



Dave Yost • Auditor of State

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2016	5
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2015	6
Notes to the Financial Statements For the Years Ended December 31, 2016 and 2015	7
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	15
Schedule of Findings.....	17

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Geneva Union Cemetery
Ashtabula County
P.O. Box 474
Geneva, Ohio 44041

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 Geneva Union Cemetery, Ashtabula County, Ohio (the Cemetery) as of and for the years ended December 31, 2016 and 2015.

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 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 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 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 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, 2016 and 2015, 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 Geneva Union Cemetery, Ashtabula County, Ohio as of December 31, 2016 and 2015, 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, 2018, 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.

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, 2018

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Geneva Union Cemetery
Ashtabula County, Ohio
Combined Statement of Receipts, Disbursements and
Changes in Fund Balances (Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2016

	All Fund Types			Totals (Memorandum Only)
	General	Debt Service	Permanent	
Cash Receipts				
Property and Other Local Taxes	\$223,067			\$223,067
Charges for Services	24,906			24,906
Licenses, Permit, and Fees	60			60
Intergovernmental	20,334			20,334
Earnings on Investments	124		\$20	144
Miscellaneous	22,142			22,142
Total Cash Receipts	290,633		20	290,653
Cash Disbursements				
Current Disbursements:				
General government	177,523		118	177,641
Capital Outlay	90,253			90,253
Debt Service:				
Principal Retirement		\$9,804		9,804
Interest and Fiscal Charges		819		819
Total Cash Disbursements	267,776	10,623	118	278,517
Excess Receipts Over (Under) Disbursements	22,857	(10,623)	(98)	12,136
Other Financing Receipts (Disbursements)				
Transfers-In		10,750		10,750
Transfers-Out	(10,750)			(10,750)
Total Other Financing Receipts (Disbursements)	(10,750)	10,750		
Net Change in Fund Cash Balance	12,107	127	(98)	12,136
Fund Cash Balances, January 1	78,849	15	16,936	95,800
Fund Cash Balances, December 31				
Nonspendable			16,693	16,693
Restricted		142	145	287
Assigned	37,790			37,790
Unassigned	53,166			53,166
Fund Cash Balances, December 31	\$90,956	\$142	\$16,838	\$107,936

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

Geneva Union Cemetery
Ashtabula County, Ohio
Combined Statement of Receipts, Disbursements and
Changes in Fund Balances (Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2015

	All Fund Types				Totals (Memorandum Only)
	General	Debt Service	Capital Projects	Permanent	
Cash Receipts					
Property and Other Local Taxes	\$220,616				\$220,616
Charges for Services	22,490				22,490
Licenses, Permit, and Fees	130				130
Intergovernmental	21,039				21,039
Earnings on Investments	60			\$14	74
Miscellaneous	16,568				16,568
Total Cash Receipts	280,903			14	280,917
Cash Disbursements					
Current Disbursements:					
General government	188,006				188,006
Capital Outlay	54,808		\$486		55,294
Debt Service:					
Principal Retirement		\$9,563			9,563
Interest and Fiscal Charges		1,059			1,059
Total Cash Disbursements	242,814	10,622	486		253,922
Excess Receipts Over (Under) Disbursements	38,089	(10,622)	(486)	14	26,995
Other Financing Receipts (Disbursements)					
Transfers-In		10,622			10,622
Transfers-Out	(10,622)				(10,622)
Total Other Financing Receipts (Disbursements)	(10,622)	10,622			
Net Change in Fund Cash Balance	27,467		(486)	14	26,995
Fund Cash Balances, January 1	51,382	15	486	16,922	68,805
Fund Cash Balances, December 31					
Nonspendable				16,693	16,693
Restricted		15		243	258
Assigned	12,420				12,420
Unassigned	66,429				66,429
Fund Cash Balances, December 31	\$78,849	\$15		\$16,936	\$95,800

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

**GENEVA UNION CEMETERY
ASHTABULA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio established the rights and privileges for the Geneva Union Cemetery, Ashtabula County, Ohio (the Cemetery). The City of Geneva, the Village of Geneva on the Lake, and Geneva Township appoint a three-member Board of Trustees to direct the Cemetery operations. These entities also provide funding to meet the Cemeteries operating costs through property tax levies. The accompanying financial statements present this funding as local taxes. The Cemetery provides ground maintenance, opening and closings of graves and the sale of lots for burials.

The Cemetery 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 the Ohio Revised Code Section 117.38 and the Ohio Administrative Code Section 117-2-03(D). The basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts in cash rather than 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 financial reporting provisions of the Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

C. Deposits

The Cemetery only has deposits, which their accounting basis classifies as assets.

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 is the general operating fund. It presents all financial resources except those required to be accounted for in another fund.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)**

1. Summary of Significant Accounting Policies – (Continued)

2. Debt Service Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest. The Debt Service Fund is used to account for a loan for bridge replacement.

3. Capital Project Fund

These funds account for and report financial resources that are restricted, committed, or assigned for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Cemetery has a capital project fund for major renovations and repairs.

4. Permanent Funds

These funds account for and report resources that are restricted to the extent that only earnings and not principal may be used for purposes that support the government's programs (for the benefit of the government or its citizenry). The Permanent Fund receives interest from fund investments. Proceeds are used to maintain grave sites.

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 cancelled and reappropriated in the subsequent year.

A summary of 2015 and 2016 budgetary activity appears in Note 3.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)**

1. Summary of Significant Accounting Policies – (Continued)

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 government-fund resources.

The classifications are as follows:

1. Nonspendable

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

2. Restricted

Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

Trustees can commit amounts via formal action (resolution). The Cemetery must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Government funds other than the general fund reports 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 government 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, then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)**

1. Summary of Significant Accounting Policies – (Continued)

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 the items as assets.

F. Accumulated Leave

In certain circumstances such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not report these items as assets.

2. Equity in Pooled Deposits

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

	<u>2015</u>	<u>2016</u>
Demand Deposits	<u>\$95,800</u>	<u>\$107,936</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

3. Budgetary Activity

Budgetary activity for the years ended December 31, 2016 and 2015 follows:

2016 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
General Fund	\$301,320	\$290,633	(\$10,687)
Debt Service	10,750	10,750	0
Permanent	20	20	0
Total	<u>\$312,090</u>	<u>\$301,403</u>	<u>(\$10,687)</u>

2016 Budgeted vs. Actual Expenditures

<u>Fund Type</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
General Fund	\$295,540	\$278,526	\$17,014
Debt Service	10,750	10,623	127
Permanent	200	118	82
Total	<u>\$306,490</u>	<u>\$289,267</u>	<u>\$17,223</u>

**GENEVA UNION CEMETERY
ASHTABULA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)**

3. Budgetary Activity – (Continued)

2015 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
General Fund	\$280,660	\$280,903	(\$243)
Debt Service	10,750	10,622	128
Permanent	15	14	1
Total	<u>\$291,425</u>	<u>\$291,539</u>	<u>(\$114)</u>

2015 Budgeted vs. Actual Expenditures

<u>Fund Type</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
General Fund	\$272,512	\$253,436	\$19,076
Debt Service	10,622	10,622	0
Capital Projects	486	486	0
Permanent	50	0	50
Total	<u>\$283,670</u>	<u>\$264,544</u>	<u>\$19,126</u>

4. Property Tax

Real Property taxes become a lien on January 1 preceding the October 1 Date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually the first half is due by February 10. The second half is due by June 20.

Public Utilities are also taxed on real property located within the tax district.

The County is responsible for assessing property, and for billing, collecting and disbursing all property taxes on behalf of the Cemetery.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)**

5. Debt

Debt outstanding on December 31, 2016 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Permanent Improvement Loan	\$25,579	2.5%

In 2014 the Cemetery entered into a 5 year loan maturing in 2019, with Andover Bank in the amount of \$50,000 for Bridge Replacement

Amortization of the above debt, including interest, is scheduled as follows:

<u>Year ending December 31</u>	
2017	\$10,622
2018	10,622
2019	<u>5,312</u>
Total	<u>\$26,556</u>

6. Defined Benefit Pension Plan

The Cemetery's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multi-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 2015 and 2016 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, 2016.

7. Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2016 and 2015.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)**

8. 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*

Geneva Union Cemetery
Ashtabula County
P.O. Box 474
Geneva, Ohio 44041

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 Geneva Union Cemetery, Ashtabula County, Ohio (the Cemetery) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements and have issued our report thereon dated July 25, 2018 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. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a significant deficiency. We consider finding 2016-001 to be a significant deficiency.

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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2016-001 and 2016-002.

Cemetery'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 subject the Cemetery's responses to the auditing procedures applied in the audit of the financial statements 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 report is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

July 25, 2018

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2016 AND 2015**

FINDING NUMBER 2016-001

Significant Deficiency / Noncompliance Finding – Receipt Documentation:

A necessary step in the internal control over financial reporting is to ensure the completeness of receipts. Basic receipt internal controls should include, but not be limited, use of pre-numbered duplicate receipts, daily reconciliation of bank deposits to posting in accounting system, and monitoring of the receipt process by management independent of the collection process.

Ohio Admin. Code 117-2-01 requires the following:

- A. All public officials are responsible for the design and operation of a system of internal control that is adequate to provide reasonable assurance regarding the achievement of objectives for their respective public offices in certain categories.
- B. "Internal control" means a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:
 - 1. Reliability of financial reporting;
 - 2. Effectiveness and efficiency of operations;
 - 3. Compliance with applicable laws and regulations; and
 - 4. Safeguarding of assets against unauthorized acquisition, use or disposition.
- C. Internal control consists of the following five interrelated components:
 - 1. Control environment sets the tone of an organization, influencing the control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure.
 - 2. Risk assessment, which is the entity's identification and analysis of relevant risks to the achievement of its objectives, forming a basis for determining how the risks should be managed so as to identify and assess the risks of material misstatements, whether due to fraud or error, at the financial statement and relevant assertion levels.
 - 3. Control activities, which are policies and procedures that help ensure management directives are carried out so as to identify and assess the risks of material misstatements, whether due to fraud or error, at the financial statement and relevant assertion levels.
 - 4. Information and communication, which are the identification, capture, and exchange of information in a form and time frame that enable people to carry out their responsibilities.
 - 5. Monitoring, this is a process that assesses the quality of internal control performance over time.

FINDING NUMBER 2016-001 – (Continued)

- D. When designing the public office's system of internal control and the specific control activities, management should consider the following:
1. Ensure that all transactions are properly authorized in accordance with management's policies.
 2. Ensure that accounting records are properly designed.
 3. Ensure adequate security of assets and records.
 4. Plan for adequate segregation of duties or compensating controls.
 5. Verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.
 6. Perform analytical procedures to determine the reasonableness of financial data.
 7. Ensure the collection and compilation of the data needed for the timely preparation of financial statements.
 8. Monitor activities performed by service organizations.

An examination of Cemetery fees revenues identified the following:

- Missing monies totaling \$5,735 for 39 out of 608 receipts examined, in which the monies were collected by the Cemetery, but were not reported on the Cemetery accounting records or deposited in the Cemetery bank account.
- The Cemetery was unable to locate 85 out of 608 receipts issued.

The Cemetery did not have sufficient policies and procedures in place to maintain compliance with the requirements denoted above. Specifically, the lack of basic receipt controls contributed to the finding for recovery documented in Finding Number 2016-002.

Failure to accurately prepare and reconcile the accounting records could 1) reduce accountability over Cemetery funds, 2) reduce the Cemetery Trustees' ability to monitor financial activity and make informed decisions, 3) increase the likelihood that monies will be misappropriated and not detected, and 4) increase the likelihood that the Cemetery's financial statements will be misstated.

We recommend the Cemetery adopt and adhere to formal policies and procedures for controls over the recording and depositing of Cemetery receipts in order to maintain oversight and increase control and accountability over Cemetery revenues.

Officials' Response: The Original Receipt numbers were designed as a way to reference back a recorded receipt in the system to the paper document as well as provide a receipt if needed to the payee. The System worked for many years without a problem. As a result, receipts were not taken in order and in some cases destroyed if an error was made in recording and an appropriate receipt was prepared. We believe some of the missing receipts were destroyed in this manner and a number of receipt forms were recovered from Mr. Mansfield recently by the audit staff and returned to us. Those receipts have been filed and will not be used since we started, shortly after the discovery of the missing funds, a log of receipts used or voided. This log will insure that all receipts are accounted for moving forward. Your recommendations have been implemented in respect to the control over accountability over Cemetery Revenues.

FINDING NUMBER 2016-002

Noncompliance Finding - Finding for Recovery:

Cemetery fees collections were one of the primary responsibilities of Cemetery Sexton, Daniel Marshfield.

We examined all Cemetery fees receipts for the period January 1, 2012 through July 31, 2015, and compared the receipts to the revenues posted to the Cemetery accounting records. Additionally, we compared the receipts to deposits made to the Cemetery bank account.

We identified 39 of 608 receipts totaling \$5,735 in which the monies were collected but were not reported on the Cemetery accounting records or deposited into the Cemetery bank account. All 39 receipts were directly attributable to Mr. Marshfield as the Cemetery employee responsible for the issuance of the receipt.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code §117.28, a Finding for Recovery for public monies converted or misappropriated in the amount of \$5,735 is hereby issued against former Cemetery Sexton, Daniel Marshfield and in favor of the Geneva Union Cemetery General Fund.

Officials' Response: We discovered a group of receipts in Mr. Marshfield's desk upon his dismissal. We researched them and discovered they had not been submitted for recording and entering into the Cemetery Accounting System. We immediately notified the Cemetery Board and the State Auditor's Office. We assisted the Auditors in identifying the unrecorded receipts as well as the missing ones. As indicated in our response to 2016-01, we immediately implemented a log to insure that all receipt forms are recorded in the UAN system or otherwise accounted for.

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Dave Yost • Auditor of State

GENEVA UNION CEMETERY

ASHTABULA 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 23, 2018**