



Dave Yost • Auditor of State

**STANDING ROCK UNION CEMETERY
PORTAGE COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Standing Rock Union Cemetery
Portage County
1361 North Mantua Street
Kent, Ohio 44240

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Standing Rock 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 Standing Rock 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 July 25, 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

July 25, 2014

**STANDING ROCK UNION CEMETERY
PORTAGE COUNTY**

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

	<u>All Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Fiduciary</u>	
Cash Receipts:			
Intergovernmental	\$190,971		\$190,971
Sale of Lots	48,400		48,400
Columbium Sales	1,400		1,400
Deeds	20		20
Interments	57,675		57,675
Foundations	13,327		13,327
Interest	1,017	\$97	1,114
Miscellaneous	2,360		2,360
	<hr/>		<hr/>
Total Cash Receipts	315,170	97	315,267
	<hr/>		<hr/>
Cash Disbursements:			
Salaries	188,235		188,235
Medical Insurance	51,247		51,247
Medicare	2,015		2,015
Public Employees' Retirement	26,353		26,353
Workers' Compensation	3,541		3,541
Unemployment Compensation	6,552		6,552
Excess Medical Cost	340		340
Operating Maintenance	17,289		17,289
Mowing Contract	1,066		1,066
Material, Supplies	5,742		5,742
Utilities and Trash Pick up	11,679		11,679
Trees	2,315		2,315
Deeds Expense	223		223
Office Supplies	1,138		1,138
Miscellaneous	404		404
Equipment	400		400
Repurchase Lots	640		640
	<hr/>		<hr/>
Total Cash Disbursements	319,179	0	319,179
	<hr/>		<hr/>
Excess Receipts Over (Under) Disbursements	(4,009)	97	(3,912)
	<hr/>		<hr/>
Fund Cash Balances, January 1	329,396	24,336	353,732
	<hr/>		<hr/>
Fund Cash Balances, December 31			
Restricted		24,433	24,433
Unassigned	325,387		325,387
	<hr/>		<hr/>
<i>Fund Cash Balances, December 31</i>	<u>\$325,387</u>	<u>\$24,433</u>	<u>\$349,820</u>

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

**STANDING ROCK UNION CEMETERY
PORTAGE COUNTY**

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

	<u>All Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Fiduciary</u>	
Cash Receipts:			
Intergovernmental	\$196,197		\$196,197
Sale of Lots	32,200		32,200
Columbium Sales	2,850		2,850
Deeds	10		10
Interments	52,100		52,100
Foundations	11,224		11,224
Interest	1,492	\$125	1,617
Miscellaneous	5,046		5,046
	<u>301,119</u>	<u>125</u>	<u>301,244</u>
Total Cash Receipts			
Cash Disbursements:			
Current Disbursements:			
Salaries	197,855		197,855
Medical Insurance	60,960		60,960
Medicare	2,174		2,174
Public Employees' Retirement	27,702		27,702
Workers' Compensation	4,597		4,597
Unemployment Compensation	10,013		10,013
Operating Maintenance	17,229		17,229
Mowing Contract	1,072		1,072
Material, Supplies	4,527		4,527
Utilities and Trash Pick up	10,534		10,534
Trees	480		480
Deeds Expense	144		144
Audit Fees	2,542		2,542
Office Supplies	1,537		1,537
Miscellaneous	425		425
Equipment	486		486
Flowers		162	162
Repurchase Lots	250		250
	<u>342,527</u>	<u>162</u>	<u>342,689</u>
Total Cash Disbursements			
Excess Receipts (Under) Disbursements	(41,408)	(37)	(41,445)
Fund Cash Balances, January 1	<u>370,804</u>	<u>24,373</u>	<u>395,177</u>
Fund Cash Balances, December 31			
Restricted		24,336	24,336
Unassigned	<u>329,396</u>		<u>329,396</u>
<i>Fund Cash Balances, December 31</i>	<u>\$329,396</u>	<u>\$24,336</u>	<u>\$353,732</u>

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

**STANDING ROCK 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 Standing Rock Union Cemetery, Portage County, (the Cemetery) as a body corporate and politic. The Cemetery is directed by a three-member Board of Trustees, appointed at a joint meeting of the City of Kent Council and Franklin Township Board of Trustees to direct the cemetery operations. The Board consists of one member of the Kent City Council, one member of the Franklin Township Trustees and one at large member. 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 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.

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 deposit, 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.

**STANDING ROCK UNION CEMETERY
PORTAGE COUNTY**

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

1. Summary of Significant Accounting Policies – (Continued)

2. Fiduciary Funds:

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

Endowment Fund - This fund receives interest from fund investments. Proceeds are used to purchase flowers for grave sites.

E. Budgetary Process

The Cemetery's Board budgets each fund annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control. The Board annually approves 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).

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.

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.

**STANDING ROCK UNION CEMETERY
PORTAGE COUNTY**

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

1. Summary of Significant Accounting Policies – (Continued)

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 financial statements report acquisitions of property, plant and equipment as capital outlay disbursements 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 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	\$75,036	\$40,062
Certificates of deposit	274,784	313,670
Total deposits	\$349,820	\$353,732

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Cemetery.

**STANDING ROCK UNION CEMETERY
PORTAGE COUNTY**

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

3. Budgetary Activity

Budgetary activity for the years ending December 21, 2013 and 2012 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General Fund	\$309,040	\$315,170	\$6,130
Fiduciary Fund	120	97	(23)
Total	\$309,160	\$315,267	\$6,107

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General Fund	\$420,382	\$319,179	\$101,203
Fiduciary Fund	120	0	120
Total	\$420,502	\$319,179	\$101,323

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General Fund	\$310,040	\$301,119	(\$8,921)
Fiduciary Fund	200	125	(75)
Total	\$310,240	\$301,244	(\$8,996)

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General Fund	\$396,784	\$342,527	\$54,257
Fiduciary Fund	200	162	38
Total	\$396,984	\$342,689	\$54,295

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

**STANDING ROCK UNION CEMETERY
PORTAGE COUNTY**

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

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*

Standing Rock Union Cemetery
Portage County
1361 North Mantua Street
Kent, Ohio 44240

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 Standing Rock 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 July 25, 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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Cemetery's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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*.

Standing Rock Union Cemetery
Portage County
Independent Auditor's Report on Internal Control Over
Financial Reporting And On Compliance And Other Matters
Required By *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

July 25, 2014



Dave Yost • Auditor of State

STANDING ROCK 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
AUGUST 19, 2014**