



Dave Yost • Auditor of State

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Grove Cemetery Association
Hardin County
15443 St. Rt. 309
Kenton, Ohio 43326

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Grove Cemetery Association, Hardin County, (the Cemetery) as of and for the years ended December 31, 2014 and 2013.

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 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 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, to satisfy these 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.

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 permitted 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, 2014 and 2013, 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 combined cash balances of Grove Cemetery Association, Hardin County as of December 31, 2014 and 2013, and its combined 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(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 2015, on our consideration of the Government'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 Government's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

April 6, 2015

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>All Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Charges for Services	\$77,028		\$77,028
Intergovernmental	177,258		177,258
Earnings on Investments	494		494
Miscellaneous	32,209		32,209
Total Cash Receipts	<u>286,989</u>		<u>286,989</u>
Cash Disbursements:			
Current Disbursements:			
General Government	254,035	\$11,235	265,270
Total Cash Disbursements	<u>254,035</u>	<u>11,235</u>	<u>265,270</u>
Excess Receipts Over (Under) Disbursements	<u>32,954</u>	<u>(11,235)</u>	<u>21,719</u>
Other Financing Receipts (Disbursements):			
Transfers-In		23,000	23,000
Transfers-Out	(23,000)		(23,000)
Total Other Financing Receipts (Disbursements)	<u>(23,000)</u>	<u>23,000</u>	
Net Change in Fund Cash Balance	9,954	11,765	21,719
Fund Cash Balances, January 1	<u>68,877</u>	<u>60,269</u>	<u>129,146</u>
Fund Cash Balances, December 31:			
Restricted	27,346	72,034	99,380
Unassigned (Deficit)	51,485		51,485
Fund Cash Balances, December 31	<u>\$78,831</u>	<u>\$72,034</u>	<u>\$150,865</u>

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

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGE IN FUND BALANCE (CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Private Purpose Trust</u>
Operating Cash Receipts:	
Earnings on Investments	\$560
Total Operating Cash Receipts	<u>560</u>
Operating Cash Disbursements:	
Supplies and Materials	750
Total Operating Cash Disbursements	<u>750</u>
Operating Income	<u>(190)</u>
Net Change in Fund Cash Balance	(190)
Fund Cash Balance, January 1	<u>156,250</u>
Fund Cash Balance, December 31	<u><u>\$156,060</u></u>

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

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>All Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Charges for Services	\$74,350			\$74,350
Intergovernmental	177,341	\$41,161	\$6,499	225,001
Earnings on Investments	622			622
Miscellaneous	19,129		10,200	29,329
Total Cash Receipts	<u>271,442</u>	<u>41,161</u>	<u>16,699</u>	<u>329,302</u>
Cash Disbursements:				
Current Disbursements:				
General Government	276,444	21,435	45,029	342,908
Capital Outlay			7,748	7,748
Total Cash Disbursements	<u>276,444</u>	<u>21,435</u>	<u>52,777</u>	<u>350,656</u>
Excess Receipts Over (Under) Disbursements	<u>(5,002)</u>	<u>19,726</u>	<u>(36,078)</u>	<u>(21,354)</u>
Other Financing Receipts (Disbursements):				
Transfers-In	3,294		16,432	19,726
Transfers-Out		(19,726)		(19,726)
Other Financing Sources	1,358			1,358
Total Other Financing Receipts (Disbursements)	<u>4,652</u>	<u>(19,726)</u>	<u>16,432</u>	<u>1,358</u>
Net Change in Fund Cash Balance	(350)		(19,646)	(19,996)
Fund Cash Balances, January 1	<u>69,227</u>		<u>79,915</u>	<u>149,142</u>
Fund Cash Balances, December 31:				
Restricted	25,346		60,269	85,615
Unassigned (Deficit)	43,531			43,531
Fund Cash Balances, December 31	<u>\$68,877</u>	<u>\$0</u>	<u>\$60,269</u>	<u>\$129,146</u>

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

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGE IN FUND BALANCE (CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Private Purpose Trust</u>
Operating Cash Receipts:	
Earnings on Investments	\$798
Miscellaneous	4,000
Total Operating Cash Receipts	<u>4,798</u>
Operating Cash Disbursements:	
Supplies and Materials	1,000
Total Operating Cash Disbursements	<u>1,000</u>
Operating Income	<u>3,798</u>
Net Change in Fund Cash Balance	3,798
Fund Cash Balance, January 1	<u>152,452</u>
Fund Cash Balance, December 31	<u><u>\$156,250</u></u>

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

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

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 for the Grove Cemetery Association, Hardin County, (the Cemetery). The City of Kenton, Buck Township, Pleasant Township, and Goshen Township appoint a three-member Board of Trustees to direct cemetery operations, along with one non-voting member. These entities also levy property taxes to provide funding to meet the Cemetery's operating costs under the agreement which establishes the Cemetery. The accompanying financial statements present this funding as Intergovernmental Receipts. The Cemetery provides grounds maintenance, opening and closing of graves, and the sale of grave lots.

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

B. Basis of Accounting

These financial statements follow 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.

These statements include 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.

C. Deposits and Investments

The Cemetery's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. The Cemetery had no investments at the end of 2014 or 2013.

D. Fund Accounting

The Cemetery uses fund accounting to segregate cash and investments that are restricted as to use. The Cemetery classifies its funds into the following types:

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

2. Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Cemetery had the following Special Revenue Fund:

FEMA – This fund received grant receipts to repair damage to the Mausoleum.

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Capital Project Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Cemetery had the following significant capital project funds:

Buildings – This fund received grant, miscellaneous, and transfers for repairs and maintenance to buildings.

Road & Water – This fund received transfers for repairs to drives and drainage tiles.

4. Fiduciary Funds

Fiduciary funds include private purpose trust 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 had the following private purpose trust fund:

Endowment Fund – The fund receives interest receipts and donations from endowments. The interest earned on the principal is to maintain grave sites.

F. 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:

1. Non-spendable

The Cemetery classifies assets as *non-spendable* 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.

3. 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.

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 Cemetery Trustees or a Cemetery official delegated that authority by resolution, or by State Statute.

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

G. Property, Plant, and Equipment

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

H. 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.

2. EQUITY IN POOLED DEPOSITS

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

	<u>2014</u>	<u>2013</u>
Demand deposits	\$63,283	\$32,797
Money Market Account	243,642	252,599
Total deposits	<u>\$306,925</u>	<u>\$285,396</u>

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

3. RETIREMENT SYSTEMS

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. For 2014 and 2013, OPERS members contributed 10%, of their gross salaries and the Cemetery contributed an amount equaling 14%, respectively, of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2014.

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

4. RISK MANAGEMENT

The Cemetery belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 767 and 774 members as of December 31, 2012 and 2013 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2012 and 2013 (the latest information available).

	<u>2012</u>	<u>2013</u>
Assets	\$13,100,381	\$13,774,304
Liabilities	<u>(6,687,193)</u>	<u>(7,968,395)</u>
Members' Equity	<u>\$6,413,188</u>	<u>\$5,805,909</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

5. TRANSFERS

During 2014, transfers in the amount of \$23,000 were made from the General Fund to the Capital Projects Equipment (\$3,000), Buildings (\$10,000), and Road and Water (\$10,000) funds for future capital projects.

During 2013, transfers in the amount of \$19,726 were made from the Special Revenue FEMA Fund to the General Fund (\$3,294), and Capital Projects Building (\$9,352) and Road and Water (\$7,080) funds to reimburse funds for disbursements initially made from these funds.



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*

Grove Cemetery Association
Hardin County
15443 St. Rt. 309
Kenton, Ohio 43326

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 Grove Cemetery Association, Hardin County, (the Cemetery) as of and for the years ended December 31, 2014 and 2013 and the related notes to the financial statements, and have issued our report thereon dated April 6, 2015, 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 a 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 Entity'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. We consider finding 2014-001 described in the accompanying schedule of findings 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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 communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

April 6, 2015

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2014-001

Material Weakness – Accuracy of Financial Reporting

The Cemetery should have procedures and controls in place to help assure that financial activity and balances are accurately reported. The Cemetery reported its Retirement Obligation Fund as a Capital Projects Fund during the year and at year-end. By definition a capital projects fund is used to account and report financial resources that are restricted, committed, or assigned to expenditure of capital outlays. The Retirement Obligation Fund should have been classified as a special revenue fund which are defined as funds to account for a report the proceeds of specific revenue sources that restricted or committed to expenditure for specified purposes other than debt service or capital projects. In addition, Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, requires that retirement obligation funds roll into the General Fund for reporting purposes at year-end. During the year, the Cemetery should classify its Retirement Obligation Fund as a Special Revenue Fund and at year-end this Fund should be rolled into the General Fund for financial reporting. The accompanying 2014 financial statements have been adjusted to eliminate transfers from the General Fund and into the Capital Projects Retirement Obligation Fund in the amount of \$2,000, and to reflect the beginning of year balance of \$25,346 and the end of the year balance of \$27,346 in the General Fund. The accompanying 2013 financial statements have been adjusted to reflect disbursements of \$11,484, the beginning of year balance in the amount of \$36,830, and the end of the year balance in the amount of \$25,346 in the General Fund. The accounting records have been adjusted to classify this Fund as a Special Revenue Fund.

The Cemetery classified its Endowment Fund, of which the principal and earnings are restricted for the up-keep of the donors' graves, as a Permanent Fund. 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) are to be classified as permanent funds. Assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Cemetery's own programs are to be classified as private-purpose trust funds. The Endowment Fund should have been classified as a private-purpose trust fund during the year and for financial reporting at year-end. The accompanying 2014 financial statements have been adjusted to reflect receipts of \$560, disbursements of \$750, beginning of the year balance of \$156,250, and the end of the year balance of \$156,060 as a Private Purpose Trust Fund instead of a Permanent Fund. The accompanying 2013 financial statements have been adjusted to reflect receipts of \$4,798, disbursements of \$1,000, beginning of the year balance of \$152,452, and the end of the year balance of \$156,250 as a Private Purpose Trust Fund instead of a Permanent Fund. The accounting records have been adjusted to correctly classify the Endowment Fund.

The Cemetery utilized the UAN Township accounting system to maintain financial records throughout the year and to generate year-end financial statements. While this accounting and reporting system may not classify financial activity in a manner as detailed as a cemetery reporting format, the Cemetery must use available line items that most accurately classify activity. During 2014, disbursements for repairs to cemetery infrastructure, in the amount of \$6,535, recorded in the Capital Projects Road and Water Fund were classified as miscellaneous instead of general government. During 2013, disbursements in the amount of \$21,435, reported in the Special Revenue FEMA fund were classified as public works instead of general government. During 2013, disbursements for repairs to cemetery infrastructure, in the amount of \$14,056, recorded in the Capital Projects Road and Water Fund were classified as miscellaneous instead of general government.

FINDING NUMBER 2014-001

The failure to accurately classify financial activity and balances may inhibit the users understanding of the Cemetery's operations and their ability to detect errors and/or irregularities in a timely manner. Such financial reporting errors may also result in materially misstated financial statements.

The errors identified above should be reviewed by the Fiscal Officer to help assure that similar errors are not recorded in the accounting records and reported on the financial statements in subsequent years. The Board of Trustees should periodically review the accounting records to help identify and correct errors prior to completion of the annual financial statements. In addition, the Fiscal Officer should review the various financial resources which can be found on the Auditor of State Website at <https://ohioauditor.gov/> for guidance in recording of financial activity.

OFFICIALS' RESPONSE: We did not receive a response from Officials to this finding.



Dave Yost • Auditor of State

GROVE CEMETERY ASSOCIATION

HARDIN 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
MAY 7, 2015