Cash Balances, January 1</i>	<i>246,086</i>	<i>19,112</i>	<i>\$505</i>	<i>265,703</i>
<b>Fund Cash Balances, December 31</b>				
Nonspendable		19,112		19,112
Restricted		19		19
Assigned	20,926			20,926
Unassigned	232,328			232,328
Fiduciary Fund Cash Balance			505	505
<i>Fund Cash Balances, December 31</i>	<i>\$253,254</i>	<i>\$19,131</i>	<i>\$505</i>	<i>\$272,890</i>

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

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**MAPLE GROVE UNION CEMETERY  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges for the Maple Grove Union Cemetery, Champaign County, (the Cemetery) as a body corporate and politic. The Village of Mechanicsburg and Goshen Township appoint a three-member Board of Trustees to direct cemetery operations. These entities also levy a property tax on behalf of the Cemetery to meet the Cemetery's operating costs. The accompanying financial statement classifies the tax levy as Property and Other Local Taxes. The Cemetery provides grounds maintenance, opening and closing of graves, and the sale of grave lots.

***Public Entity Risk Pool***

The Cemetery participates in a public entity risk pool. Note 6 to the financial statement provides additional information for this entity. The Cemetery's management believes this financial statement presents all activities for which the Cemetery is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Cemetery's financial statement consists of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental and fiduciary fund types which is organized on a fund type basis.

***Fund Accounting***

The Cemetery uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Cemetery are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Cemetery for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Permanent Funds*** These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Cemetery had the following significant permanent fund:

***Dohron Wilson Trust Fund*** This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Cemetery.

***Fiduciary Funds*** Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Cemetery's own programs.

The Cemetery's private purpose trust fund is for the benefit of certain individuals. The Mary McIntire Endowment Fund requires interest earned to be used for the permanent improvement and maintenance of two private grave sites.

**MAPLE GROVE UNION CEMETERY  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(CONTINUED)**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Basis of Accounting***

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made.

This statement includes adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Budgetary Process***

The Cemetery's Board budgets each fund annually.

***Appropriations*** The Board annually approves appropriation measures at the fund, function, and object level. Appropriations lapse at year end.

***Estimated Resources*** Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

A summary of 2016 budgetary activity appears in Note 3.

***Capital Assets***

The Cemetery records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these items as assets.

***Fund Balance***

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

***Nonspendable*** The Cemetery 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*** Trustees can *commit* amounts via formal action (resolution). The Cemetery must adhere to these commitments unless the Trustees amend 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 Cemetery Trustees or a Cemetery official delegated that authority by resolution, or by State Statute.

**MAPLE GROVE UNION CEMETERY  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(CONTINUED)**

**Note 2 – Summary of Significant Accounting Policies (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 Cemetery 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.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$101,000	\$112,539	\$11,539
Permanent	0	19	19
Fiduciary	0	0	0
Total	\$101,000	\$112,558	\$11,558

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$111,926	\$105,371	\$6,555
Permanent	0	0	0
Fiduciary	0	0	0
Total	\$111,926	\$105,371	\$6,555

**Note 4 – Deposits**

The Cemetery maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

Demand deposits	2016 \$98,777
Certificates of deposit	174,113
Total deposits	\$272,890

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**MAPLE GROVE UNION CEMETERY  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(CONTINUED)**

**Note 5 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statement includes these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the taxing authority.

**Note 6 – Risk Management**

The Cemetery is exposed to various risks of property and casualty losses, and injuries to employees.

The Cemetery insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Cemetery belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York) functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2016, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2016.

	<b><u>2016</u></b>
Assets	\$42,182,281
Liabilities	<u>(13,396,700)</u>
Net Position	<u>\$28,785,581</u>

**MAPLE GROVE UNION CEMETERY  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(CONTINUED)**

**Note 6 – Risk Management (Continued)**

At December 31, 2016 the liabilities above include approximately \$12.0 million of estimated incurred claims payable. The assets above also include approximately \$11.5 million of unpaid claims to be billed. The Pool's membership increased to 520 members in 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the Cemetery's share of these unpaid claims collectible in future years is approximately \$1,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<b><u>2016 Contributions to PEP</u></b> <b><u>\$1,403</u></b>
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After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

The Cemetery's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Cemetery contributed an amount equaling 14% of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2016.

**Note 8 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2016.

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# OHIO AUDITOR OF STATE KEITH FABER



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

Maple Grove Union Cemetery  
Champaign County  
176 South Main Street  
Mechanicsburg, Ohio 43044

To the Board of Trustees:

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 cash balances, receipts, and disbursements by fund type of the Maple Grove Union Cemetery, Champaign County, (the Cemetery) as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated January 23, 2019 wherein we noted the Cemetery followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Cemetery's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Cemetery'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 Cemetery'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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2017-001 to be a material weakness.

***Compliance and Other Matters***

As part of reasonably assuring whether the Cemetery'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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2017-001.

***Cemetery's Response to Finding***

The Cemetery's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not subject the Cemetery's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

***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 Cemetery's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Cemetery's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

January 23, 2019



**MAPLE GROVE UNION CEMETERY  
CHAMPAIGN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2017 AND 2016**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2017-001**

**Noncompliance and Material Weakness – Financial Reporting**

**Ohio Admin. Code § 117-2-02(A)** states, “All local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements and prepare financial statements required by rule 117-2-03 of the Administrative Code.”

Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, introduced five fund balance classifications and clarifies the existing governmental fund type definitions. The fund balance classifications relate to constraints placed upon the use of resources reported in governmental funds. The five classifications are non-spendable, restricted, committed, assigned, and unassigned.

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The Fiscal Officer maintained manual ledgers and excel ledgers, which recorded the receipts and expenditures of the Cemetery. We identified a charge for services receipt in 2017 that did not appear on either ledger; however, the receipt was included on the monthly financial statement provided to the Cemetery Board. The monthly financial statements were used to create the Cemetery’s year-end financial report.

Also, the Cemetery did not implement the requirements of GASB 54 in fiscal year 2017 or 2016. The Cemetery failed to report the proper fund classifications of Permanent and Private Purpose Trust Fund. Additionally, fund balance classifications were not determined and reported. Adjustments were reflected in the financial statements to properly account for these fund and equity classifications.

Finally, reclassifications in the Cemetery's financial statements were made to properly report homestead and rollback receipts as intergovernmental instead of tax revenue in the amount of \$5,819 and \$5,682 in 2017 and 2016, respectively.

In addition to the adjustments and reclassifications listed above, additional misstatements ranging from \$19 to \$3,943 have been identified and brought to the Cemetery’s attention. Misstatements result from changes in accounting regulations and reporting as well as lack of proper accounting policies/procedures.

The failure to correctly classify and include financial activity in the accounting records, financial statements, and notes may impact the users' understanding of the financial operations, the Cemetery Board's ability to make sound financial decisions, and could result in materially misstated reports.

The Cemetery should have procedures in place to provide for accurate and complete recording of financial activity and balances in the accounting records and financial statements to assist in the effective management and reporting of financial resources.

**Official’s Response:**

Cemetery has gone on UAN to help alleviate these problems.

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OHIO AUDITOR OF STATE  
**KEITH FABER**



**MAPLE GROVE UNION CEMETERY**

**CHAMPAIGN 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  
FEBRUARY 26, 2019**