

MAPLE GROVE UNION CEMETERY

PORTAGE COUNTY, OHIO

AUDIT REPORT

For the Years Ended December 31, 2015 and 2014





Dave Yost • Auditor of State

Board of Trustees
Maple Grove Union Cemetery
6698 N. Chestnut St.
Ravenna, OH 44266

We have reviewed the *Independent Auditor's Report* of the Maple Grove Union Cemetery, Portage County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2014 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Maple Grove Union Cemetery is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

June 24, 2016

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MAPLE GROVE UNION CEMETERY
PORTAGE COUNTY, OHIO
For the Years Ended December 31, 2015 and 2014

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INDEPENDENT AUDITOR'S REPORT

Maple Grove Union Cemetery
Portage County
6698 North Chestnut Street
Ravenna, Ohio 44266

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, Portage County, (the Cemetery) as of and for the years ended December 31, 2015 and 2014.

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(D); 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 opinions.

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 (GAAP), to satisfy 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, 2015 and 2014, 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 the Maple Grove Union Cemetery, Portage County as of December 31, 2015 and 2014, 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 22, 2016, 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.



Charles E. Harris & Associates, Inc.
April 22, 2016

**MAPLE GROVE UNION CEMETERY
PORTAGE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>All Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Charges for Services	\$57,845	-	\$57,845
Sale of Lots	33,372	-	33,372
Intergovernmental	288,240	-	288,240
Earnings on Investments	89	-	89
Miscellaneous	2,193	-	2,193
Total Cash Receipts	381,739	-	381,739
Cash Disbursements:			
Current Disbursements:			
Health	374,881	-	374,881
Capital Outlay	5,558	-	5,558
Total Cash Disbursements	380,439	-	380,439
Excess Receipts Over (Under) Disbursements	1,300	-	1,300
Other Financing Receipts (Disbursements):			
Transfers-In	-	\$49,909	49,909
Transfers-Out	(49,909)	-	(49,909)
Total Other Financing Receipts (Disbursements)	(49,909)	49,909	-
Net Change in Fund Cash Balance	(48,609)	49,909	1,300
Fund Cash Balances, January 1	383,958	20,000	403,958
Fund Cash Balances, December 31			
Assigned	-	69,909	69,909
Unassigned	335,349	-	335,349
<i>Fund Cash Balances, December 31</i>	<u>\$335,349</u>	<u>\$69,909</u>	<u>\$405,258</u>

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

**MAPLE GROVE UNION CEMETERY
PORTAGE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES
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	\$58,542	-	\$58,542
Sale of Lots	29,687	-	29,687
Intergovernmental	288,000	-	288,000
Earnings on Investments	105	-	105
Miscellaneous	5,889	-	5,889
Total Cash Receipts	382,223	-	382,223
Cash Disbursements:			
Current Disbursements:			
Health	371,468	-	371,468
Capital Outlay	15,107	-	15,107
Total Cash Disbursements	386,575	-	386,575
Excess Receipts Over (Under) Disbursements	(4,352)	-	(4,352)
Other Financing Receipts (Disbursements):			
Transfers-In	-	\$20,000	20,000
Transfers-Out	(20,000)	-	(20,000)
Total Other Financing Receipts (Disbursements)	(20,000)	20,000	-
Net Change in Fund Cash Balance	(24,352)	20,000	(4,352)
Fund Cash Balances, January 1	408,310	-	408,310
Fund Cash Balances, December 31			
Assigned	-	20,000	20,000
Unassigned	383,958	-	383,958
<i>Fund Cash Balances, December 31</i>	<u>\$383,958</u>	<u>\$20,000</u>	<u>\$403,958</u>

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

MAPLE GROVE UNION CEMETERY
PORTAGE COUNTY, OHIO
Notes to the Financial Statements
For The Years Ended December 31, 2015 and 2014

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 Maple Grove Union Cemetery, Portage County, (the Cemetery). The City of Ravenna and Ravenna Township appoint a three-member Board of Trustees to direct cemetery operations. These entities also provide funding to meet the Cemetery's operating costs under the agreement which established 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 Cemetery 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 report disbursements for investments purchases or receipts for investments sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

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 reports all financial resources except those required to be accounted for in another fund.

**MAPLE GROVE UNION CEMETERY
PORTAGE COUNTY, OHIO
Notes to the Financial Statements
For The Years Ended December 31, 2015 and 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

D. FUND ACCOUNTING - (continued)

2. Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project fund:

Miscellaneous Capital Projects – This fund receives money from general fund transfers for the purchase of equipment to be used for general maintenance throughout the cemetery.

E. 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. Nonspendable

The Cemetery 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.

3. Committed

The Board can *commit* amounts via formal action by resolution. The Cemetery 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 Cemetery Board or a Cemetery official delegated that authority by resolution or by State Statute.

**MAPLE GROVE UNION CEMETERY
PORTAGE COUNTY, OHIO
Notes to the Financial Statements
For The Years Ended December 31, 2015 and 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

E. FUND BALANCE – (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.

F. PROPERTY, PLANT AND EQUIPMENT

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

G. 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 AND INVESTMENTS

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

	<u>2015</u>	<u>2014</u>
Demand Deposits	\$378,958	\$380,258
Certificate of Deposit	\$25,000	\$25,000
Total	<u>\$403,958</u>	<u>\$405,258</u>

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

MAPLE GROVE UNION CEMETERY
PORTAGE COUNTY, OHIO
Notes to the Financial Statements
For The Years Ended December 31, 2015 and 2014

3. RETIREMENT SYSTEM

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

The Ohio Revised Code also prescribes contribution rates. For 2014 and 2015, 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, 2015.

4. RISK MANAGEMENT

Commercial Insurance

The Cemetery has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

There have been no settlements paid in excess of insurance coverage nor has insurance coverage been significantly reduced in the past three years.

5. CONTINGENT LIABILITIES

Management believes there are no pending claims or lawsuits

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.
Certified Public Accountants

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
Portage County
6698 North Chestnut Street
Ravenna, Ohio 44266

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, Portage County (the Cemetery) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated April 22, 2016, 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 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. We consider finding 2015-001 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 an instance of noncompliance or other matter we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2015-002.

We also noted certain matters not requiring inclusion in this report that we reported to the Cemetery's management in a separate letter dated April 22, 2016.

Entity's Responses to Findings

The Cemetery's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Cemetery'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 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.



Charles E. Harris and Associates, Inc.
April 22, 2016

**MAPLE GROVE UNION CEMETERY
PORTAGE COUNTY
SCHEDULE OF FINDINGS
December 31, 2015 and 2014**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 2015-001 – Material Weakness

Financial Statement Posting Errors

Sound financial reporting is the responsibility of the Fiscal Officer and Board of Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. The following errors were noted while testing the financial statements:

For 2015 - We noted \$33,372 of Sale of Lots, \$400 of Charges for Services Receipts and \$46 of Interest Receipts were misclassified as Miscellaneous Receipts.

For 2014 - We noted \$182,340 of Intergovernmental Receipts, \$29,687 of Sale of Lots, \$3,102 of Charges for Services Receipts and \$71 of Interest Receipts were misclassified as Miscellaneous Receipts.

The financial statements have been adjusted to correct these errors. Sound financial reporting is the responsibility of the Cemetery and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. We recommend the Cemetery adopt policies and procedures to identify and correct errors and omissions in a timely manner. Management can use various Auditor of State guidance to aid in properly identifying account classifications.

Management Response: All revenue accounts are being worked on and will be properly posted going forward.

Finding Number 2015-002 – Noncompliance

Daily Deposit

Ohio Rev. Code Section 9.38 indicates monies should be deposited with the Fiscal Officer or designated depository within 24 hours of collection and requires monies be deposited on the next business day if the daily receipt amounts exceed \$1,000. If daily receipts do not exceed \$1,000 and the receipts can be safeguarded, the public office may adopt a policy permitting their officials who receive money to hold it past the next business day, but the deposit must be made no later than 3 business days after receiving it.

The Superintendent collected the receipts and made the bank deposit before providing the receipts and deposit information to the fiscal officer to be recorded. Of the 40 receipts tested, 25 were deposited from 3 to 21 days after collection. Delays of this nature could result in receipts being recorded in an improper period and could cause Cemetery daily receipts to be lost or misplaced without being detected in a timely manner.

We recommend the Cemetery safeguard receipts and deposit receipts within 24 hours of collection or adopt a policy to allow deposits every 3 business days if amount doesn't exceed \$1,000.

Management Response: Monies received over \$1,000 will be deposited within 24 hours of collection and any other monies paid for services will be deposited within a reasonable amount of time.

**MAPLE GROVE UNION CEMETERY
PORTAGE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2015 and 2014**

FINDING NUMBER	FUNDING SUMMARY	FULLY CORRECTED?	Not Corrected. Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2013-001	Material Weakness – Finance Statement Posting Errors	No	Not Corrected; Repeated as Finding 2015-001
2013-002	Noncompliance – Daily deposit not done in a timely manner	No	Not Corrected; Repeated as Finding 2015-002

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Dave Yost • Auditor of State

MAPLE GROVE UNION CEMETERY

PORTAGE 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
JULY 7, 2016**