



OHIO AUDITOR OF STATE
KEITH FABER



**FRANKLIN COUNTY VETERANS MEMORIAL
FRANKLIN COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Franklin County Veterans Memorial
Franklin County
373 South High Street, 26th Floor
Columbus, Ohio 43215

To the Franklin County Board of Commissioners:

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 Franklin County Veterans Memorial, Franklin County, Ohio (the Memorial) as of and for the years ended December 31, 2018, 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 Memorial'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 Memorial'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.

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

As described in Note 2 of the financial statements, the Memorial 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 Memorial 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 Memorial, as of December 31, 2018, 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 Memorial, as of December 31, 2018, 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.

Emphasis of Matters

As discussed in Note 6 to the December 31, 2018, 2017 and 2016 financial statements, the Memorial ceased all operations during 2016 and the Memorial transferred remaining cash to Franklin County and officially dissolved on November 1, 2021.

As discussed in Note 7 to the December 31, 2016 financial statements, the Memorial elected to change its financial presentation to the regulatory cash basis that Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2024, on our consideration of the Memorial'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 Memorial's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio

September 12, 2024

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Franklin County Veterans Memorial
Franklin County, Ohio
Statement of Receipts, Disbursements
and Changes in Fund Balances
For the Year Ended December 31, 2018

	<u>Enterprise</u>
Operating Cash Receipts	
Rental Income	<u>\$0</u>
<i>Total Operating Cash Receipts</i>	<u>0</u>
Operating Cash Disbursements	
Purchased Services	9,398
Other	<u>1,828</u>
<i>Total Operating Cash Disbursements</i>	<u>11,226</u>
<i>Operating Loss</i>	<u>(11,226)</u>
<i>Loss before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	(11,226)
Special Item - Finding For Recovery	<u>121,939</u>
<i>Net Change in Fund Cash Balances</i>	110,713
<i>Fund Cash Balances, January 1</i>	<u>11,543</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$122,256</u></u>

See accompanying notes to the basic financial statements.

**FRANKLIN COUNTY VETERANS MEMORIAL
FRANKLIN COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

1. DESCRIPTION OF VETERANS MEMORIAL AND REPORTING ENTITY

The Franklin County Veterans Memorial (“the Memorial”) is a non-profit corporation established pursuant to the Ohio Revised Code Section 345. The Board of Trustees has the authority to exercise all the powers and privileges provided under the law. The purpose of the Memorial is to commemorate the services of all members and veterans of the armed forces of the United States.

The Memorial is governed by a board of eleven trustees appointed by the County Commissioners of Franklin County (“the County”). The Board of Trustees shall, at all times, be so constituted that at least seven of its members are honorably discharged veterans of the armed forces of the United States, having served in one or more wars in which the United States was a belligerent.

The Memorial is a discretely presented component unit of Franklin County (“the County”), the primary government, in which they are fiscally dependent; however, the County does not control the day to day operations of the Memorial.

Component units are legally separate organizations for which the Memorial is financially accountable. The Memorial is financially accountable for an organization if it appoints a voting majority of the organization’s governing board and (1) is able to significantly influence the programs or services performed or provided by the organization; or (2) is legally entitled to or can otherwise access the organization’s resources; is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to the organization; or is obligated for the debt of the organization. Based upon the application of these criteria, the Memorial has no component units. The Memorial is a component unit of Franklin County.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Memorial’s financial statements consist of the statement of receipts, disbursements and changes in fund balances (regulatory cash basis).

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 recognized 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.

Operating Cash Receipts and Cash Disbursements

Operating cash receipts are those revenues that are generated directly from Enterprise activity. For the Memorial, these cash receipts are income from the rental of signage on the property. Operating expenses are necessary costs incurred to provide goods or services from Enterprise activity.

**FRANKLIN COUNTY VETERANS MEMORIAL
FRANKLIN COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018
(continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Transfers between the primary government (the County) and the discretely presented component unit (the Memorial) are reported as cash disbursements on the County's records and as non-operating cash receipts on the Memorial's records.

Other Contributions for the Primary Government

No contributions were received from Franklin County in 2018 in order to meet the Memorial's financial obligations.

3. DEPOSITS AND INVESTMENTS

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

Demand deposits	<u>\$122,256</u>
-----------------	------------------

At year-end, the carrying amount of the Memorial's cash was \$122,256. The bank balances were \$122,256, of which all was covered by FDIC.

4. RISK MANAGEMENT

The Memorial is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters.

The Memorial purchased health, dental and vision coverage for full-time employees through the Franklin County Cooperative Health Benefits Program. Effective August 17, 2016, the Memorial no longer had any employees, and no further amounts are due.

Effective November 20, 2018, the Memorial renewed coverage under a Director and Offices Insurance Policy. Coverage provided is as follows:

<u>Coverage</u>	<u>Aggregate Limit</u>
D&O Liability	1,000,000
Employment liability	1,000,000

5. DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System (OPERS)

Memorial 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 percent of their gross salaries and the Memorial contributed an amount equaling 14 percent of participant's gross salaries. The Memorial had no required contributions for the year ended December 31, 2018.

**FRANKLIN COUNTY VETERANS MEMORIAL
FRANKLIN COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018
(continued)**

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2018 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0
Total Employer	14.0 %
 Employee	 10.0 %

6. DISSOLUTION/SUBSEQUENT EVENT

- A. On August 20, 2013, the Franklin County Commissioners unveiled to the Memorial's Board of Trustees a conceptual plan for the Scioto Peninsula which included the construction of the New Veterans Memorial. As a result, the Board of Trustees decided on September 18, 2013 that the Memorial will cease operations on July 31, 2014. The Memorial ceased event and facility operations by that date and worked with customers to reimburse monies owed for deposits on events scheduled after the date of cessation of operations. Daily parking operations continued through the remainder of 2014 and ended in July 2015. The last employee ended their employment on August 17, 2016.

The Memorial concluded demolition of the existing structure during 2015. The date of transfer of the property was July 24, 2015. The Memorial fully ceased all operations during 2016.

- B. On October 29, 2021 the Memorial closed out the bank accounts and transferred remaining cash assets to Franklin County. The following is a summary of financial transactions from January 1, 2019 through October 29, 2021.

Cash Fund Balance at December 31, 2018	\$122,256
Bank Fees	(5,422)
Audit Fees	(4,285)
Cash Fund Balance at October 29, 2021	\$112,549
Payment made to Franklin County on November 1, 2021	(112,549)
Cash Fund Balance at November 1, 2021	\$0

Franklin County Veterans Memorial

Franklin County, Ohio

Statement of Receipts, Disbursements

and Changes in Fund Balances

For the Year Ended December 31, 2017

	<u>Enterprise</u>
Operating Cash Receipts	
Rental Income	\$5,100
<i>Total Operating Cash Receipts</i>	<u>5,100</u>
Operating Cash Disbursements	
Purchased Services	16,439
Supplies and Materials	779
Other	1,699
<i>Total Operating Cash Disbursements</i>	<u>18,917</u>
<i>Operating Loss</i>	<u>(13,817)</u>
<i>Loss before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	(13,817)
Contributions From Primary Government	23,000
<i>Net Change in Fund Cash Balances</i>	9,183
<i>Fund Cash Balances, January 1</i>	<u>2,360</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$11,543</u></u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY VETERANS MEMORIAL
FRANKLIN COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

1. DESCRIPTION OF VETERANS MEMORIAL AND REPORTING ENTITY

The Franklin County Veterans Memorial (“the Memorial”) is a non-profit corporation established pursuant to the Ohio Revised Code Section 345. The Board of Trustees has the authority to exercise all the powers and privileges provided under the law. The purpose of the Memorial is to commemorate the services of all members and veterans of the armed forces of the United States.

The Memorial is governed by a board of eleven trustees appointed by the County Commissioners of Franklin County (“the County”). The Board of Trustees shall, at all times, be so constituted that at least seven of its members are honorably discharged veterans of the armed forces of the United States, having served in one or more wars in which the United States was a belligerent.

The Memorial is a discretely presented component unit of Franklin County (“the County”), the primary government, in which they are fiscally dependent; however, the County does not control the day to day operations of the Memorial.

Component units are legally separate organizations for which the Memorial is financially accountable. The Memorial is financially accountable for an organization if it appoints a voting majority of the organization’s governing board and (1) is able to significantly influence the programs or services performed or provided by the organization; or (2) is legally entitled to or can otherwise access the organization’s resources; is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to the organization; or is obligated for the debt of the organization. Based upon the application of these criteria, the Memorial has no component units. The Memorial is a component unit of Franklin County.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Memorial’s financial statements consist of the statement of receipts, disbursements and changes in fund balances (regulatory cash basis).

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 recognized 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.

Operating Cash Receipts and Cash Disbursements

Operating cash receipts are those revenues that are generated directly from Enterprise activity. For the Memorial, these cash receipts are income from the rental of signage on the property. Operating expenses are necessary costs incurred to provide goods or services from Enterprise activity.

**FRANKLIN COUNTY VETERANS MEMORIAL
FRANKLIN COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
(continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Transfers between the primary government (the County) and the discretely presented component unit (the Memorial) are reported as cash disbursements on the County's records and as non-operating cash receipts on the Memorial's records.

Other Contributions for the Primary Government

Additional Contributions of \$23,000 were received from the Franklin County in 2017 in order to meet the Memorial's financial obligations.

3. DEPOSITS AND INVESTMENTS

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

Demand deposits	<u>\$11,543</u>
-----------------	-----------------

At year-end, the carrying amount of the Memorial's cash was \$11,543. The bank balances were \$11,543, of which all was covered by FDIC.

4. RISK MANAGEMENT

The Memorial is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters.

The Memorial purchased health, dental and vision coverage for full-time employees through the Franklin County Cooperative Health Benefits Program. Effective August 17, 2016, the Memorial no longer had any employees, and no further amounts are due.

Effective November 20, 2017, the Memorial renewed coverage under a Director and Offices Insurance Policy. Coverage provided is as follows:

<u>Coverage</u>	<u>Aggregate Limit</u>
D&O Liability	1,000,000
Employment liability	1,000,000

5. DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System (OPERS)

Memorial 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.

**FRANKLIN COUNTY VETERANS MEMORIAL
FRANKLIN COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
(continued)**

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries and the Memorial contributed an amount equaling 14 percent of participant's gross salaries. The Memorial had no required contributions for the year ended December 31, 2017.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2017 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	1.0
	14.0 %
 Total Employer	 14.0 %
 Employee	 10.0 %

6. DISSOLUTION/SUBSEQUENT EVENT

- A. On August 20, 2013, the Franklin County Commissioners unveiled to the Memorial's Board of Trustees a conceptual plan for the Scioto Peninsula which included the construction of the New Veterans Memorial. As a result, the Board of Trustees decided on September 18, 2013 that the Memorial will cease operations on July 31, 2014. The Memorial ceased event and facility operations by that date and worked with customers to reimburse monies owed for deposits on events scheduled after the date of cessation of operations. Daily parking operations continued through the remainder of 2014 and ended in July 2015. The last employee ended their employment on August 17, 2016.

The Memorial concluded demolition of the existing structure during 2015. The date of transfer of the property was July 24, 2015. The Memorial fully ceased all operations during 2016.

- B. On October 29, 2021 the Memorial closed out the bank accounts and transferred remaining cash assets to Franklin County. The following is a summary of financial transactions from January 1, 2019 through October 29, 2021.

Cash Fund Balance at December 31, 2018	\$122,256
Bank Fees	(5,422)
Audit Fees	(4,285)
Cash Fund Balance at October 29, 2021	\$112,549
Payment made to Franklin County on November 1, 2021	(112,549)
Cash Fund Balance at November 1, 2021	\$0

Franklin County Veterans Memorial

Franklin County, Ohio

Statement of Receipts, Disbursements

and Changes in Fund Balances

For the Year Ended December 31, 2016

	<u>Enterprise</u>
Operating Cash Receipts	
Rental Income	\$5,100
<i>Total Operating Cash Receipts</i>	<u>5,100</u>
Operating Cash Disbursements	
Salaries	59,436
Employee Fringe Benefits	32,696
Purchased Services	31,896
Supplies and Materials	1,087
Other	3,703
<i>Total Operating Cash Disbursements</i>	<u>128,818</u>
<i>Operating Loss</i>	<u>(123,718)</u>
<i>Loss before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	(123,718)
Contributions From Primary Government	<u>115,000</u>
<i>Net Change in Fund Cash Balances</i>	(8,718)
<i>Fund Cash Balances, January 1</i>	<u>11,078</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$2,360</u></u>

See accompanying notes to the basic financial statements.

**FRANKLIN COUNTY VETERANS MEMORIAL
FRANKLIN COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

1. DESCRIPTION OF VETERANS MEMORIAL AND REPORTING ENTITY

The Franklin County Veterans Memorial (“the Memorial”) is a non-profit corporation established pursuant to the Ohio Revised Code Section 345. The Board of Trustees has the authority to exercise all the powers and privileges provided under the law. The purpose of the Memorial is to commemorate the services of all members and veterans of the armed forces of the United States.

The Memorial is governed by a board of eleven trustees appointed by the County Commissioners of Franklin County (“the County”). The Board of Trustees shall, at all times, be so constituted that at least seven of its members are honorably discharged veterans of the armed forces of the United States, having served in one or more wars in which the United States was a belligerent.

The Memorial is a discretely presented component unit of Franklin County (“the County”), the primary government, in which they are fiscally dependent; however, the County does not control the day to day operations of the Memorial.

Component units are legally separate organizations for which the Memorial is financially accountable. The Memorial is financially accountable for an organization if it appoints a voting majority of the organization’s governing board and (1) is able to significantly influence the programs or services performed or provided by the organization; or (2) is legally entitled to or can otherwise access the organization’s resources; is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to the organization; or is obligated for the debt of the organization. Based upon the application of these criteria, the Memorial has no component units. The Memorial is a component unit of Franklin County.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Memorial’s financial statements consist of the statement of receipts, disbursements and changes in fund balances (regulatory cash basis).

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 recognized 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.

Operating Cash Receipts and Cash Disbursements

Operating cash receipts are those revenues that are generated directly from Enterprise activity. For the Memorial, these cash receipts are income from the rental of signage on the property. Operating expenses are necessary costs incurred to provide goods or services from Enterprise activity.

**FRANKLIN COUNTY VETERANS MEMORIAL
FRANKLIN COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Transfers between the primary government (the County) and the discretely presented component unit (the Memorial) are reported as cash disbursements on the County's records and as non-operating cash receipts on the Memorial's records.

Other Contributions for the Primary Government

Additional Contributions of \$115,000 were received from the Franklin County in 2016 in order to meet the Memorial's financial obligations.

3. DEPOSITS AND INVESTMENTS

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

Demand deposits	<u>\$2,360</u>
-----------------	----------------

At year-end, the carrying amount of the Memorial's cash was \$2,360. The bank balances were \$8,077, of which all was covered by FDIC.

4. RISK MANAGEMENT

The Memorial is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters.

The Memorial purchased health, dental and vision coverage for full-time employees through the Franklin County Cooperative Health Benefits Program. Effective August 17, 2016, the Memorial no longer had any employees, and no further amounts are due.

Effective November 20, 2016, the Memorial renewed coverage under a Director and Offices Insurance Policy. Coverage provided is as follows:

<u>Coverage</u>	<u>Aggregate Limit</u>
D&O Liability	1,000,000
Employment liability	1,000,000

5. DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System (OPERS)

Memorial 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 percent of their gross salaries and the Memorial contributed an amount equaling 14 percent of

**FRANKLIN COUNTY VETERANS MEMORIAL
FRANKLIN COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(continued)**

participant's gross salaries. The Memorial has paid all contributions required through December 31, 2016.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2016 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2016 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
 Employee	 10.0 %

6. DISSOLUTION/SUBSEQUENT EVENT

- A. On August 20, 2013, the Franklin County Commissioners unveiled to the Memorial's Board of Trustees a conceptual plan for the Scioto Peninsula which included the construction of the New Veterans Memorial. As a result, the Board of Trustees decided on September 18, 2013, that the Memorial will cease operations on July 31, 2014. The Memorial ceased event and facility operations by that date and worked with customers to reimburse monies owed for deposits on events scheduled after the date of cessation of operations. Daily parking operations continued through the remainder of 2014 and ended in July 2015. The last employee ended their employment on August 17, 2016.

The Memorial concluded demolition of the existing structure during 2015. The date of transfer of the property was July 24, 2015. The Memorial fully ceased all operations during 2016.

- B. On October 29, 2021 the Memorial closed out the bank accounts and transferred remaining cash assets to Franklin County. The following is a summary of financial transactions from January 1, 2019 through October 29, 2021.

Cash Fund Balance at December 31, 2018	\$122,256
Bank Fees	(5,422)
Audit Fees	(4,285)
Cash Fund Balance at October 29, 2021	\$112,549
Payment made to Franklin County on November 1, 2021	(112,549)
Cash Fund Balance at November 1, 2021	\$0

**FRANKLIN COUNTY VETERANS MEMORIAL
FRANKLIN COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(continued)**

7. CHANGE IN ACCOUNTING PRINCIPLES

For the year ended December 31, 2016, the Memorial ceased to report using generally accepted accounting principles and reported on a regulatory cash basis as described in Note 2.

The implementation of this change had the following effect on net position/fund cash balance of the Memorial as was previously reported.

Net Position, December 31, 2015	(\$864,842)
Eliminate December 31, 2015 assets	(15,742)
Eliminate December 31, 2015 deferred outflows	(58,222)
Eliminate December 31, 2015 liabilities	819,003
Eliminate December 31, 2015 deferred inflows	<u>130,881</u>
Cash Fund Balance January 1, 2016	\$ 11,078

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

Franklin County Veterans Memorial
Franklin County
373 South High Street, 26th Floor
Columbus, Ohio 43215

To the Franklin County Board of Commissioners:

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 of the Franklin County Veterans Memorial, Franklin County, (the Memorial) as of and for the years ended December 31, 2018, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated September 12, 2024, wherein we noted the Memorial ceased all operations during 2016 and the Memorial transferred remaining cash to Franklin County and officially dissolved on November 1, 2021. In addition, the Memorial elected to change its financial presentation to the regulatory cash basis that Ohio Revised Section 117.38 and Ohio Administrative Code Section 117-02-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Memorial'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 Memorial'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 Memorial'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 2018-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Memorial'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 2018-001.

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



Keith Faber
Auditor of State
Columbus, Ohio

September 12, 2024

**FRANKLIN COUNTY VETERANS MEMORIAL
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2018, 2017, AND 2016**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2018-001

Noncompliance/Material Weakness

Maintaining organized documentation and support for financial transactions is essential in assuring the Memorial financial statements are not materially misstated and that all expenditures are made for a proper public purpose. Additionally, **Ohio Rev. Code § 149.351** requires all records that are the property of the public office shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commission provided for under **Ohio Rev. Code §§ 149.38 through 149.42**.

The Memorial fully ceased operations during 2016 and the Memorial transferred remaining cash to Franklin County and officially dissolved on November 1, 2021.

The following financial records were not available for review during the audit of financial transactions that occurred between January 1, 2016 and December 31, 2018. Alternative procedures were able to be performed to gain the necessary audit assurances.

- The monthly General and Payroll bank account statements for March through December of 2016
- One employee continued to be paid by the Memorial through August of 2016. Payroll ledgers and supporting documentation of salaries, payroll taxes, retirement contributions, and other withholdings made was not maintained and provided for audit. In addition, supporting documentation was not available to support accrued leave payouts made to the employee in 2016.
- No invoice or other supporting documentation was maintained for seven out of 27 nonpayroll disbursements tested for 2016 through 2018.
- No check images or cancelled checks were maintained for the 2016 through 2018 checks issued by the Memorial.

Failure to maintain underlying documentation and support of financial transactions can increase the risk of fraud, result in financial statement misstatements, and expenditures that are not for a proper public purpose. The Memorial should have maintained all invoices, payroll records, and bank statements for all financial transactions and records be maintained in an orderly manner to support all transactions.

Officials' Response

We did not receive a response from Officials to this finding.

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FRANKLIN COUNTY VETERANS MEMORIAL

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2018, 2017, AND 2016

Finding Number	Finding Summary	Status	Additional Information
2015-001	Material Weakness- Financial Statement Adjustments	Corrected	
2015-002	Finding for Recovery- Improper Severance	Corrected	Repayment of the finding for recovery amount was made to Franklin County in 2019 and 2020.
2015-003	Finding for Recovery- Rental Fees	Corrected	The finding for recovery was repaid and the receipt is accounted for on the December 31, 2018 financial statements.
2015-004	Material Weakness- Internal Controls Over Rental Fees	No Longer Valid	Memorial Ceased Operations

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OHIO AUDITOR OF STATE KEITH FABER



FRANKLIN COUNTY VETERANS MEMORIAL

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 10/8/2024

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov