

STANDING ROCK UNION CEMETERY

PORTAGE COUNTY

Regular Audit

For the Years Ended December 31, 2019 and 2018





88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Members of the Board
Standing Rock Union Cemetery
1361 N. Mantua St
Kent, OH 44240

We have reviewed the *Independent Auditor's Report* of the Standing Rock Union Cemetery, Portage County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2018 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 7, 2020

This page intentionally left blank.

Standing Rock Union Cemetery
Portage County
For the Years Ended December 31, 2019 and 2018

Table of Contents

Title	Page
Independent Auditor’s Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types – For the Year Ended December 31, 2019.....	4
Notes to the Financial Statements – For the Year Ended December 31, 2019.....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types – For the Year Ended December 31, 2018.....	9
Notes to the Financial Statements – For the Year Ended December 31, 2018.....	10
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	14
Schedule of Findings	16
Corrective Action Plan (Prepared by Management)	17

This page intentionally left blank.

INDEPENDENT AUDITOR'S REPORT

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

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 Standing Rock Union Cemetery, Portage County, Ohio (the Cemetery) as of and for the years ended December 31, 2019 and 2018.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 for the purpose of expressing an opinion on the effectiveness of the Cemetery's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating of the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 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 determined, 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, 2019 and 2018, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

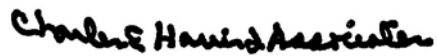
In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of Standing Rock Union Cemetery, Portage County as of December 31, 2019 and 2018, for the years then ended in accordance with 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 matter

As discussed in Note 8 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Cemetery. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2020, on our consideration of the Cemetery's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Cemetery's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cemetery's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
April 30, 2020

This page intentionally left blank.

Standing Rock Union Cemetery
Portage County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2019

	All Fund Types		Totals (Memorandum Only)
	General	Permanent	
Cash Receipts			
Intergovernmental	\$293,329	\$0	\$293,329
Charges for Services	75,206	0	75,206
Sale of Lots	45,200	0	45,200
Earnings on Investments	1,028	80	1,108
Miscellaneous	10,756	0	10,756
<i>Total Cash Receipts</i>	<u>425,519</u>	<u>80</u>	<u>425,599</u>
Cash Disbursements			
Current Disbursements:			
Salaries	290,767	0	290,767
Supplies	9,700	0	9,700
Equipment	6,497	0	6,497
Contracts - Repair	23,556	0	23,556
Contracts - Services	24,352	0	24,352
Public Employees' Retirement	32,078	0	32,078
Workers' Compensation	1,889	0	1,889
Unemployment Compensation	5,362	0	5,362
Miscellaneous	4,260	0	4,260
Capital Outlay	53,891	0	53,891
<i>Total Cash Disbursements</i>	<u>452,352</u>	<u>0</u>	<u>452,352</u>
<i>Net Change in Fund Cash Balances</i>	(26,833)	80	(26,753)
<i>Fund Cash Balances, January 1</i>	<u>317,217</u>	<u>24,323</u>	<u>341,540</u>
Fund Cash Balances, December 31			
Nonspendable	0	21,780	21,780
Restricted	0	2,623	2,623
Unassigned	290,384	0	290,384
<i>Fund Cash Balances, December 31</i>	<u>\$290,384</u>	<u>\$24,403</u>	<u>\$314,787</u>

See accompanying notes to the financial statements

Standing Rock Union Cemetery
Portage County
Notes to the Financial Statement
For the Year Ended December 31, 2019

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges for the Cemetery of the City of Kent and Franklin Township, Portage County, (the Cemetery). The City of Kent and the Franklin Township appoint a three-member Board of Trustees to direct cemetery operations. These entities also levy a property tax on behalf of the Cemetery to meet the Cemetery’s operating costs under the agreement which established the Cemetery. The accompanying financial statement classifies the tax levy as Intergovernmental Receipts. The Cemetery provides grounds maintenance, opening and closing of graves, and the installation of foundations for headstones.

The Cemetery’s management believes this financial statement presents all activities for which the Cemetery is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Cemetery’s financial statement consists of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which is organized on a fund type basis.

Fund Accounting

The Cemetery uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Cemetery are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Cemetery for any purpose provided it is expended or transferred according to the general laws of Ohio.

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 Cemetery’s programs (for the benefit of the Cemetery or its citizenry). The Cemetery had the following significant permanent fund:

Endowment Fund These funds receive interest on the nonexpendable corpus from trust agreements. These earnings are used for Memorial Day flower plantings on prescribed lots.

Basis of Accounting

The financial statement follows 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 recognizes disbursements when paid rather than when a liability is incurred.

Standing Rock Union Cemetery
Portage County
Notes to the Financial Statement
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies – (continued)

The statement includes 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.

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.

Capital Assets

The Cemetery records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statement does not include a liability for unpaid leave.

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:

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

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.

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.

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. The Cemetery Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the General Fund.

Standing Rock Union Cemetery
Portage County
Notes to the Financial Statement
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies – (continued)

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.

Note 3 – Deposits and Investments

The Cemetery maintains a deposits 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:

	<u>2019</u>
Demand deposits	\$58,432
Certificates of deposit	256,355
Total deposits	<u>\$314,787</u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Note 4 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Cemetery pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Commercial Insurance

The Cemetery has obtained commercial insurance for the following risks:

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

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

Standing Rock Union Cemetery
Portage County
Notes to the Financial Statement
For the Year Ended December 31, 2019

Note 5 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

All full-time 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 Cemetery contributed an amount equaling 14 percent of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2019.

Note 6 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2019.

Note 7 – Contingent Liabilities

The Cemetery is a defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Cemetery's financial condition.

Note 8 – Subsequent Event

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Cemetery. The Cemetery's investment portfolio has incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Cemetery's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Standing Rock Union Cemetery
Portage County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2018

	All Fund Types		Totals (Memorandum Only)
	General	Permanent	
Cash Receipts			
Intergovernmental	\$271,194	\$0	\$271,194
Charges for Services	77,562	0	77,562
Sale of Lots	46,800	0	46,800
Earnings on Investments	921	91	1,012
Miscellaneous	11,805	0	11,805
<i>Total Cash Receipts</i>	<u>408,282</u>	<u>91</u>	<u>408,373</u>
Cash Disbursements			
Current Disbursements:			
Salaries	279,133	0	279,133
Supplies	16,526	232	16,758
Equipment	2,795	0	2,795
Contracts - Repair	17,485	0	17,485
Contracts - Services	20,314	0	20,314
Public Employees' Retirement	30,491	0	30,491
Workers' Compensation	4,909	0	4,909
Unemployment Compensation	6,304	0	6,304
Miscellaneous	2,015	0	2,015
<i>Total Cash Disbursements</i>	<u>379,972</u>	<u>232</u>	<u>380,204</u>
<i>Net Change in Fund Cash Balances</i>	28,310	(141)	28,169
<i>Fund Cash Balances, January 1</i>	<u>288,907</u>	<u>24,464</u>	<u>313,371</u>
Fund Cash Balances, December 31			
Nonspendable	0	21,780	21,780
Restricted	0	2,543	2,543
Unassigned	317,217	0	317,217
<i>Fund Cash Balances, December 31</i>	<u>\$317,217</u>	<u>\$24,323</u>	<u>\$341,540</u>

See accompanying notes to the financial statements

Standing Rock Union Cemetery
Portage County
Notes to the Financial Statement
For the Year Ended December 31, 2018

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges for the Cemetery of the City of Kent and Franklin Township, Portage County, (the Cemetery). The City of Kent and the Franklin Township appoint a three-member Board of Trustees to direct cemetery operations. These entities also levy a property tax on behalf of the Cemetery to meet the Cemetery’s operating costs under the agreement which established the Cemetery. The accompanying financial statement classifies the tax levy as Intergovernmental Receipts. The Cemetery provides grounds maintenance, opening and closing of graves, and the installation of foundations for headstones.

The Cemetery’s management believes this financial statement presents all activities for which the Cemetery is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Cemetery’s financial statement consists of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which is organized on a fund type basis.

Fund Accounting

The Cemetery uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Cemetery are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Cemetery for any purpose provided it is expended or transferred according to the general laws of Ohio.

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 Cemetery’s programs (for the benefit of the Cemetery or its citizenry). The Cemetery had the following significant permanent fund:

Endowment Fund These funds receive interest on the nonexpendable corpus from trust agreements. These earnings are used for Memorial Day flower plantings on prescribed lots.

Basis of Accounting

The financial statement follows 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 recognizes disbursements when paid rather than when a liability is incurred.

Standing Rock Union Cemetery
Portage County
Notes to the Financial Statement
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies – (continued)

The statement includes 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.

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.

Capital Assets

The Cemetery records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statement does not include a liability for unpaid leave.

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:

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

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.

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.

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. The Cemetery Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the General Fund.

Standing Rock Union Cemetery
Portage County
Notes to the Financial Statement
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies – (continued)

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.

Note 3 – Deposits and Investments

The Cemetery maintains a deposits 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:

	<u>2018</u>
Demand deposits	\$86,293
Certificates of deposit	<u>255,247</u>
Total deposits	<u>\$341,540</u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Note 4 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Cemetery pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Commercial Insurance

The Cemetery has obtained commercial insurance for the following risks:

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

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

Standing Rock Union Cemetery
Portage County
Notes to the Financial Statement
For the Year Ended December 31, 2018

Note 5 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

All full-time 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 Cemetery contributed an amount equaling 14 percent of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2018.

Note 6 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2018.

Note 7 – Contingent Liabilities

The Cemetery is a defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Cemetery's financial condition.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts and disbursements by fund type of the Standing Rock Union Cemetery, Portage County (the Cemetery) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated April 30, 2020, 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. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Cemetery.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Cemetery's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cemetery's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cemetery's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the Cemetery's financial statements will not be prevented, or detected and corrected on a timely basis. *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 2019-001 to be a material weakness.

Compliance and Other Matters

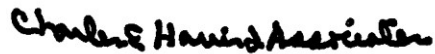
As part of obtaining reasonable assurance about whether the Cemetery's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Entity's Response to Finding

The Cemetery's response to the finding identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the Cemetery's response and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cemetery's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cemetery's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris and Associates, Inc.
April 30, 2020

Standing Rock Union Cemetery
Portage County
Schedule of Findings
December 31, 2019 and 2018

Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS
--

Finding Number: 2019-001 – Material Weakness

Audit Adjustments and Reclassifications

During 2019 and 2018, errors were noted in the Cemetery’s financial statements that required audit adjustments and reclassifications, the most significant of which are as follows:

- The receipt of property taxes collected by other governmental entities and remitted to the Cemetery was incorrectly posted as Taxes instead of Intergovernmental revenue.
- Fund Balance of the General Fund was incorrectly classified as Unrestricted instead of Unassigned.
- Fund Balance of the Endowment Fund was not classified in accordance with Governmental Accounting Standards Board (GASB) Statement Number 54 requirements, which should differentiate between Nonspendable balance and Restricted balance.
- The annual report filed by the management was not in Auditor of State published regulatory format.
- The annual report filed by the management was missing various Notes, such as Summary of Significant Accounting Policies – Fund Balance and Postemployment Benefits.

Sound financial reporting is the responsibility of the Cemetery and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. We recommend the Cemetery adopt policies and procedures to identify and correct errors and omissions in a timely manner. Management can use GASB Statement Number 54, the Ohio Administrative Code and other Auditor of State guidance to aid in properly identifying account classifications and preparing annual financial statements.

Management’s Response:

See Corrective Action Plan on page 17.

This page intentionally left blank.

Standing Rock Union Cemetery
Portage County
Corrective Action Plan
December 31, 2019 and 2018

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2019-001	Management plans to use more care in preparing the financial statements.	June 16, 2020	Jean Chrest, Clerk-Treasurer

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



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
JULY 21, 2020**