



Dave Yost • Auditor of State

**MAPLE GROVE UNION CEMETERY
PORTAGE COUNTY
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Dave Yost • Auditor of State

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 and related notes of Maple Grove Union Cemetery, Portage County, (the Cemetery) as of and for the years ended December 31, 2013 and 2012.

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 requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Cemetery as of December 31, 2013 and 2012, 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 Maple Grove Union Cemetery, Portage County, as of December 31, 2013 and 2012, 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 June 6, 2014, 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.



Dave Yost
Auditor of State
Columbus, Ohio

June 6, 2014

**MAPLE GROVE UNION CEMETERY
PORTAGE 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>Permanent</u> | |
| Cash Receipts: | | | |
| Charges for Services | \$64,266 | | \$64,266 |
| Sale of Lots | 33,760 | | 33,760 |
| Intergovernmental | 290,040 | | 290,040 |
| Earnings on Investments | 116 | \$11 | 127 |
| Miscellaneous | 4,174 | | 4,174 |
| | <hr/> | | <hr/> |
| Total Cash Receipts | 392,356 | 11 | 392,367 |
| | <hr/> | | <hr/> |
| Cash Disbursements: | | | |
| Current Disbursements: | | | |
| Materies and Supplies | | 10,296 | 10,296 |
| Health | 338,045 | | 338,045 |
| Capital Outlay | 3,724 | | 3,724 |
| | <hr/> | | <hr/> |
| Total Cash Disbursements | 341,769 | 10,296 | 352,065 |
| | <hr/> | | <hr/> |
| Excess Receipts Over (Under) Disbursements | 50,587 | (10,285) | 40,302 |
| | <hr/> | | <hr/> |
| Other Financing Receipts: | | | |
| Sale of Fixed Assets | 17,638 | | 17,638 |
| | <hr/> | | <hr/> |
| Total Other Financing Receipts | 17,638 | | 17,638 |
| | <hr/> | | <hr/> |
| Net Change in Fund Cash Balance | 68,225 | (10,285) | 57,940 |
| | <hr/> | | <hr/> |
| Fund Cash Balances, January 1 | 340,085 | 10,285 | 350,370 |
| | <hr/> | | <hr/> |
| Fund Cash Balances, December 31 | | | |
| Unassigned | 408,310 | | 408,310 |
| | <hr/> | | <hr/> |
| <i>Fund Cash Balances, December 31</i> | <u>\$408,310</u> | <u>\$0</u> | <u>\$408,310</u> |

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

**MAPLE GROVE UNION CEMETERY
PORTAGE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012**

| | <u>All Fund Types</u> | | <u>Totals (Memorandum Only)</u> |
|--|-------------------------|------------------------|---|
| | <u>General</u> | <u>Permanent</u> | |
| Cash Receipts: | | | |
| Charges for Services | \$55,965 | | \$55,965 |
| Sale of Lots | 26,187 | | 26,187 |
| Intergovernmental | 290,200 | | 290,200 |
| Earnings on Investments | 301 | \$46 | 347 |
| Miscellaneous | 2,386 | | 2,386 |
| | <hr/> | | <hr/> |
| Total Cash Receipts | 375,039 | 46 | 375,085 |
| | <hr/> | | <hr/> |
| Cash Disbursements: | | | |
| Current Disbursements: | | | |
| Health | 340,800 | | 340,800 |
| Materies and Supplies | | 25,000 | 25,000 |
| Capital Outlay | 61,337 | | 61,337 |
| | <hr/> | | <hr/> |
| Total Cash Disbursements | 402,137 | 25,000 | 427,137 |
| | <hr/> | | <hr/> |
| Excess Receipts (Under) Disbursements | (27,098) | (24,954) | (52,052) |
| | <hr/> | | <hr/> |
| Fund Cash Balances, January 1 | 367,183 | 35,239 | 402,422 |
| | <hr/> | | <hr/> |
| Fund Cash Balances, December 31 | | | |
| Restricted | 0 | 10,285 | 10,285 |
| Unassigned | 340,085 | | 340,085 |
| | <hr/> | | <hr/> |
| <i>Fund Cash Balances, December 31</i> | <u>\$340,085</u> | <u>\$10,285</u> | <u>\$350,370</u> |

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

**MAPLE GROVE UNION CEMETERY
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

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 cost under the agreement which establish the Cemetery. The accompanying financial statements classify the additional 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 basis of accounting the Auditor of State prescribes or permits. 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

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 records certificates of deposits at cost.

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.

**MAPLE GROVE UNION CEMETERY
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Permanent Fund

Bequest Funds: These funds receive interest from fund investments. Proceeds are used to maintain grave sites. The principal must remain intact. The Cemetery received a Court Judgment Entry in 2009 that indicates interest earned on the principle in the fund is not enough money to pay the up keep costs for the intended graves and Cemetery and, therefore, the charitable purpose of the fund has become impractical or impossible. The Cemetery may apply and distribute the principle for the purchase of equipment to be used for general maintenance throughout the cemetery is consistent with the charitable purpose of the fund until the fund is spent.

E. Budgetary Process

The Ohio Revised Code requires the Board to budget each fund annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund object level of control and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and any subsequent amendments. Appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Cemetery to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2013 and 2012 budgetary activity appears in Note 3.

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. Nonspendable

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

**MAPLE GROVE UNION CEMETERY
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

**MAPLE GROVE UNION CEMETERY
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

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 deposits and investments at December 31 was as follows:

| | 2013 | 2012 |
|-------------------------|-----------|-----------|
| Demand deposits | \$333,401 | \$266,201 |
| Certificates of deposit | 74,909 | 84,169 |
| Total deposits | \$408,310 | \$350,370 |

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2013 and 2012 follows:

2013 Budgeted vs. Actual Receipts

| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
|-----------|----------------------|--------------------|-----------|
| General | \$411,040 | \$409,994 | (\$1,046) |
| Permanent | | 11 | 11 |
| Total | \$411,040 | \$410,005 | (\$1,035) |

2013 Budgeted vs. Actual Budgetary Basis Expenditures

| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
|-----------|----------------------------|---------------------------|----------|
| General | \$411,040 | \$341,769 | \$69,271 |
| Permanent | 10,331 | 10,296 | 35 |
| Total | \$421,371 | \$352,065 | \$69,306 |

2012 Budgeted vs. Actual Receipts

| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
|-----------|----------------------|--------------------|------------|
| General | \$417,040 | \$375,039 | (\$42,001) |
| Permanent | | 46 | 46 |
| Total | \$417,040 | \$375,085 | (\$41,955) |

2012 Budgeted vs. Actual Budgetary Basis Expenditures

| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
|-----------|----------------------------|---------------------------|----------|
| General | \$417,040 | \$402,137 | \$14,903 |
| Permanent | 25,000 | 25,000 | 0 |
| Total | \$442,040 | \$427,137 | \$14,903 |

**MAPLE GROVE UNION CEMETERY
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

4. 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 2013 and 2012, 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, 2013.

5. RISK MANAGEMENT

Commercial Insurance

The Cemetery has obtained commercial insurance for the following risks:

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

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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

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 Maple Grove Union Cemetery, Portage County, (the Cemetery) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements and have issued our report thereon dated June 6, 2014, 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 2013-002 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 matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2013-001.

Entity's Response 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.



Dave Yost
Auditor of State
Columbus, Ohio

June 6, 2014

MAPLE GROVE UNION CEMETERY
PORTAGE COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012

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

1. Daily Depositing

| | |
|-----------------------|----------|
| <i>Finding Number</i> | 2013-001 |
|-----------------------|----------|

NONCOMPLIANCE

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 16 receipts tested, 13 were deposited from 2 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.

Official's Response: Monies received over \$1,000 will be deposited within 24 hours of collection and any other monies paid for services, will be deposited in a more reasonable time period.

2. Financial Statement Posting Errors

| | |
|-----------------------|----------|
| <i>Finding Number</i> | 2013-002 |
|-----------------------|----------|

MATERIAL WEAKNESS

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 2013 - We noted \$290,040 of Intergovernmental Receipts, \$11,616 of Charges for Services Receipts, \$17,638 of Sale of Assets and \$116 of Interest Receipts were misclassified as Miscellaneous Receipts.

For 2012 - We noted \$290,200 of Intergovernmental Receipts, \$8,265 of Charges for Services Receipts and \$301 of Interest Receipts were misclassified as Miscellaneous Receipts.

The financial statements have been adjusted to correct these errors.

We recommend the Cemetery ensure receipts are coded and posted to the proper revenue line items.

Official's Response: After discussing this problem with the Auditor, all Revenue Account numbers have or will be changed by next year, as recommended by the Auditor.

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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 24, 2014**